
Questions referencing this RFP shall be submitted electronically and shall reference the pertinent RFP section(s) and page number(s). Written responses will be binding and included in the contract as an appendix. Bidders may not contact State staff with questions. Questions sent electronically are the only ones which will be considered. Only those questions received by:

Kelli D'Aguiar
Division of Management Services – Client Payments
1901 N. DuPont Hwy.
New Castle, DE 19720
kelli.daguiar@state.de.us

by **April 30, 2010 04:30 P.M. ET** will be considered. Department of Health and Social Services (DHSS) shall not respond to questions received after that time. A final list of written questions and responses will be posted as an RFP addendum on the Internet at www.state.de.us/dhss/rfp/dhssrfp.htm.

REQUEST FOR PROPOSAL # HSS 10-067

Sealed proposals for Electronic Benefit Transfer Services
for the DIVISION OF MANAGEMENT SERVICES
Herman M. Holloway Sr. Campus
1901 N. DuPont Highway
New Castle, DE 19720

will be received by the Delaware Health and Social Services, Herman M. Holloway Sr. Campus, Procurement Branch, Main Administration Building, Sullivan Street, Second Floor, Room #259, 1901 North DuPont Highway, New Castle, Delaware 19720, until 11:00 AM ET local time, on May 28, 2010, at which time the proposals will be opened and read. A mandatory pre-bid meeting will be held on April 16, 2010 at 11:00 AM ET at Delaware Health and Social Services, Herman M. Holloway Sr. Campus, Sullivan Street, 3rd Floor Conference Room #301, 1901 N. DuPont Highway, New Castle, DE 19702. For further information concerning this RFP, please contact Kelli D'Aguiar at (302) 255-9273.

All RFP-PSCs can be obtained online at <http://www.dhss.delaware.gov/dhss/rfp/fundopps.htm>. A brief "Letter of Interest" must be submitted with your proposal. Specifications and administration procedures may be obtained at the above office or phone (302) 255-9290.

NOTE TO VENDORS: Your proposal must be signed and all information on the signature page completed.

If you do not intend to submit a bid and you wish to be kept on our mailing list you are required to return the face sheet with "**NO BID**" stated on the front with your company's name, address and signature.

IMPORTANT: ALL PROPOSALS MUST HAVE OUR PSC NUMBER (HSS -10-067) ON THE OUTSIDE ENVELOPE. IF THIS NUMBER IS OMITTED YOUR PROPOSAL WILL IMMEDIATELY BE REJECTED

FOR FURTHER BIDDING INFORMATION PLEASE CONTACT:

WENDY BROWN

DELAWARE HEALTH AND SOCIAL SERVICES
HERMAN M. HOLLOWAY SR. CAMPUS
PROCUREMENT BRANCH
MAIN BLD-2ND FLOOR –ROOM #259
1901 NORTH DUPONT HIGHWAY
NEW CASTLE, DELAWARE 19720
PHONE: (302) 255-9293

This contract resulting from this RFP shall be valid for the period of time as stated in the contract. There will be a ninety (90) day period during which the agency may extend the contract period for renewal if needed.

If a bidder wishes to request a debriefing, they must submit a formal letter to the Procurement Administrator, Delaware Health and Social Services, Main Administration Building, Second Floor, (Sullivan Street), 1901 North DuPont Highway, Herman M. Holloway Sr. Campus, New Castle, Delaware 19720, within ten (10) days after receipt of "Notice of Award". The letter must specify reasons for request.

. "All Bidders Who Wish To Bid On This Proposal Must Be Present, On Time, At The Mandatory Pre-Bid Meeting. No Proposals Will Be Accepted From Bidders Who Either Did Not Attend The Mandatory Pre-Bid Meeting Or Who Are More Than Fifteen (15) Minutes Late."

IMPORTANT: DELIVERY INSTRUCTIONS

IT IS THE RESPONSIBILITY OF THE BIDDER TO ENSURE THAT THEIR PROPOSAL HAS BEEN RECEIVED BY DELAWARE HEALTH AND SOCIAL SERVICES BY THE DEADLINE.

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1 Project Overview

1.1 Introduction

This is a Request for Proposal (RFP) for Electronic Benefit Transfer (EBT) Services issued by the Division of Management Services (DMS). This RFP is to provide assistance and service necessary to the ongoing operations of the Delaware Electronic Benefits Transfer System.

1.2 Background and Purpose

The Department of Health and Social Services (DHSS) is requesting proposals from qualified and experienced vendors to provide expert assistance and services necessary to achieve the goals of this RFP. Vendors must complete a response to all mandatory requirements in order to be considered for selection. Each proposal must follow the order set forth below and in the Sections listed below.

As of October 1st, 2008, Supplemental Nutrition Assistance Program (SNAP) is the new name for the Federal Food Stamp Program. The State of Delaware's new name is the Food Supplement Program (FSP). There are approximately 40,000 households currently receiving Food Benefits (FB) via EBT in Delaware. Delaware FSP is a state-administered and operated program. DMS is the State agency responsible for the overall administration of the EBT program, while Division of Social Services (DSS) operates FSP in accordance with the provisions of State and Federal laws, administrative rules, and regulations governing FSP.

DMS is responsible for the accounting and financial reporting functions for the Divisions and Institutions, which comprise DHSS. These functions include development and maintenance of all disbursement subsystems for paying provider groups, individual recipients, or local human services agencies. In addition, DMS interprets all accounting and reimbursement policies and procedures for the FSP EBT. DMS will manage the EBT contract.

Delaware currently operates an established EBT system with an EBT Contractor, FIS e-Funds Corporation. Delaware requires an EBT system that will provide substantial operational savings and/or improved services without negatively impacting retailers and EBT customers. Delaware plans to expand the EBT program to include other benefit programs in addition to FB. The proposed system should have an option to provide clients with a branded card that clients can use for all benefit types. This project should have minimum impact to the Delaware Client Information System (DCIS II), which is the Delaware system that determines benefit eligibility and issues benefits such as FB, TANF, GA and Childcare.

The EBT Contractor shall propose an EBT system that meets the requirements of applicable Federal and State laws and regulations, as well as, the Quest Operating Rules. The Federal requirements for EBT processing shall be considered the minimum standards for the EBT system. If specified in this RFP, the selected EBT Contractor may be required to exceed federal requirements to meet State or Quest requirements. As

Federal and State regulations, and/or the Quest Operating Rules are changed, the EBT system must be modified to meet the new requirements.

1.2.1 System Overview

The current EBT system consists of two subsystems. The main subsystem is hosted and maintained by FIS e-Funds. The other subsystem resides on the DHSS mainframe.

The DHSS EBT subsystem performs the following functions:

- Gathers benefit issuance and client data (new, update, delete) and send that data to FIS via different data exchange jobs.
- Send instructions for client deletion and expunging aged benefits.
- Receives and process transaction data, reports, and confirmation and error files sent by FIS, including transaction history.

The FIS subsystem is used to set up and administer client EBT accounts. The FIS subsystem handles the issuance of EBT cards to clients and tracks transactions on the EBT accounts. The data exchange processes run daily. All data exchange processes use Connect Direct software to send and receive files. The EBT Contractor's system must interface with the DHSS EBT subsystem on the DHSS mainframe.

A client who applies for any service provided by a Division within DHSS is registered in the Department's Master Client Index (MCI) only one time. Common client information shared throughout the Divisions is in the MCI. Client information unique to a particular program is available only to the Division administering that program.

DCIS II is the automated system that supports Delaware's TANF, General Assistance, Food Benefits, Medicaid and CHIP programs. The system, fully implemented on 12/14/98, operates statewide and supports approximately 1,000 users in 20 different locations.

DHSS requires that prospective EBT Contractors utilize its existing interface records and file formats currently in production to write its specifications.

1.3 Additional Programs

The Contractor must support the State in adding future functionality to the DHSS EBT system for provision of additional State and Federal program benefits including, but not limited to, WIC (Special Supplemental Program for Women, Infants and Children), TANF (Temporary Assistance for Needy Families), GA (General Assistance), health care applications, childcare, child support payments, unemployment insurance benefits, Supplemental Security Income, adoption subsidies, fuel, rent, utilities and foster care. The selected vendor's proposed pricing for core, core optional and/or state specific services will apply for any future cases as a result of additional program benefits. The Contractor must agree to negotiate in good faith toward developing a contract amendment, subject to applicable state agency approval, to include pricing associated with any development costs.

2 DHSS Program and System Overview

2.1 Delaware Department of Health and Social Services (DHSS)

The mission of DHSS is to improve the quality of life for Delaware's citizens by promoting health and well-being, fostering self-sufficiency, and protecting vulnerable populations. DHSS is comprised of twelve divisions as follows:

- Division of Substance Abuse and Mental Health
- Division of Child Support Enforcement
- Division of Long Term Care Resident Protection
- Division of Management Services
- Division of Developmental Disabilities Services
- Division of Public Health
- Division of Services for Aging and Adults with Physical Disabilities
- Division of Social Services
- Division of Medicaid and Medical Assistance
- Division of State Service Centers
- Division for the Visually Impaired
- Office of the Chief Medical Examiner

2.2 The Division of Management Services

The mission of the Division of Management Services (DMS) is to provide high-quality leadership and technical expertise in DHSS through efficient and cost-effective management of human, financial information, evaluative and facility resources, as well as the delivery of customer-driven services. DMS is responsible for providing support for various public assistance programs including the Food Supplement Program. DMS will appoint a Project Director.

2.3 Support/Technical Environment

The three groups responsible for the development and operation of the automated systems that support the Division are described below. In addition to the Project Director, DSS and IRM (see below) will appoint Project Managers. These individuals will be responsible for monitoring project progress and will have final authority to approve/disapprove project deliverables and payments. IRM will serve as the technical liaison with DTI (see below). The selected contractor will coordinate efforts for this project with the State Project Director and Project Managers.

2.3.1 Information Resource Management (IRM)

The IRM unit is responsible for providing DHSS divisions with direct programming support of automated systems, as well as consulting support and advice on automated systems software and development. IRM consists of an Applications Development, Technology Planning, Base Technology, Telecommunications and Helpdesk support group. For this project, IRM will provide project staff for consulting support and advice to assure that technical questions and issues are resolved quickly. IRM will appoint a Project Manager for this project

2.3.2 Department of Technology and Information (DTI)

DTI is a separate cabinet level agency responsible for running the State of Delaware's mainframe computer operations, wide area data network and setting statewide IT policy and standards. DTI as a separate state agency does not fall under the authority of DHSS. However, DTI is responsible for supplying mainframe and Wide Area Network (WAN) systems support to DHSS as well as other state agencies. Additionally, DTI provides 24x7 data center operations support. DTI provides state agencies with technical consultant services. DTI will work closely through IRM on this project to ensure that State IT standards are followed.

2.3.3 Division of Social Services (DSS)

DSS is directly responsible for administering Delaware's Temporary Assistance for Needy Families (TANF), Food Benefits, Subsidized Child Care, General Assistance, and Refugee Cash Assistance. DSS, IRM, and DMS work very closely to support and ensure that standards are followed and issues are resolved for the Food Supplemental Program. The Delaware Client Information System (DCISII) is the enterprise system used to determine eligibility and issue the benefits listed above. DSS has administrative authority over the DCIS II system. IRM will appoint a Project Manager for this project

3 State Responsibilities

The following are State responsibilities under this RFP. Outlined in the following subsections are such areas as project staffing, project management, available resources, and system testing and implementation (if applicable). There is an emphasis on the limitation of State staff time for this project and their role in the customization/development process.

3.1 Staffing Roles

As stated above, DMS will appoint a Project Director. This person will serve to manage the contractor during this project. All project deliverables will be approved by signature of the State Project Director and Project Managers. The Division Project Director will provide overall project oversight.

The State Project Director will serve as primary coordinator to ensure that Joint Application Design (JAD) sessions take place with the appropriate subject matter experts (SME), that project documents and deliverables are thoroughly reviewed and that approval takes place within agreed upon timeframes. This individual is also responsible for scheduling and coordinating User Acceptance Testing (UAT), when appropriate. The Division Project Director will coordinate with other divisions and State agencies for their input as needed. These staff will serve primarily as subject matter experts on relevant Division applications and related systems, and will participate in meetings and deliverable review as necessary.

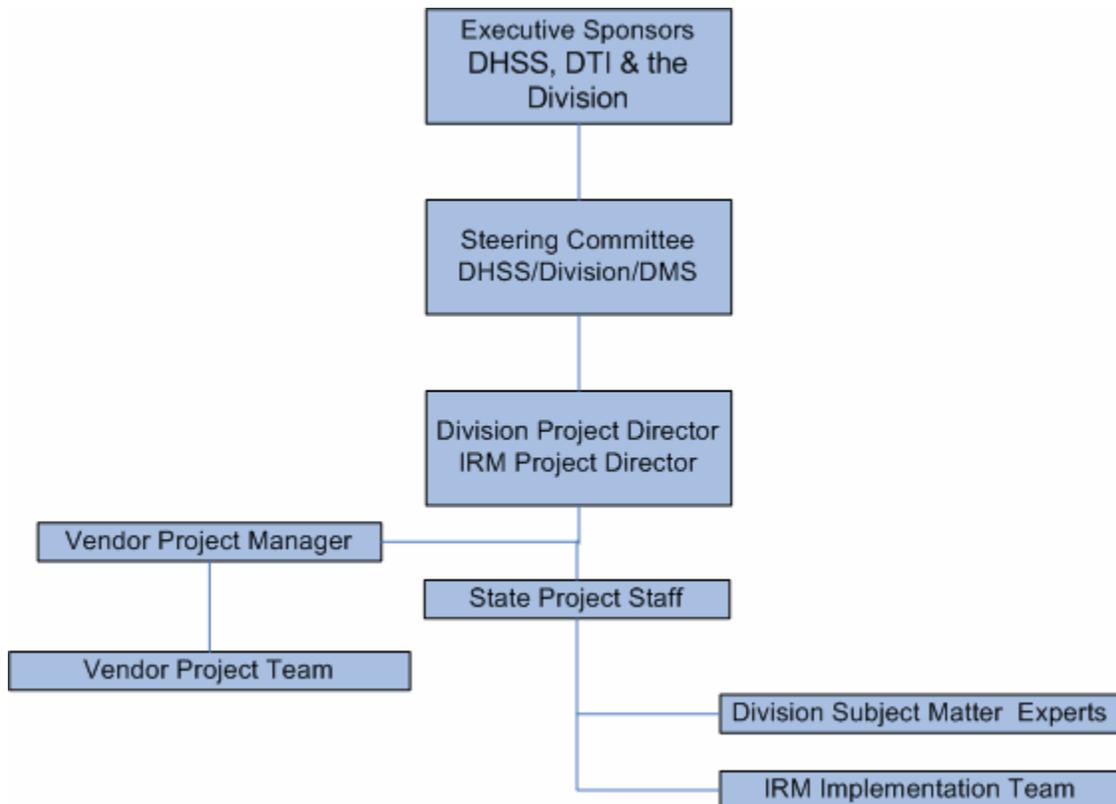
The IRM Project Manager will serve as primary technical liaison to ensure that contractor and State technical staff work together effectively to identify current and future technology considerations and make key technology decisions. The IRM Project Manager will serve as the primary liaison with DTI staff to gather State level input as needed.

The DSS Project Manager will coordinate requirements and changes necessary to the DCIS II system in support of EBT including JAD session participation and user acceptance testing.

The Project Director will report to a Project Steering Committee made up of representative managers from the Division and IRM. This Committee will meet monthly to review project status, progress and issues. The Project Steering Committee will report to the Executive Sponsors. The Executive Sponsors will be made up of representatives from DHSS, DTI and the Division. They will meet at least bi-monthly to discuss overall project status, progress and issues, project management, funding, staffing, sponsor issues, stakeholder participation and tasks planned for the upcoming quarter.

3.1.1 Project Organization Chart

The following organization chart outlines the proposed management structure for this project.



3.2 State Staff Participation

The State Project Director will be assigned to work on this project full time. Additional State staff participation is as assigned and is in addition to their primary responsibilities. State staff normally work 7.5 hour days from 8:00 AM – 4:30 PM, although some staff flex their schedules. No State staff will be available for data cleanup or meta-data definition. State staff will be available to consult with the vendor on the data needing to be cleaned up for conversion. However, divisional SME's can serve to advise contractor on these topics. No State technical staff will be assigned to this project to assist in the coding of the system. State technical staff will attend JAD sessions as assigned. It is important to note that documentation on the existing systems may be missing, incomplete, out of date or in error. Divisional staff will be responsible for user acceptance testing. The Divisions will be responsible for assigning knowledgeable subject matter experts for the duration of JAD sessions related to their areas of expertise. These assignments will be sent to the State Project Director prior to the start of the JAD sessions. Attendance at these sessions is mandatory for assigned staff. These same subject matter experts along with other staff will be assigned to participate during UAT for their areas of expertise. Adequate divisional staff participation is critical.

3.3 Resource Availability

During State business days, the Biggs mainframe production systems are normally available from 7:00 AM to 6:00 PM. On Saturday the hours are 8:00 AM to 4:30 PM. Production systems are taken down earlier on specific monthly dates to accommodate particularly heavy batch schedules. Test systems availability will be scheduled in concert with other development staff. DTI has mainframe systems support staff on site from 7:00 AM to 4:30 PM. DTI Operations staff are on site 24x7. IRM applications, telecommunications and HelpDesk staff are on site from 8:00 AM to 4:30 PM on State business days. The State network is very stable and unscheduled downtime is minimal. Given that the network is an essential state resource, any reported problems have a very high priority and are dealt with immediately. Biggs Data Center power is conditioned and outside supply fluctuations can trigger a switch to automatic local power generation capability. The State has audio and video-conferencing capabilities as well in specific on-site locations for remote meeting participation. Remote connectivity through SSL-VPN is available for offsite work for contracted staff that must access, update or maintain servers and/or applications in the DMZ. Please refer to Appendix D for more information on the DHSS IT environment.

3.4 Deliverable Review

It is the responsibility of the State to perform deliverable review including User Acceptance Testing on all functional aspects of the project. DTI may participate in the review process for certain deliverables. It is the responsibility of the State to review all project deliverables in the agreed upon timeframe. The State will notify the bidder of any changes to the review schedule. Milestone invoicing and payment is contingent upon formal State approval. Likewise, production implementation of each module is contingent upon formal State approval.

3.5 Implementation

Production implementation is normally an IRM responsibility. Depending on the solution selected, IRM may require participation of contractor staff. The state will be primarily responsible for post implementation administration if the system resides at the Biggs Data Center. If an Application Service Provider (ASP) solution is selected, the vendor has primary administration responsibilities.

3.6 DHSS Staff Responsibilities

The groups responsible for the operation of the automated systems that support DMS are described below. The Division of Social Services (DSS) and Information Resource Management (IRM) will manage transactions with information that support the EBT system. These groups will manage and monitor the progress and maintenance, along with DMS.

3.6.1 State Project Director and Project Managers

- Serve as the Contract Administrator.
- Ensure all Contract instruments are appropriately executed.
- Review and approve any Contract changes.
- Review and approve invoices, payments, and any adjustments.
- Provide validation of deliverable acceptance and performance measurements.

- Validate that Contract milestones, timelines, and deliverables are provided pursuant to the Contract performance measurements.
- Facilitate Contract review by DSS, DMS Procurement, IRM, and the DHSS Controller's Office.
- Monitor the project and Contract to ensure delivery of complete, on schedule, accepted deliverables.
- Review and approve estimates, priorities, timelines, formats, outlines and project deliverables.
- Ensure proper involvement from all project staff from DMS, DSS and IRM.
- Advise the Vendor Team on issues.
- Participate in EBT Steering Committee.

3.6.2 IRM EBT Project Staff:

- Participate in JAD sessions
- Review and provide input on draft documents.
- Collaborate with Vendor on technical issues, test plans, schedules, and specifications.
- Review deliverables and participate in code and test runs.
- Assist vendor in performing UAT.

3.6.3 DMS EBT & DSS Project Staff

- Participate in JAD sessions
- Participate in UAT
- Participate in User Training sessions.

4 Contractor Responsibilities/Project Requirements

The following are contractor responsibilities and project requirements under this RFP. Given the limitations of assigning State staff to this project, the contractor is expected to provide most of the expertise and provide the full range of services during the project. Bidders must discuss each of these subsection requirements in detail in their proposals to acknowledge their responsibilities under this RFP.

Bidders must have demonstrated experience and depth in the following areas:

- Documented experience in successfully performing work on projects of a similar size and scope as required by this RFP.
- A proven track record of successfully partnering with its clients to achieve the goals set forth in any contract.
- A clear, complete and comprehensive vision of the direction of the business.
- A successful track record of commitment to, and support of, the offered product.
- Evidence of a fiscal stability, including being able to demonstrate that this project will not have a material impact on the vendor's organization's financial status.
- Experience with analysis, design, construction and implementation of computer systems for electronic payment processing.
- Experience with mainframe processing.

This experience is critical in ensuring project success in terms of the future direction of the Division's information technology development, as well as maintaining an open partnership with project partners.

4.1 Staffing

Contractor will propose and supply resumes for the following key positions including:

- Project director
- Project manager
- Business analysts
- Senior developers
- Technical analysts (i.e. DBA, SE, etc.)
- Documentation specialists

The resumes will be for specific named individuals and will be in the format specified in Appendix E. Other positions may be proposed at the contractor's discretion. One person may be proposed to fill more than one role. In addition to describing the key project staff, please indicate in your proposal if any of the proposed staff will be onsite in New Castle Delaware. During the project the selected vendor must inform DHSS Project Directors of any staff changes at least two weeks in advance when possible.

4.1.1 Offsite Project Work

The State will permit project work to be done offsite, within the United States and Canada. For offsite work, the State requires strong management of the resources and assigned tasks; adequate, timely and accurate communications and completion of assigned work by specified deadlines. This is important to any offsite relationship. If the

bidder organization is proposing offsite project work, the bidder must specifically address each of the bulleted items below in this section of the proposal. Otherwise, bidder will respond to this section as follows: **“No offsite project work proposed.”**

Note: For the purposes of this section, the bidder staff organization includes subsidiary contractors.

- Provide a detailed description of work to be completed offsite along with a breakdown of the type of work to be provided on-site. Quantify this by estimating for each of the deliverables identified in this Section, the percentage of work to be done offsite.
- Provide an organization chart with job titles of offsite staff and their relationship to the bidder.
- Provide a description of what tasks each job title is responsible for performing.
- Clearly identify if offsite work is to be performed by bidder staff or sub-contractors.
- For offsite subcontractor or bidder staff, please include the names and resumes of key staff, highlighting prior participation on similar projects. Also provide named or sample resumes for lower level staff.
- Provide a detailed plan for managing offsite work including communication strategy to accommodate time differences if any.
- Propose a meeting schedule for project status discussions with offsite management staff.
- Identify the offsite single point of contact who will serve as the project manager of offsite resources. Describe how this project manager and the on-site project manager will interact. The State prefers that the offsite project manager be a bidder employee. Please refer to RFP Section 4.1 for normal bidder staffing requirements.
- Provide a description of prior bidder organization experience with use of offsite bidder staff or subcontractors and provide U.S. client references for that work.
- Provide a detailed description of proposed project manager's experience in directing offsite staff and/or subcontractors.

Describe how the system components will be tested and staged during customization/development. For non-ASP solutions, the State requires that the all UAT, production and related environments be located at the Biggs Data Center. All system components of these environments including all system libraries and databases will be located in the data center as well. State staff must approve the results of system testing before systems components are migrated into UAT. Food and Nutrition Services (FNS) will also have to grant approval, upon the successful completion of this testing, for the project to continue. It is critical that system components are proven to operate in the Biggs Data Center UAT environment before hand off to the users for testing. Remote developers and testing staff may access these environments through VPN.

4.1.2 Project Director Requirement

The Vendor Project Director is the individual who has direct authority over the Vendor Project Manager and will be the responsible party if issues arise that is not resolvable with the Vendor Project Manager. The Project Director does not need to be on-site except for designated meetings or as requested. It is critical that a named Vendor Project Director with appropriate experience be proposed.

4.1.3 Project Manager Requirement

The Vendor Project Manager manages the project from the contractor perspective and is the chief liaison for the State Project Director. The Project Manager has authority to make the day-to-day project decisions from the contractor firm perspective. This contractor project manager is expected to host meetings with Division Subject Matter Experts (SME) to review Division business organization and functions along with the organization, functions and data of existing information systems relevant to this project. The contractor project manager is expected to host other important meetings and to assign contractor staff to those meetings as appropriate and provide an agenda for each meeting. Bi-weekly status meetings are required, as are monthly milestone meetings. Meeting minutes will be recorded by the contractor and distributed by noon the day prior to the next meeting. Key decisions along with Closed, Active and Pending issues will be included in this document as well. In their proposals, bidders must include a confirmation that their project manager will schedule status review meetings as described above. It is critical that a named Vendor Project Manager with prior project management experience be proposed.

In their proposals, bidders must include a confirmation that their Project Manager will schedule status review meetings at least bi-weekly, and that their Project Manager will provide written minutes of these meetings to the State Project Director by noon the business day prior to the next meeting.

The Vendor Project Manger is responsible for but not limited to the following tasks:

- Serve as the Vendor Contract Administrator.
- Have authority to address matters concerning the Contract, including invoices, negotiating and approving change requests, and taking the necessary action to ensure Contract compliance and proper performance for all tasks within the milestones.
- Deliver Contract performance measurements, reporting and tracking documents and all other documentation as scheduled and/or required by the Contract.
- Serve as primary contact to interact with State Project Director, and Third Party Vendors, as it pertains to any Contract agreements.
- Notify State Project Director, in writing, when the Vendor Project Manager and/or Vendor Team discover any problem(s) that may jeopardize the successful or timely completion of the Vendor's Contract obligations.
- Ensure that the Vendor Team fulfills its duties and responsibilities under the Contract. Have the responsibility over the Vendor Team to ensure compliance with the contract and tasks with the approved work plan.
- Keep State Project Director informed of all interactions with State staff.
- Escalate issues to State Project Director.
- Develop and submit all deliverables as required by the Contract. Meet the Project schedule and milestones as defined by the Contract.
- Provide sufficient copies of materials for meetings. Attend, participate, facilitate, prepare materials for and document executive status briefings and other meetings, as needed and requested by DMS.

- Provide support for troubleshooting any known technical problems and issues, as reported by IRM. If a problem is known and reported by DHSS, the Vendor Project Manager will coordinate having the problem fixed/resolved, in accordance with the Contract.
- Provide maintenance and operations support, as outlined in the Contract.
- Assist Delaware in reporting requirements.

4.1.4 Project Help Desk Staff Requirement

Vendor Help Desk expertise is critical to the success of the system. Staff proposed for this function does not need to be dedicated exclusively to this role. They may serve a primary role in addition to providing Help Desk coverage. Bidder must supply at least a primary and a backup Help Desk function during the UAT, production Implementation and the warranty period. These staff will provide second-level support during State business hours to callers with system issues. The department's Help Desk will provide first-level support. This generally includes resolution of issues such as network connectivity, application log in problems and general PC advice. The contractor will provide second level support. This will be more system-specific and require application expertise. Specific system issues may be referred to third-level divisional support for SME expertise.

4.2 Project Management

The contractor must be the prime contractor to develop all the deliverables required by this RFP. The contractor must recommend a core team to work with DHSS over the course of the project and must identify other resources needed. A detailed, up-to-date project plan must be created and maintained weekly to accurately reflect project timelines and tasks. This project plan must include each phase of the project, clearly identifying the resources necessary to meet project goals. For each document deliverable, the contractor will first deliver for State approval a template with an outline and sample contents. The actual deliverable will follow the approved template. It will be the contractor's responsibility to provide complete and accurate backup documentation as required for all document deliverables.

The contractor is expected to employ a rapid application design methodology to speed customization/development. An iterative model of testing is required which will require early prototypes and subsequent demonstrations of working modules to ensure that the product meets user specifications in terms of user interface and functionality. It will be the contractor's responsibility to provide complete and accurate documentation for all entities in the system. The contractor is expected to release prototypes/drafts of project deliverables and components for early state consideration and comment in order to expedite the final review process.

4.3 Requirement to Comply with State Policies and Standards

All proposed solutions submitted in response to this RFP must be fully compatible with the Department of Health and Social Services' technical environment. This is specified in Appendix D via the following web links:

- State of Delaware Web Standards
- The State agrees to the conditions stipulated in USDA Policy memorandum 3140-001. (<http://www.ocio.usda.gov/directives/doc/DM3140-001.html>)
- DTI Executive Sponsor Reporting Standards and Change Management Standards

Vendors must also comply with DTI policies and standards and DHSS Information Technology (IT) Standards, which will be distributed at the mandatory pre-bid meeting upon vendor signature of a non-disclosure agreement.

Vendor staff accessing State IT resources must comply with DHSS policies and standards, and will be required to sign the DTI Acceptable Use Policy, the DHSS Biggs Data Center User Authorization Form and the Biggs Data Center Non-Disclosure Form.

User authentication will be discussed with the selected vendor. Authentication of non-state users will be handled through the state standard Identity Access Management tool. Authentication of state users will be dependent on the solution technology proposed.

All components of the proposed solution, including third party software and hardware, are required to adhere to the policies and standards described above, as modified from time to time during the term of the contract resulting from this RFP, including any links or documents found at the above referenced web sites. **The Standard Department Contract in Appendix C cannot be modified for any reason (see Appendix A, paragraph 18). Any other proposed exceptions to this RFP must be addressed in the Executive Summary (Section C) of your Technical Proposal. The exceptions listed must be specific and include a justification of why the exception is necessary and the impact on the project if the exception is not granted. Exceptions may be rejected or granted in whole or in part at the sole discretion of the State.**

4.4 Architecture Requirements

Adherence to State standards is required for securing and protecting data. This level of protection is required for data whether hosted **onsite or offsite**. It is very critical that the proposed solution demonstrate this compliance. As such it is required that the vendor include in this section a proposed architectural diagram(s) in Visio format demonstrating appropriate tier separation and firewall protection that is consistent with State standards.

The application will have at least 3 tiers with the tiers configured and secured as in the sample diagram included in the DHSS IT Environment Standard. Please see State of Delaware System Architecture Standard and DHSS IT Environment Standard for more information. These and associated documents will be provided to interested vendors separately.

DHSS mandates that system changes test out successfully in UAT with formal approval by the State prior to migration into production. The UAT environment must be the technical equivalent of the production environment to minimize issues with promoted code and/or database changes in production. Bidders may propose additional environments as necessary or recommended for their solution.

System architecture diagrams are a key component of the proposed system in terms of meeting State architecture requirements. As part of contract negotiations, the selected vendor will work with IRM to produce a final State approved detailed diagram for each proposed environment. These will be included in the final contract. This will also be made part of a project business case that must be in "Recommended" status prior to contract signature. The project business case is a State responsibility.

The State prefers to have a system with a web front-end for a common user interface. Web browser based applications are now considered the only acceptable platform for custom applications development at DHSS. Additionally, in the purchase of any COTS (commercial off-the-shelf) system, web browser based systems will receive preferential treatment. Preference will also be given to COTS systems which:

- Use Microsoft Windows Server as their operating system
- Use Microsoft Internet Information Server (IIS) as their web and application server software
- Use either Microsoft SQL Server or the mainframe DB2 database for their data store (the Microsoft database platform is the preferred platform due to its higher availability and capacity)
- Have been developed using Microsoft C#.NET

4.5 Mainframe Considerations

The current mainframe supports a number of system and available resources are limited. Syncing mainframe online and batch schedules further restricts system operating hours.

As applicable to this project, various mainframe software version upgrades are planned to keep this data center up-to-date with current software releases. The State will provide up-to-date mainframe, server, network and security testing and implementation schedules to the winning bidder. Bidders are expected to take this changing technical environment into consideration for their analysis and recommendations.

4.6 Database Design

Vendor will need to take into consideration the design of existing table structures and whether they may carry forward into the solution being proposed or may have to be re-engineered. Quality of the current data needs to be reviewed. Consideration will need to be given to ETL (Extraction, Transformation and Loading) processes for conversion as well as archiving, backups and disaster recovery. The vendor will be required to provide a data model in Microsoft Visio format.

4.7 Reporting

To the extent possible, reporting should utilize an extracted or near real time copy of the production database so as not to adversely affect the performance and response time of the production application. This is critically important for systems that permit ad-hoc reporting or user-constructed queries. The State encourages the use of a separate reporting environment especially for complex systems or systems with a large concurrent use base. If a separate reporting environment is being proposed, bidders will include a corresponding system architecture diagram in their proposal.

4.8 Performance

Performance of the proposed solution within the DHSS and State technical environment is a critical consideration. The present data center environment in terms of infrastructure, hardware, power, etc. needs to be reviewed. Contractor is expected to review this with IRM and DTI to ensure that it is sufficient. The current design and capacity of the network especially in terms of connectivity to the Division business sites must be reviewed along with service upgrade plans. Future capacity and response time needs must be evaluated and accepted.

4.9 Degree of Customization

In terms of costs, vendor will be expected to account for necessary customization of proposed solution in order to fit Division business needs.

In terms of degree of customization of COTS software to meet State needs, the State prefers that this not exceed 15%. There is no metric for this requirement; rather it represents the State's interest in cost containment by restricting the customization of a COTS product. If proposing a COTS solution, please include an estimate of the percentage of customization generally necessary for this type of project. The State will waive ownership rights of customization features if they are made part of the standard product, which in fact is the State's preference.

4.10 Backup and Recovery

DHSS requires that system data be backed up to appropriate media that can be restored as necessary. Contractor will be expected to review the current backup and recovery process and suggest scenarios where incremental backups, full backups or dataset reloads are appropriate.

4.11 Disaster Recovery

DHSS has contracted with Vital Records, Inc. as the offsite media storage contractor for client/server and mainframe backup media. Sungard Recovery Systems is contracted as the client/server and mainframe cold site contractor. Disaster recovery tests are conducted every six months for the Biggs Data Center Environment. Contractor is expected to review this process with IRM and DTI to ensure that it is sufficient

Additionally, if the vendor has ongoing maintenance responsibilities for the system, they will be required to participate to the extent necessary in this testing. This requirement will be detailed in the maintenance contract and will also include expected turnaround time and recovery participation in the event of an actual disaster declaration. If a vendor hosted ASP COTS solution is proposed, your proposal must include a detailed description of the disaster recovery procedures for the proposed system.

4.12 Specific Project Tasks

Contractor is expected to address the following requirements from 4.11 to 4.32 in their proposal in detail. Emphasis is on the limited availability of State staff for the project and the expectation that the contractor express in detail their understanding of their responsibilities for each of these tasks. Contractor is expected to have primary responsibility for each of these project tasks. State versus contractor responsibilities must be delineated.

4.13 Project Work Plan

DHSS envisions the EBT project consisting of eight generally sequential (although there may be some overlap) phases.

- Requirements analysis
- Design
- Development
- Transition – Food Benefit Eligibility System History
- Operations
- System Testing

- Acceptance Testing
- Implementation

Respondents can organize project tasks in different phases than the ones listed above. In that case your proposal must have a section(s) describing in detail your project management methodology. The EBT Contractor is required to define the anticipated timeliness and estimated completion dates for the project deliverables within each phase in the preliminary Project Work Plan submitted with their proposal.

The EBT Contractor's Project Work Plan shall be based on the Respondent's proposal. The plan shall include, at a minimum, a schedule of all tasks and deliverables required throughout the project. This plan shall identify all critical path and dependency tasks and delineate the responsibilities of the EBT Contractor, the State and Federal agencies.

The project plan is a living document and must be updated at least bi-weekly throughout the project to reflect actual project status and timelines. The State must approve any change that results in the change of a milestone date.

4.13.1 Design Phase

The length of time and deliverables from the project design phase shall be based on tasks and deliverables identified within the Project Work Plan. The Design Phase shall commence with the signing of a contract and shall continue for the timeframe identified within the EBT Contractor's response and proposed work plan and mutually agreed upon by DHSS and the EBT Contractor. All deliverables identified within the project plan are subject to State review and approval. The EBT Contractor shall allow DHSS to review and comment upon each deliverable in a time period designated as appropriate by DHSS based on the State approval of the Project Work Plan.

- **Transition Plan:** The EBT Contractor shall be responsible for the transition of the Client and Retailer populations. The EBT Contractor shall prepare a transition plan that covers each activity in detail. This includes a transition plan from our current EBT system to phase into the new EBT system. The transition plan should include client EBT card re-issuance and any tasks that are needed to transition current EBT vendors.
- **Functional Design Document:** This document should provide a functional overview and description of the proposed system, procedures, and workflow in the EBT system.
- **Detailed Design Document:** This document shall describe the total system configuration, including system hardware, functionality; file layouts, message and file flows, data elements, system interfaces, settlement and reconciliation functions, management reports, and the system security plan.
- **Life Cycle Testing Approach:** The EBT Contractor shall provide a System Life Cycle Testing Plan. The basic premise of the life cycle testing approach is that any changes made, whether it is the EBT Contractor's system or the DHSS' system, should be properly tested, prior to being introduced into a production environment.

- **Test Plan:** The EBT Contractor shall develop system test plans during the Design Phase. Test plans shall outline the test purpose, methodology, environment, and test problem resolution rating process. Test Plans shall be developed for the:
 - Functional Demonstration
 - System Acceptance Test
 - System and Network Capacity Test
 - Speech-enabled Interactive Voice Response (SIVR) Test
 - System Interface Test
 - Data Conversion
- **Back-up and Recovery Plan:** The EBT Contractor shall provide a description of the types of service interruptions that may impact the EBT system's operations and, therefore require the use of a backup and recovery process. For each potential interruption type, the EBT Contractor shall detail the steps to be taken to survive and recover from the interruption. The plan shall include provisions to ensure that benefits continue to be accessible to the cardholders. In addition, the EBT Contractor shall outline the resources committed to each proposed back-up and recovery plan (i.e. people, systems, telephone lines, and operation sites) and indicate whether the back-up and recovery plan has been tested under real or simulated conditions.
- **System Security Plan:** The EBT contractor shall prepare a security plan detailing the security provisions and proposed user profiles established within the EBT system.
- **Training Plan:** The EBT Contractor shall prepare and submit a Comprehensive Training Plan that identifies the proposed deadlines and supportive tasks for the planning, design, development, production and distribution of all training materials. The training plan should address the timeline for creation of the deliverables and the timeframe for training DHSS staff and retailers.
- **Retailer and TPP Agreements:** The EBT Contractor shall provide copies of the retailer and TPP agreements that will be utilized with DHSS EBT system for review and approval by the State and FNS.

4.13.2 Development Phase

The Development Phase shall commence following the completion of the Design Phase. During this phase of the project, the EBT Contractor shall configure and test DHSS EBT system according to the system specifications defined and agreed upon during the Design Phase.

- **System Testing:** Upon completion and approval of the design documents, the EBT Contractor shall update the System Test Plan, as appropriate, and develop system test criteria and produce system test scripts. Test criteria shall describe the desired system outcomes and performance measures. Test scripts shall provide detailed, step-by-step instructions on the actual test and system functions to be demonstrated. The EBT Contractor shall establish and control test data.

System testing must be performed on all components and functional areas of the EBT

application system before delivery of the system. The EBT Contractor shall develop and control test data.

Required system tests and demonstrations, which will be conducted by the EBT Contractor during the Development Phase, include the following tests:

- **Functional Demonstration:** The functional demonstration shall provide State and Federal representatives the opportunity to review and observe planned EBT system operations. The EBT Contractor shall prepare a report of the demonstration results including any system modifications that were identified.
- **Interface Testing:** A test shall be conducted between Delaware's EBT System and the Contractor's EBT system to ensure that all files sent between the two systems are properly received, accepted, and processed. Throughout the contract period, the EBT Contractor must utilize the "Connect/Direct" interface file transmission protocol (latest version utilized by the State) to exchange files between the State and the Contractor.
- **DCIS II Test Data:** A test shall be conducted between the Contractor's system and the Delaware Client Information System (DCIS II) to ensure that all files sent between the two systems are properly received, accepted and processed.
- **System Acceptance Test:** The system acceptance test provides both State and Federal representatives the opportunity to test the EBT system functionality and ensure compliance with the system design requirements. This test shall consist minimally of functional requirements, security, recovery, system controls, and "what if" testing. FNS will grant approval, upon successful completion of this testing, for the project to continue.

In addition, as part of the system acceptance testing, the EBT Contractor must demonstrate the methods and processes for performing daily reconciliation between DHSS and the EBT Contractor interface and processing activities including financial settlement. During the formal test script portion of the acceptance test, test representatives will follow detailed test scripts developed by the EBT Contractor. The test scripts should cover all facets of the system's operations and test all of the system processing options and environmental conditions.

- **Performance Testing:** The purpose of this test is to ensure that there is sufficient capacity within the EBT system being provided to the State to handle the expected transaction volume. Test results from this test shall be used to formulate a system capacity model to determine the appropriate hardware and software requirements and configuration so that Delaware's EBT system can accommodate anticipated volume.
- **Speech-enabled Interactive Voice Response (SIVR) Testing:** The SIVR system shall be tested to ensure that the system properly accepts, processes, and transfers both retailer and customer calls, per the system requirements and within the specifications defined.
- **Transition Testing:** The EBT Contractor shall be required to demonstrate to the

State the conversion process of the EBT system from the current Contractor to the proposed system. Testing shall validate the conversion results, and demonstrate the EBT Contractor's ability to perform testing transactions against the converted database. Test transactions performed against the converted database shall include both customer transactions and administrative functions.

- **Test Reports:** The EBT Contractor shall be required to provide reports describing the results of each test that is performed, as well as any additional re-testing that is required to satisfy the test objectives. The test reports shall also describe the intended scope and results from the test, and any system modifications that were identified as necessary to resolve system errors and deficiencies found during the testing.
- **Updates to Detail Design:** The EBT Contractor shall revise the Detailed System Design documents to reflect any system modifications identified and made as a result of the system testing. If revisions are required, the Contractor shall submit the updated Detailed System Design following the completion of the EBT system testing process.
- **Change Management:** A formal change management approach is critical to the State and the EBT Contractor. The State requires that the Contractor develop a Change Management Plan. The Change Management Plan must define roles and responsibilities and assure the State that no change to the EBT System will be undertaken without the State's prior knowledge and approval. This section contains the State's requirements for change management.

Subsequent to acceptance of the Detail Design Document and extending throughout the term of the Contract, all Contractor design changes, corrective actions, or system enhancements must be communicated to the State through a formal written process. The Contractor shall provide the State with timely pre-notification of such changes that have an impact on the State's system. The Contractor shall maintain a mechanism to track these types of changes or modifications by software version, source, and reason. The State reserves the right to formalize Contractor-initiated changes or enhancements in a Contract amendment, if necessary.

At the time a newly modified software version is delivered for testing by the State, the Contractor must provide documentation to the State that the Contractor has modified the correct software version. This applies to all changes, regardless of type or whether initiated by the Contractor or the State.

- **System Operations/Interface Procedures Manual:** The EBT Contractor shall provide a manual on Systems Operations/Interface Procedures that shall include an introduction giving the purpose, audience, organization, related documents and feedback. This manual should include:
 - Batch files and the times of transmission.
 - Configuration of online administration system
 - File transmission problem resolution and escalation procedures.
 - Batch maintenance record formats.

- **Reports Manual:** A Reports manual shall be provided describing all standard reports to be generated by the EBT Contractor. The Reports manual shall also provide a brief description of the data files provided to DHSS for internal report generation, as well as, the method of transmitting the reports to DHSS. DHSS is requesting that the Contractor determine the appropriate timeframe for producing and delivering this deliverable within the project schedule.
- **Reconciliation Manual:** The EBT Contractor shall provide a Reconciliation manual that provides guidance and procedures to DHSS on performing a daily reconciliation of the Contractor's EBT system, within the FNS EBT Reconciliation Guidelines. The manual shall identify the specific EBT reports from the Contractor's system that are required for settlement and reconciliation of the EBT system.

4.13.3 Transition Phase

The transition phase will consist of the activities required to convert EBT processing for Delaware. It is anticipated that some of the transition phase activities, specifically the EBT-only retailer conversion, will begin prior to the end of the development phase. However, it is expected that none of the database conversion activities will occur until the development activities have been completed. Specifically, the Transaction Testing needs to be completed and a sign-off received from the State.

The Contractor shall ensure that the value of the FSP benefits transferred from the present EBT system is equal to the amount of funds that will be in the Delaware ASAP account. If it is not equal, the Contractor will work with the outgoing EBT vendor to resolve any variance, and if the ASAP account is short, direct the State to make the ASAP account balance.

The activities within the transition phase consist of the following:

- EBT-Only Retailer Conversion
- Cardholder Database Conversion
- Transaction history – Food Benefit Eligibility System windows
- Customer card and demographic data
- Benefit data
- Transfer of the toll-free Customer Service telephone number for recipients
- Coordinating with FNS, the Treasury Department, and the Federal Reserve Bank on transferring the Delaware ASAP account balance to the new EBT Contractor
- Connectivity of online administration system
- Issuance of the new vendor's cards to the existing EBT population
- Modification and testing of DHSS EBT subsystem processes to interface with vendor's system

4.13.4 Operations Phase

The Operations Phase begins after the EBT System has been successfully transitioned from the previous vendor to the new EBT Contractor. During the Operations Phase the EBT Contractor shall maintain ongoing communication with DHSS on EBT operations and immediate notification to DHSS of any issues or system problems.

The ongoing communications required from the EBT Contractor includes a monthly status report containing all open and closed issues, monthly status meetings with the

EBT Contractor, and other reports/meetings at DHSS' request. Advanced notification is important to DHSS for any scheduled downtime of the EBT system by the Contractor.

During the Operations Phase, the Contractor shall maintain and update the key design and operations manuals delivered during the Design and Development Phase. These include:

- Detailed Design Document
- Back-up and Recovery Plans
- System Security Plan
- System Operations/Interface Procedures Manual
- Reports Manual
- Reconciliation Manual
- Online Admin Users Manual
- Change Management Process

4.14 Governing Regulations

This section details the regulations governing EBT. The EBT Contractor shall describe how they will comply with the following rules and regulations that govern EBT systems and operations, including an explanation of how and where they are currently complying.

- Quest Rules: The EBT Contractor shall comply with the Quest Operating Rules, plus all revisions and amendments to these rules
- FNS Regulations/Federal Regulations: The EBT Contractor shall comply with USDA Supplemental Nutrition Assistance Program (SNAP) regarding the Food Supplement Program (FSP) and other Federal Regulations pertaining to EBT.
- FNS Waivers: The EBT Contractor shall comply with any waiver to the federal regulations granted by FNS for EBT purposes, including waivers granted to Delaware. This adjustment process should be in compliance with the FNS regulations at 7 CFR 274.12(f)(4), as modified by any State waivers.
- State Rules: The EBT Contractor shall comply with all applicable state laws, rules, or policies relating to EBT, including state specific terms and conditions with the EBT contract; as agreed to by the EBT Contractor and DHSS. As required by the State EBT policy, DSSM 9093.

4.15 Contractor Responsibilities and Liabilities

The EBT Contractor shall be responsible for the following:

- Disbursement or authorization of funds.
- Transaction Processing and Settlement. Federal funds may not be drawn for over-issuances or transactions in excess of the authorized recipient benefit allotment. The EBT Contractor shall bear all liability for any losses resulting from errors or omissions, including fraud and abuse on the part of the Contractor or its representatives or subcontractors. These liabilities shall include:
 - Any duplicate or erroneous postings to a customer account made by the EBT Contractor and its subcontractors.

- Any losses from funds drawn from an account after the customer notified the EBT Contractor that the card had been lost or stolen.
- Any losses from transactions performed with cards issued but not activated by the customer and/or contractor.
- Any damages or losses suffered by a Federal or State Agency due to negligence on the part of the EBT Contractor.
- Any loss of benefits caused by fraud or abuse by the EBT Contractor, representatives, or subcontractors.
- Any fees or losses that occurred if an EBT account was overdrawn by the client. The EBT card, branded or otherwise, should not allow clients to overdraw an account.

4.16 System Requirements

This section is intended to provide details on the specific functional and technical requirements to develop, test, implement, and operate EBT system in conformance with federal regulations, applicable national standards, and DHSS' performance expectations. Within this section are the specifications and requirements for equipment, software functionality, telecommunications, EBT card production and issuance, reporting, training and on-going operational support.

DHSS intends for this EBT system to be an industry standard application, which primarily uses the existing commercial networks and the installed base of retailers' POS devices.

4.16.1 Account Set-Up

The EBT Vendor shall receive and process Account Set-up data transmitted by DHSS. Account Set-up data includes client case data necessary for the establishment of an EBT Account. For all on-going cases other than expedited service cases, the Account Set-up data will be transmitted by DHSS prior to the issuance of a card. This Account Set-up data is to be made available through an Online Admin transaction for on-line entry of the Primary Account Number during over the counter Delaware EBT card issuance, should the state decide to issue cards over-the-counter. In addition to Account Set-up information, DHSS will transmit records to modify account information or the account status. (Refer to the section on Administrative Transactions.) At a minimum, the Account Set-up data elements will include:

- Primary Account Number (included for EBT cards issued over the counter)
- Last Name
- First Name
- Middle Initial
- Date of Birth
- Social Security Number
- Client Case Identification Number
- Master Client Index Number
- Street Address
- Secondary Address
- City
- State
- Zip Code
- Transaction Type Identifier (set-up, change account data, or modify account status)

- Positive Card Issuance Indicator (instructs EBT Vendor to issue a card)
- (Optional) Positive PIN Issuance Indicator (instructs EBT Vendor to issue a PIN)
- Client Code(s) (to indicate if the cardholder is the payee or an authorized representative)
- Cardholder Access (to indicate which benefits the cardholder accesses)
- Eligibility Office Identifier
- Technician Identifier (for transactions that originate at an administrative terminal)

In addition, the EBT Vendor may also designate Account Set-up data elements necessary to support its EBT operations.

If indicated in the Account set-up record, the EBT Vendor will issue a card to the client. The card will be issued by the EBT Vendor as specified in the section on Card Issuance. Alternatively, the card may be issued over the counter in the certain State Service Centers. Over-the-counter card issuance will be initiated by a card issuance transaction at an administrative terminal. Within each eligibility office, benefit certification responsibilities will be separate from card issuance and account set-up responsibilities.

The EBT Vendor shall provide to the State a daily electronic report of EBT accounts established which includes, at a minimum, the following data elements:

- Primary Account Number
- Social Security Number
- Client Case Identification Number
- Master Client Index Number
- Client's Last Name
- First Name and Middle Initial
- Date and time account set-up information was received
- Date and time account was established
- Transmission Type (batch or on-line)
- Eligibility office identifier
- Technician number for all transactions that originate at an administrative terminal.

Additionally, the EBT Vendor shall notify DHSS of account set-up exceptions, including but not limited to rejected set-up requests and reason for rejection (i.e., duplicate case).

4.16.2 Account Maintenance

The EBT Contractor shall establish and maintain an account for each corresponding Food Supplement Program case/head of household.

4.16.3 Expungements

The Contractor must track aging at both the account and benefit level. Each benefit begins aging at the time it becomes available to the client by meeting both of the conditions defined in Benefit availability. The Supplemental Nutrition Assistance Program (SNAP) account begins aging at the point that the first benefit becomes available. Subsequently, each time that the client completes a transaction, the account aging clock is reset to start anew, even if one or more benefits have been expunged.

No benefits may be expunged until the account aging clock has reached 365 calendar days. Once the account has reached expungement age, only those benefits that have

been available to the client for 365 or more calendar days shall be expunged. If one or more subsequent benefit authorizations for the same client account have been available to the client for less than 365 calendar days, they are not expunged. They must remain online until each has reached full expungement age. If an account that has had all benefits expunged is reactivated because the client has again become eligible, the account must be treated in the same manner as a new account in terms of benefit aging and expungement timeframes

The EBT Contractor shall expunge individual Food Supplement benefits authorizations after the respective benefit authorization has been in the EBT account for 365 consecutive days of inactivity. The EBT Contractor shall report all expungements to DHSS in a daily account activity file. For each benefit authorization expunged, the EBT Contractor shall report the name of the customer, the State Unique Identifier (SUI), the date of expungement, the benefit month of the expungement, and the remaining amount of the benefit authorization(s) being expunged. The EBT Contractor system shall not reinstate benefit authorizations that have been expunged. DHSS does not place benefits off-line (aging) prior to expunging benefits off the EBT system at 365 days of inactivity.

4.16.4 Account/Card Deletion

The EBT Contractor shall delete all EBT accounts and EBT cards off their system after the respective account or card has had 365 days of inactivity. Inactivity means the account or card has received no benefits or has had no transaction activity in 365 days. The deleted account information must be sent to DHSS in an account delete file each month, as designated by DHSS.

4.16.5 Repayments

Customers shall be given the option to repay recipient claims using EBT benefits. System design shall outline the actual methodology to be used for conducting these transactions and the subsequent accounting involved.

4.16.6 Creation of EBT Accounts

The State of Delaware currently has one eligibility determination and benefit issuance system whose benefit authorizations are distributed via EBT, the Delaware Client Information System (DCIS II), which supports eligibility determination of Food Supplement and other benefits within Delaware. Once DCIS II has issued the benefit, it sends files to the DHSS EBT subsystem which in turn transmits data to the EBT Contractor. All data exchanges occur during after hours batch processing. Data exchanges run both during daily and monthly cycles.

The Contractor's EBT system should be set up to use the DHSS Master Client Index (MCI) number as accounts numbers. The EBT Contractor sets up new accounts and assigns an EBT account number that is tied to the MCI.

DHSS has defined formats established with the current EBT Contractor for the exchange of Case/Client records and Benefit authorization records. These records are contained in the Case/Client file and Benefit file sent to the current EBT Contractor daily and monthly. The new EBT Contractor shall utilize the existing record and file format for the

exchange of this data. The Contractor must contact DHSS immediately when file transmission is not completed successfully.

- On-Going Cases: DHSS shall authorize benefits, at a minimum, once per month on a schedule specified by DHSS. The monthly Benefit file from DHSS shall be transmitted to the EBT Contractor on the evening of the last business day of each month.
- Daily Benefit Authorization: DHSS shall transmit daily account set up/account update files (Case/Client File) and benefit authorizations to authorize benefits to new accounts and to authorize supplemental benefits for existing accounts. The Benefit file shall be transmitted to the EBT Contractor by 1:00 am EST every State business day, Saturdays and designated Sundays.

4.16.7 Authorized Representatives

In some cases, an EBT client may have an authorized representative(s). The authorized representative is designated by the client to access the client's benefit account. In these instances, one or more cards may access a client's benefit account. The authorized representative card must have a unique PAN and PIN. Respondents must specify their approach for linking multiple cards to a single client account and for linking the authorized representative to the payee. Should DHSS exercise its right to add benefit programs, the EBT system must have the capability of limited Authorized Representative access to non-cash portions (e.g., Food Stamps, WIC) of the recipient's EBT account. The EBT system must also be able to prohibit designation of an *additional* Authorized Representative for an EBT account if the number of ARs permitted by DHSS for an account has been met.

4.16.8 Card Replacement Fee

The EBT Contractor's system must have functionality to deduct a card replacement fee from client accounts according to parameters established by the State. The EBT Contractor must provide a user-friendly method for States to reverse or cancel a card replacement fee assessed against a client's account. Card replacement fees must be included in the Card Fee Replacement Report. Replacement card fees collected by the EBT Contractor must be remitted to the State on a daily basis or applied as a credit against monthly charges to the State for EBT services.

The EBT Contractor must print on the card an abbreviated FNS nondiscrimination statement which reads as follows: "The USDA is an equal opportunity provider and employer." In lieu of printing the required information on the EBT card, the EBT Contractor may elect to provide each household a card jacket or sleeve containing the nondiscrimination statement.

4.16.9 Investigative Accounts

Investigative accounts are set-up in the current EBT Contractor's online administration system. The EBT Contractor shall support DHSS with the function of creating and maintaining EBT accounts for use in Food Supplement fraud investigations. Investigative accounts will only contain a primary cardholder and no authorized representatives. Benefit authorizations for the investigative accounts will only be added through the EBT Online Admin application. Consequently, the EBT Online Admin

application will need to support the creation of investigative accounts, as well as the adding of benefits.

In order to assist in ongoing investigations, FNS must have access to the EBT Contractor's Online Admin application for DHSS for selected field office, regional office, and investigative staff. The Contractor must provide on-line inquiry-only Online Admin software, that is windows compatible or appropriate hardware and software, to the locations identified by FNS or provide access to the EBT Contractor's Online Admin application, through secured web-based Internet access. This includes a method to interface with the EBT host from multiple locations. This access enables FNS to inquire on specific card and/or retailer details.

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

The following are required:

- Posting benefit amounts to the investigative cases, possibly on an irregular basis, as needed by the investigators. Request should come out of DCIS II, by DSS Workers.
- State provided training, card issuance, and PIN selection for investigators using the cases.
- Providing reports on the investigative cases, showing the amounts funded to the cases and the transaction histories of the funds on a monthly basis.
- State provided information from the system, as needed, for evidentiary purposes within 24 hours.
- Providing extract files, starting at implementation, of store transaction history on a regular basis to FNS.
- Retention of all records by DHSS for a period of three (3) years or longer, if notified.
- Creation of cases and cards to be used by investigators.

4.16.10 Benefit Authorization

This function requires generating account set-up and benefit authorization records. Account set-up information will be provided by the local offices and transmitted to the EBT Vendor host via on-line, real-time processing or batch file transmissions. Benefit authorization data will be transmitted by DHSS to the vendor for credit/posting to the client accounts.

The EBT Vendor shall have the capability to accept Account Set-up and Benefit Authorization transactions from DHSS in either batch or on-line processing mode. In either case, the EBT Vendor shall always process Account Set-up data before Benefit Authorization data. The structure and format of the Account Set-up and Benefit Authorization records and file transmissions shall be standard and shall generally follow the ACH file formats. The specific file format, including data elements, field lengths, and number of fields, will be negotiated between DHSS and the designated EBT Vendor during design of DHSS system interface. Data elements that are expected to be included in account set-up, benefit authorization, and account update records are specified in the following account set-up and benefit authorization sections of this RFP. Vendors are expected to specify in their proposal, any additional or alternative data elements necessary to support account set-up, benefit authorization, account maintenance, and/or reporting, including reporting at the program and eligibility office levels. Vendor should include in their proposal a list of data exchange files needed for the proposed system and record layout information for each file.

Within a file, Account Set-up and Benefit Authorization records will be batched separately, and identified by a transaction type code. All benefit authorization records transmitted from DHSS to the EBT Vendor will be categorized according to benefit program.

In batch transmission mode, batch files will be indicated by the respective batch header and batch trailer records. To support batch processing, DHSS and the EBT Vendor shall agree to a specific time frame or window during which daily batch files will be transmitted. The EBT Vendor shall, however, be able to accept and process transmissions from Delaware 24 hours per day, 7 days per week. Within one (1) hour of receipt of a file, the EBT Vendor shall either confirm receipt of a complete and successfully transmitted file or contact DHSS and request the file be retransmitted. The EBT Vendor shall provide to DHSS a system report on all transmissions, with a record reject report for all unsuccessful transmissions. The EBT Vendor shall confirm receipt of a subsequent transmission(s) within thirty (30) minutes of receipt until successful transmission/receipt has been completed.

For Account Set-up and Benefit Authorization transactions sent in batch mode and received by 11:59 p.m. Eastern Time, the EBT Vendor shall process the transactions, perform all set-up and benefit posting processes, and make benefits available by 7:00 a.m. Eastern Time the following day. DHSS will establish procedures during the development of the design document, so that they know when (specific date) benefits are posted to client cards. DHSS plans to have issuance of monthly food stamp benefits staggered over the first seven working days of the month.

To support on-line transmission of Account Set-up and Benefit Authorization transactions, the EBT Vendor shall accommodate: (1) on-line communications, host-to-host, between DHSS and the EBT Vendor host and (2) on-line communications between remote sites and the EBT host via the State telecommunications network. On-line communications will also originate from administrative terminals located in eligibility offices. Account Set-up and Benefit Authorization transactions received in on-line mode shall be processed immediately with account set-up and benefit posting occurring within 30 minutes of receipt.

4.16.11 Universal Product Code (UPC)

Retailers that have Integrated Electronic Cash Registers (IECR) systems that include scanners and POS interfaces will need to be reported by the Contractor. Price Look-Up (PLU) or Universal Price Codes (UPC) will need to be available to provide guidance and assistance in the form of an initial list of product codes that meet specifications in Delaware's WIC program. At a minimum, we would like UPC/PLU reporting by store, by client, and by item.

4.16.12 Future Benefit Program Expansion

Delaware plans to expand the EBT program to include other benefits in addition to FB. Initially Delaware will use the proposed EBT system for Food Benefits. In the future Delaware plans to add other benefits to the EBT card. Delaware requires an EBT system that can be used to also provide benefit programs such as TANF, GA, Childcare, WIC and others. The proposed system must have an option to provide clients with a branded card that clients can use for all benefit types. This project should have minimum impact to our Delaware Client Information System (DCIS II), which is the Delaware system that determines benefit eligibility and issues benefits such as FB, TANF, GA and Childcare.

4.17 General Audit Access

The State and Federal Government shall have the right to inspect, review and investigate, and audit all parts of the Contractor's or any subcontractor's (including third party processors) facilities engaged in performing EBT services, in such capacity, the State, or its representatives, shall have access to facilities, records, reports, personnel and other appropriate aspects of the EBT System.

4.18 SAS 70

The contractor will obtain an annual Statement of Audit Standards No. 70 (SAS No. 70) Examination Requirements in accordance with Supplemental Nutrition Assistance Program regulations at 7 CFR 274.12(j)(5) as amended February 29, 2000.

4.19 EBT Training

The EBT Contractor shall be responsible for providing training material on EBT to DHSS for training customers and DHSS workers. The EBT Contractor has the sole responsibility for the training of retailers. Training of DHSS staff and Training Materials should each be a deliverable in your project proposal.

4.20 Customer Training

All new EBT customers shall be provided with training materials in DHSS – Division of Social Services (DSS). The training materials must be written in easy to understand language – at a fifth grade reading level and in compliance with the Food Supplement Program Regulations.

Printed training materials must be provided in pamphlet format. Training material must be prepared in both English and Spanish. At a minimum the training pamphlet shall include the following:

- Use of the Delaware EBT card at the point-of-sale, including benefit transactions that can be processed at the POS terminals

- Use and safeguarding of the card and PIN
- Card replacement and PIN selection methods and procedures
- Manual Food Supplement transaction procedures
- Guidance on reporting problems with the card or its use and on reporting a lost or stolen EBT card
- Use of the transaction receipt to track balances
- Use of the Speech-enabled Interactive Voice Response (SIVR)
- Customer service functions, including a prominent display of the toll-free Customer Service Help Desk number.

In conjunction with the use of written training materials, the EBT Contractor shall also develop an EBT training video for the purpose of state agency training of customers. The EBT training video shall be distributed to DHSS and to every State Services Center. The training video should be no more than 15 minutes in length and must cover the same topics listed above for the written training materials. The training video should be directed to a fifth grade educational level, must be provided in both English and Spanish, with at least one open-captioned version of each. Initially, the Contractor shall provide 50 copies of the training video.

4.21 Retailer Training

The EBT Contractor shall provide training and training material to retailers participating in the EBT program. Such training shall include the provision of appropriate written materials. The Respondent shall propose training deliverables in order to meet FNS requirements.

Training material shall include:

- Merchant Help Desk toll-free number
- Use of the Speech-enabled Interactive Voice Response (SIVR)
- Manual Voucher Processing Procedures

4.22 State Training

The EBT Contractor will provide training materials (in an electronic format) about the new EBT system to be used by DHSS workers. In addition, updates and revisions of the training materials shall be provided in a timely manner to DHSS, whenever the EBT Contractor modifies functionality of the EBT system.

Training material provided by the EBT Contractor shall cover all of the functionality supported by the EBT Online Admin application for DHSS. The material shall cover accessing the Online Admin functions, security features within the system, and detailed explanation of the screens and functions supported by the Online Admin application.

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

4.23 Technical Documentation

The vendor shall provide technical documentation for the proposed system. This may include process flow diagrams, data exchange file details, and report specifications. The vendor's proposal must list all technically documentation that will be provided to the State by the time the system is implemented.

4.24 EBT Settlement/Reconciliation

The EBT Contractor's system shall operate on a 24-hour processing cycle. At a designated cutoff time each day, the EBT Contractor shall close out the current processing day and commence the next processing day.

The EBT Contractor shall designate a standard daily cutoff time for EBT transaction processing. The 24-hour period between the cutoff time on Day 1 and Day 2 constitutes the EBT transaction day. The specified cutoff time must allow the EBT Contractor sufficient time to originate ACH payments for the next day settlement. It is also preferred that the EBT cutoff coincides, as closely as possible, with the cutoff time of the prevailing EBT transaction switch and/or regional POS networks, as appropriate to minimize the need for carry over or suspense accounting.

The Federal Reserve Bank (FRB) of Richmond serves as the Account Management Agent (AMA) for FNS Food Supplement EBT Benefit account. The AMA system interfaces with the Treasury Department's Automated Standard Application for Payment (ASAP), monitor's ASAP funding limits based on projected FSP activity established by FNS for each State, and performs reconciliations required by FNS. Consequently, it shall be necessary for the Processor to interface with the AMA and provide data necessary for funds projection and FSP reconciliation.

The Contractor must provide summary information by availability/effective date on increases in benefit authorizations, on expungements and on other returned benefits. The transmission of issuance and returned benefit data elements shall be accomplished through automated batch processing in a file format specified by FRB. This method allows for the automated flow of Delaware's issuance data, through the Contractor's EBT System, to the AMA. Therefore, the Contractor must be able to accommodate batch processing. File specifications may be obtained by contacting the FSB of Richmond on (804) 697-8384. In addition, the Contractor must be responsive to requests from the State or FNS to research and resolve discrepancies discovered in reconciliations of State-reported issuance data and the data provided to AMA by the Contractor. Unsuccessfully transmitted files should be submitted in a system Daily Report, known as our Daily Exception/Error Report.

Upon implementation of batch processing, States and their Contractors must be certified by FNS to ensure the accuracy of data transmission. The on-line method of entering AMA issuance should serve as a back-up to batch processing; any manual data entry shall require State on-line certification before it will be allowed to update ASAP and requires special equipment and software provided by FRB.

The EBT Contractor shall maintain ledger accounts at the program and State levels. Subsequent to the daily settlement cutoff, the EBT system must be balanced and reconciled. The EBT Contractor shall compute the end-of-day net position or balance. An audit trail shall exist so that reconciliation can be performed at the individual EBT account level up through the program and State levels. For each level, the end of day net position is equal to:

- $\text{Opening balance} + \text{Credits} - \text{Debits} = \text{End of day balance}$

The Contractor shall specify procedures for maintaining audit trails throughout the settlement processes.

4.24.1 FNS Reconciliation Requirements

The EBT Contractor shall meet FSP reconciliation requirements and the FNS EBT Reconciliation Guidelines. EBT Contractors shall propose procedures for reconciling:

- Customer account daily beginning balance and net draws versus the ending balance.
- Customer net redemptions versus retailer settlement values.
- Total fund entering, exiting, and remaining in the system each day.
- Total net change in system-wide obligations outstanding to the sum of the net change in obligations outstanding for the FSP and for all Government agencies.
- The net settlement value of all transactions to the sum of the net settlement values for the FSP and for the State.

The Contractor must support the State's requirement to provide an annual certification confirming that the EBT system is in balance by performing annual overall reconciliation of all EBT funds entering into, exiting from, and remaining in the system. The annual overall reconciliation must be completed within three months after the end of the FNS fiscal year.

Federal Regulation 7 CFR 274.12(j) requires that the Contractor and any subcontractors have an independent auditor, on an annual basis, perform a Statement of Auditing Standards, No. 70, Service Organizations (SAS No. 70) on the issuance, redemption, and settlement of SNAP benefits. Auditors must follow EBT guidance in the Office of Management and Budget (OMB) Circular A-133 Compliance Supplement to the extent the guidelines refer to FSP benefits.

The SAS 70 report must address the operating effectiveness of controls for SNAP benefits. Annual SAS 70 audits are based on the Contractor's fiscal year and may be shared if the State EBT system is under the same control environment and on the same platform.

The Contractor must provide the State with the annual SAS 70 report filed by the independent auditor within 30 days of receiving the report. The completion date for the first report will be determined during detailed design.

4.24.2 State Processes and Responsibilities

Food Supplement and other benefits are authorized in DCIS II. Delaware reports are generated daily and monthly that provide the details of the Food Supplement benefits being authorized by DCIS II. IRM transmits batch benefit files to the EBT Contractor. Benefits to Investigative accounts posted through the Online Admin are verified through the EBT System.

DHSS has the responsibility for ensuring that benefits authorized by DCIS II are posted and reconciled by availability date to the Contractor's EBT System or otherwise accounted for. DHSS will ensure that Food Supplement benefits posted to the Contractor's EBT system are correctly reported to AMA by the Contractor. DHSS will verify the liability remaining in the Contractor's EBT system, at the end of the processing day for Food Supplement benefits. This will be reconciled against the outstanding

liability on the FRB's ASAP system. Unsuccessful file transmissions will be corrected by DHSS and retransmitted to the EBT vendor in time for benefit posting by 6am ET.

4.24.3 Contractor Responsibilities

The EBT Contractor is responsible for the daily settlement of funds to retailers, either directly or through financial intermediaries, such as third party processors (TPPs). The EBT Contractor shall own and reconcile the clearing bank account used for the daily settlement.

The EBT Contractor is responsible for handling both credit and debit adjustments to the customer's EBT account in the manner and timeframe dictated by Federal Regulations and Quest Operating Rules.

The EBT Contractor is responsible for performing the draw down from the appropriate federal system for Food Supplement benefits utilized by customers. The EBT Contractor shall ensure that Federal funds are not drawn down for over-issuances or transactions in excess of an authorized recipient benefit allotment.

The Contractor is responsible for providing detailed and accurate reports that allow DHSS to reconcile benefit postings to the EBT system, settlement of benefits utilized by customers, and the outstanding liability remaining on the EBT system at the end of the processing day.

4.24.4 Retailer/TPP Responsibilities

Settlement to retailers and TPPs shall be through the existing commercial banking ACH infrastructure. The EBT Contractor shall have an originating and receiving relationship with the Automated Clearing House (ACH), either directly or through one of its subcontractors. For transaction processing and settlement purposes, the Contractor shall, also, be capable of settling POS transactions through the appropriate regional networks.

For retail merchants, third parties, or other benefit providers that are directly connected to the EBT Contractor's system, the EBT Contractor shall originate an ACH credit for the total balance due for EBT benefits provided during the just closed EBT processing day. The benefit provider credits shall be entered into the ACH for settlement on the next banking day.

Credits due EBT benefit providers who are connected to the Contractor through a transaction switch or TPP will settle utilizing the Quest Operating Rules. ACH settlement, rejected due to inaccurate account information or closed accounts, must be researched by the Contractor and, when possible, corrected and re-sent to the retailer or Third Party Processor account. The Contractor must return to the State any funds that could not be settled to the retailer within 30 calendar days of the initial ACH. If the responsibility for EBT-only acquiring is subcontracted, the subcontractor must also return any rejected settlement funds to the State within 30 days.

The Contractor must provide the following information for each unsettled payment returned to the State of Delaware: transfer type, total amount, food stamp amount, cash amount, settlement date, attempted transfer date(s) and time(s), retailer/TPP name, FNS retailer number if food stamps involved, and bank account number.

4.24.5 Store and Forward Transactions

At its option, a retailer that uses a Third Party Processor (TPP) may electronically store a SNAP transaction, and forward it for authorization at a future time, provided the retailer's equipment is capable of storing a cardholder's encrypted PIN. SNAP store and forward transactions are processed at the retailer's risk. If insufficient funds are available at the time the transaction is forwarded, the transaction will be denied.

However, retailers may opt to use the one-step process described at 7 CFR 274.12(m) to collect the remaining balance. If the retailer and/or TPP have been authorized to use the process and the store and forward transaction is properly identified as such, the Contractor must process the transaction and return the available balance, if any, using the single transaction method described in the X9.58-2007 standards and subsequent corrections.

4.25 EBT Customer Service

The EBT Contractor is required to support a customer service help desk for retailers accepting Delaware's EBT card and a Speech-enabled Interactive Voice Response (SIVR) for EBT recipients. The Contractor shall supply Customer Service Representatives (CSRs) for English and Spanish speaking recipients through its own EBT CSRs, in which provides 24 hours a day/7 days per week. The purpose is to provide current EBT account and benefit access information via a toll-free number.

The EBT Contractor shall provide a customer help desk that meets or exceeds the following service requirements/standards:

- Performance standards regarding the number of rings prior to answer and the average time on hold shall be consistent with call center industry standards. In its proposal, the EBT Contractor shall propose standards for customer access to customer services including, number of rings and average time on hold. However, the EBT Contractor is obligated to meet minimum standards, Performance Standards for the help desk.
- TTY (teletypewriter) capability must be supported by the EBT Contractor through their existing telephone carrier for customers with hearing disabilities.
- Help desk access and support must be provided to customers using rotary phones.

For reporting purposes, the EBT Contractor shall provide SIVR and Customer Service activity data (refer to EBT Reporting).

The EBT Contractor shall also maintain a State Help Desk to provide online administration system support for State workers.

4.25.1 SIVR Requirements

The SIVR will support the following functions:

- Lost/Stolen Cards
- Current Balance Inquiry – will provide “real-time” account balance information
- Transaction History – will provide last ten (10) financial transactions
- Report Unauthorized Card Use
- Benefit Availability Date
- Customer Service Representative (CSR)

DHSS reserves the right to review and approve the transaction flow and content of all SIVR messages, prompts, and customer service scripts, prior to their implementation. The EBT Contractor shall not change SIVR messages or menu functions without prior approval from DHSS.

The Contractor is encouraged to recommend for consideration any other transactions and/or uses of the SIVR which would represent an effective and economical application of this technology. The Contractor is required to describe the access control to assure security of customers' account information.

4.25.2 Retailer Help Desk

The EBT Contractor shall provide Retailer/Merchant Customer Service EBT support and program information via a toll-free number, 24-hours a day, 7-days per week.

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

For reporting purposes, the EBT Contractor shall provide SIVR and Retailer Customer Service Center activity data. Additionally, TTY capability must be supported for retailers/merchants with hearing disabilities.

The EBT Contractor shall provide a retailer customer service Help Desk that is:

- Toll-free and without charge or fee to the retailers
- Accessible to all Quest retailers
- Used exclusively for retailer support
- Operated and staffed in an industry standard manner

The EBT Contractor is encouraged to recommend for consideration any other transactions and/or uses of the SIVR/Help Desk which would represent an effective and economical application of this technology. The Contractor is also requested to describe the access control to assure security of both retailers' and customers' account information. The EBT Contractor shall support the following functions at the retailer help desk:

- Support and problem resolution on EBT-only POS equipment
- Settlement information and reconciliation procedures
- Support on system adjustments and resolution of out-of-balance conditions
- General information regarding EBT policies and procedures
- Vouchers for offline transactions?
- Resolution of any issues with the online administration system.
- The helpdesk will also need to provide support for any technical problems. When a problem with a batch process occurs, DHSS technical staff will need to contact the vendor's technical staff via the vendor helpdesk.

4.26 EBT Transaction Processing

The EBT Contractor shall be responsible for the authorization of customer initiated Food Supplement transactions. The EBT Contractor shall have the capability to receive and process customer transactions from POS devices. The EBT Contractor shall ensure that customers access their Food Supplement benefits only at POS terminals in FNS authorized food retailer locations.

Transaction authorization will require:

- Accepting transactions coming from an authorized transaction acquirer
- Authorizing or denying transaction
- Sending response messages back to the transaction acquirer authorizing or rejecting customer transactions
 - Logging the authorized/denied transactions for subsequent settlement and reconciliation processing, transaction reporting, and for viewing through transaction history.

The EBT system will go through a series of checks and processes to determine whether a transaction being initiated by a customer should be approved. These checks should include determining whether:

- The merchant has a valid FNS authorization number
- The card number (PAN) is verified and the card is active
- The number of consecutive failed PIN tries has not been exceeded
- The PIN is verified as being entered correctly
- The account is active
- The EBT account holds a sufficient balance in order to satisfy the transaction request

If any one of the above conditions is not met, the EBT Contractor must deny the transaction. The Contractor shall ensure that customer benefit accounts are not overdrawn and shall assume all liability if an account overdraft does occur. The system must return a message to the retailer/provider indicating the reason for denial.

4.26.1 FNS Standards

The EBT Contractor shall comply with the software and automated data processing equipment ownership rights proscribed in federal regulations and as further clarified or negotiated with the State and Federal government. The EBT Contractor is responsible for ensuring that the EBT system meets the processing requirements and criteria established by FNS.

It is the responsibility of the EBT Contractor to ensure that the EBT system meets performance and technical standards and regulations in the areas of:

- System processing speeds
- Transaction processing accuracy
- Availability and reliability
- Security
- Ease-of-use
- Minimum card requirements
- Minimum transaction set
- Interoperability

In order of precedence, the EBT Contractor will use:

- Federal Regulations
- Quest EBT Operating Rules
- Prevailing Industry Performance Standards

If there is a conflict within the governing regulations and guidelines regarding a specific standard, DHSS shall determine the appropriate standard to which the EBT Contractor must adhere. In determining the appropriate standard, DHSS shall allow consultation and input from the EBT Contractor. However, the final decision shall remain with DHSS.

The EBT Contractor shall comply with all relevant processing speed requirements. The EBT host system shall process and respond to all online transaction requests within 2 seconds. The EBT Contractor shall provide back-up purchase procedures for FNS authorized retailers, when the EBT system is unavailable, for both unscheduled and planned outages. Responses shall define both the back-up procedures to be used by the EBT Contractor, and the method by which retailers shall be notified that the back-up procedures are being utilized.

The EBT system central computer shall be available 99.9% of scheduled uptime, 24 hours a day, 7 days a week. Scheduled uptime shall mean the time the database is available and accessible for transaction processing, and excludes scheduled downtime for routine maintenance.

The total system, including the system's central computer, any network or intermediate processing facilities under the control of the EBT Contractor (either service provider or subcontract to the Contractor), shall be available 98% of scheduled uptime, 24 hours per day, 7 days per week.

Scheduled downtime for routine maintenance shall occur during off-peak transaction periods. The EBT Contractor must provide DHSS with any scheduled downtime outside of that time required for routine maintenance. Such downtime must be arranged and approved by DHSS.

As defined in the federal regulations, the EBT system's central computer shall permit no more than 2 inaccurate EBT transactions for every 10,000 EBT transactions processed.

The transactions to be included in measuring system accuracy shall include:

- All Food Supplement transactions at POS terminals and processed through the host computer.
- Credits to customer accounts.

The EBT Contractor shall resolve all errors in a prompt manner.

4.26.2 Interoperability

The EBT Contractor is required to provide interoperability in accordance with federal law and regulation. The EBT Contractor must describe how this requirement will be met. The Interoperability Funding Grant Agreement (FNS-529) must be submitted only once each Federal Fiscal Year (FFY). Upon review and acceptance, the FNS-529 must be signed by a duly authorized official. The term "interoperability" means the EBT system must enable a coupon issued in the form of an EBT card to be redeemed in any State. The term "portability" means the EBT system must enable a coupon issued in the form of an EBT card to be used in any State by a household to purchase food at a retail food store or a wholesale food concern approved under the Food Stamp Act of 1977.

4.26.3 POS Transaction Sets

The EBT system must be able to accept EBT transactions from POS devices for Food Supplement benefits. The EBT Contractor must be able to process the following Food Supplement transaction types:

- FS Purchase
- FS Merchandise Return
- Balance Inquiry
- Voids or Cancellations
- Reversals
- Adjustments

4.26.4 Voids or Cancellations

A transaction may be voided/cancelled by a retailer at a POS device. The void/cancellation message shall include the trace number, the exact dollar amount, and other identifying information from the original transaction. The EBT Contractor shall have the capability to accurately process the void or cancellation transaction and have the effect of the void/cancellation transaction immediately and appropriately reflected in the customer's EBT account.

4.26.5 Reversals

A POS transaction may be reversed if for some reason the completion of the transaction cannot take place at the originating POS device (i.e. communication failure with the device or a device malfunction, or a late response from the EBT Contractor). The entity, specifically the TPP, authorized retailer, or the POS device, within the response chain where the transaction error is recognized, shall generate a reversal message back to the EBT Contractor. As defined within the EBT ISO message specifications, the reversal message shall include the trace number, the exact dollar amount, and other identifying information from the original transaction.

The EBT Contractor shall have the capacity to accurately process the reversal transaction and have the results reflected immediately and appropriately in the customer's account.

4.26.6 Adjustment Processing

The EBT Contractor or retailer/TPP can initiate an adjustment to resolve errors and out-of-balances related to system problems. The EBT Contractor, on behalf of a customer complaint can also initiate an adjustment to resolve a transaction error. The EBT Contractor may make no debit adjustment to a customer's account without prior approval from DHSS.

The adjustment shall reference an original settled transaction which is partially or completely erroneous. The EBT Contractor shall have the capability to process the adjustment and have this reflected in the customer's account.

Adjustments made by the EBT Contractor will cause money to be moved either to or from the customer's EBT account, and will impact the daily settlement.

Adjustments made by the Contractor must be in compliance with FNS Regulations. Notification must be provided to the State of pending debit adjustments so that notification can be provided to the client.

4.26.7 Key-entered Transactions

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

The EBT Contractor shall develop other security measures to prevent customer and retailer abuse/misuse of the key-entered feature. The EBT Contractor shall ensure that the PAN printed on the transaction receipt is truncated. The Contractor must be able to selectively disable or deny the capability of an EBT-only POS device from completely key-entered transactions. Finally, the EBT Contractor shall track key-entered transactions by card number and by retailer site. The EBT Contractor shall propose procedures for responding to customer reports of malfunctioning or defective equipment at retailer sites, including both EBT-only POS devices and retailers owned devices.

4.26.8 Transaction Fees

FNS regulations prohibit the charging of a fee for any Food Supplement transactions.

4.26.9 Merchant Validation

For all Food Supplement transactions, the EBT Contractor must validate that the transactions originated at an FNS authorized retail location. The EBT Contractor shall maintain a database of authorized numbers for all FNS authorized retailers in accordance with the Retailer Validation Requirements specified in 7 CFR 274.12(h).

The EBT Contractor must access the FNS Retailer Electronic Data Exchange (REDE) system daily to obtain updates of the national and State REDE files used to validate authorized FNS retailer numbers. The EBT Contractor shall verify the retailer identification number is that of a FNS-authorized retailer prior to completing its processing of a transaction.

For the Supplemental Nutrition Assistance Program, FNS Anti-fraud Locator of EBT Retailer Transactions (ALERT) Subsystem utilizes data provided by the State's contracted EBT processors. The ALERT file must be submitted daily to FNS. The file should contain all of the retailer SNAP transactions for the day. The Contractor must be able to accommodate standard FNS Anti-fraud Locator of EBT Retailer Transactions (ALERT) Subsystem file formats and supply ALERT files per the FNS schedule.

The Contractor must be able to accommodate standard FNS Retailer EBT Data Exchange (REDE) file formats and apply REDE files per the FNS schedule. REDE processing includes standard (regularly scheduled) nightly and monthly operations and ad hoc operations. Both types of REDE operations are performed at the Benefit Redemption Systems Branch (BRSB) in Minneapolis, MN. The standard nightly operations are performed Monday through Friday, and create the State and national retailer data update files. The standard monthly operations are performed on the first Saturday of the calendar month and create the full State and national retailer data files.

The State retailer data update files are used to update the Retailer EBT Data Exchange

(REDE) database. Ad hoc operations are performed as requested when a State Agency and/or EBT processor requests a start-up copy of a State or national retailer update file. The EBT Contractor is responsible for ensuring that only authorized SNAP retailers redeem SNAP benefits. At least once per week, the Contractor shall transmit information on retailer SNAP redemptions to the FNS Benefit Redemption System Branch (BRSB). The database shall ensure accurate EBT transaction detail data pertaining to each retailer is captured and must contain up-to-date information about retailer bank accounts and store cutover times for ACH purposes. The EBT Contractor must cooperate with the State or Federal personnel conducting investigations or audits and provide requested information within a mutually agreed upon time period not to exceed 30 calendar days.

The EBT Contractor must provide detailed daily Food Supplement redemption data by retailer identification number to Store Tracking and Redemption Subsystem (STARS), the FNS Food Supplement redemption database, through the Benefit Redemption Systems Branch (BRSB) in Minneapolis. The data format and requirements of this file are specified by FNS.

The EBT Contractor must provide transaction data, starting at implementation, of store transaction history on a daily basis to FNS through the ALERT File.

4.27 EBT Retailer Management

The EBT Contractor shall be responsible for managing retailer participation in Delaware's EBT Program.

The EBT Contractor's primary roles and responsibilities include:

- Providing every FNS authorized retailer with the opportunity to participate in the EBT system.
- Ensure that Delaware's EBT system is interoperable with other States' EBT systems, as defined in 7 CFR 274.12.
- Assuring that a sufficient number of retailers has agreed to participate in the system, to allow customer's adequate access to Food Supplement benefits.
- Assure that the participating retailers understand their responsibilities, in regards to the policy, operating rules, and the operations of the EBT system.
- Maximizing the use of the existing commercial POS terminals.
- Installing, maintaining, and otherwise supporting Contractor provided EBT-only POS equipment, as necessary, in accordance with FNS policy for retailer participation as defined in 7 CFR 274.12.
- Providing help desk support to retailers for resolving issues/problems on EBT Contractor supplied EBT-only POS equipment and to help resolve settlement and dispute questions and issues.

4.27.1 Retail Service Requirements

Federal regulations at 7CFR 274.12(g)(1)(ii) require that newly authorized retailers shall have access to the EBT system within 2 weeks of the contractor receiving a completed contract.

Whenever a retailer chooses to employ a TPP to drive its terminals, or elects to drive its own terminals, then access to the system shall be accomplished within a 30 day period

or a mutually agreed upon time, to enable the TPP interface specifications and any required functional certification to be performed by the EBT Contractor.

Federal regulations in 7 CFR 274.12(h)(1), require that for leased line communications, 98 percent of EBT transactions shall be processed within 10 seconds or less, and 100 percent of EBT transactions will be processed within 15 seconds.

4.27.2 EBT-Only Retailers

According to Federal Regulations at 7 CFR 274.12(g)(4)(ii), POS terminals shall be deployed as follows in EBT systems requiring Food Supplement households to participate:

- For an authorized food retail store with Food Supplement benefit redemption amounting to 15 percent or more of total food sales, all checkout lanes shall be equipped.
- For an authorized food retail store with Food Supplement benefit redemption representing less than 15 percent of total food sales, supermarkets shall receive one terminal for every \$11,000 in monthly redemption activity, up to the number of lanes, per store. All other food retailers shall receive one terminal for every \$8,000 in monthly redemption activity, up to the number of lanes, per store.
- For newly authorized food retailers, the EBT Contractor and the food retailer shall negotiate a mutually agreed level of terminal deployment, up to the number of lanes, per store. If the Contractor and the food retailer are unable to reach a mutual agreement, DHSS shall make the decision.

4.27.3 Retailers Utilizing TPP

To support retailers that deploy their own terminals, within 30 days of the start of the contract, the EBT Contractor shall provide DHSS with interface specifications that would enable these retailers and third party terminal drivers to interface directly with the Contractor to perform Food Supplement EBT transactions. The EBT Contractor shall provide these specifications to retailers and third party terminal drivers, as well. The EBT Contractor shall not unduly withhold certification for retailers and third parties that enter into direct connect arrangements with the Contractor.

EBT Contractors must certify and assure that TPP connected to the EBT system comply with FNS regulations and other State requirements. All TPP agreements between DHSS' EBT Contractor and TPP's or their retailers shall be reviewed and approved by DHSS and FNS. At DHSS request, the EBT Contractor must attempt to enforce the agreements, if problems are discovered in TPP activities.

Requirements include:

- Terminal ID: TPP's must give each terminal a unique ID, per terminal/per store, and include those terminal IDs as part of their transaction messages. The Contractor must include those IDs in the ALERT data submitted to FNS.
- Transactions: TPP's must be able to support the entire transaction set included in the FNS regulations. The Contractor must be able to process all of these transactions.
- Interoperability: TPP's must be able to process transactions for cards issued by all States for all POS equipment they support.
- Balance Information: TPP's must be able to display remaining balance on the printed receipt for all POS equipment they support.

- Serving only FNS-authorized retailers: TPP's must only route Food Supplement transactions for retailers authorized by FNS to redeem Food Supplement benefits.

4.28 EBT Reporting

The EBT Contractor shall accommodate the informational needs of Delaware and FNS in its reporting package. The EBT Reports package must conform to EBT reporting requirements, as specified in 7 CFR 274.12. The information shall be provided electronically, either electronic files transmitted to DHSS or by web-based Internet access, or through other media that are mutually agreed upon.

The Contractor shall provide the capability for most reports to be available on-line. The Contractor may recommend alternative methods for access.

The Contractor shall be responsible for distributing appropriate daily and monthly reports to DHSS and FNS. The distribution of the reports shall be in an electronic format, but the method of distribution of the reports will be finalized during system design/development activities. The Contractor, in its response to this RFP, shall state its preferred method for distributing reports. The Contractor shall be able to support the retransmission of previously produced reports to DHSS, as requested. The Contractor shall support requests for two previous generations for monthly and daily reports.

Reports provided to DHSS in a file transmission shall use standard ANSI carriage control for controlling the formatting of reports being printed.

The Contractor shall provide report training and report manuals for DHSS and staff prior to EBT operations.

The reporting system shall produce information for the program and local office summary levels. Settlement and reconciliation reports shall be consolidated at the State Level.

The Contractor shall provide to DHSS a daily account activity file, transaction history, of all transactions impacting benefit authorizations for reconciliation, audit, and investigative purposes.

The EBT Contractor must provide an EBT Reports package with a brief description of the frequency and intended purpose of each report. The EBT Reports package should include the following reporting information:

- Financial reports for accounting, reconciling, balancing and auditing the EBT system processing and operations.
- Statistical reports for assisting with the management of the EBT System.
- Support reports to control and account for activity taking place on the EBT system, such as card issuance.
- Management reports to DHSS on the current status of the EBT Project. The following reports shall be provided to DHSS on a weekly and/or monthly basis:
 - Project Design/Development Report. This weekly report is a summary by task of major completed activities during the reporting period. The report shall include problem identification, required corrective action and the timeframe for resolution. The report shall include tasks required by Federal and State agencies. As well as reports of delayed tasks, the reason and

- revised completion date(s), and the scheduled activities for the next reporting period.
- Project Implementation/Conversion Report. This weekly report is a summary of major tasks and scheduled activities completed during the reporting period for the conversion activities. The report shall include the status of:
 - POS device deployment and installation
 - Training (DHSS and retailers)
 - Retailer Agreements
 - Project Status Report. This monthly report is a summary of significant events and accomplishments during the month, status of outstanding issues and problems, and the status of pending enhancement requests and system change orders. Following the conversion to the Contractor's EBT system, the Contractor shall include in the Project Status Report, the detail data that documents the performance of the EBT system over the last month. Specifically the Project Status Report shall detail the performance of the system, 7 CFR 274.12, as against the following processing requirements:
 - EBT central computer shall be available 99.9% of scheduled up time.
 - EBT transaction switch shall be available 99.8% of scheduled time.
 - The total system under the Contractor's control, either directly or contractually – including central computer, any network, intermediate facilities or processor, shall be available 98% of scheduled up time.
 - The host computer shall permit no more than 2 inaccurate transactions per 10,000 transactions processed.
 - Benefit Authorizations to EBT accounts and ACH settlement shall occur accurately and on schedule 99% of the time.
 - Customer Service Statistics Reports will report monthly on the statistics and effectiveness of the customer service functions for both the customer service and retailer help lines. Statistics for both the SIVR and Customer Service Representatives (CSR) for Spanish speaking recipients shall be reported.
 - Monthly Client Help Desk Statistics Report. This report shall provide a monthly summary of the number of calls received on the customer hotline by reason, for both SIVR and CSR. Daily statistics regarding the help desk performance shall be collected and reported.
 - Monthly Retailer Help Desk Statistics Report. This report shall provide a summary of the number of calls received on the retailer hotline by reason, for both SIVR and CSR. Statistics regarding retailer help desk tickets, including number of tickets opened, tickets closed, and reason for ticket. Daily statistics regarding the help desk performance and language selected for both SIVR and CSR, shall be provided.
 - Billing Reports. Shall be provided to DHSS in an electronic format detail reports substantiating the monthly billing for EBT services. The billing reports shall include detail information to allow DHSS to validate the bill for EBT services, as well as pass-through expenses being charged to DHSS.
 - Ad-Hoc Reports. The Contractor shall support these requests for ad-hoc reports on a timely basis. The reports will be paid by DHSS on an hourly rate. The Contractor shall provide, in their response, the process to be used to request ad-hoc reports and the expected timeframe in which the requests will be satisfied.

4.29 FNS Data File Requirements

The EBT Contractor is required to support the data requirements of the federal government, specifically FNS, for the Food Supplement EBT program. The 3 data files described below shall be provided to the federal government on a periodic basis as defined by FNS.

- **AMA File:** On a business day basis, the EBT Vendor must provide data necessary to support increases/decreases to the EBT Project's Automated Standard Application for Payments (ASAP) account balance to the Federal Reserve Bank of Richmond. The Federal Reserve Bank shall serve as the Account Management Agent (AMA) for the FNS Food Supplement Program EBT benefit account. The AMA interface with the Treasury Department's ASAP, and shall establish ASAP account funding limits for DHSS for Food Supplement EBT activity. It will be necessary for the EBT Contractor to interface with the AMA and provide the necessary data.
- **Food Supplement Redemption Reporting:** The EBT Contractor shall provide detailed daily Food Supplement redemption data by retailer identification number to STARS, the FNS Food Supplement redemption database, through the Benefit Redemption Systems Branch (BRSB) in Minneapolis. The data format and requirements of this file are specified by FNS.
- **ALERT File:** The USDA FNS' Anti-fraud Locator of EBT Retailer Transactions (ALERT) Subsystem utilizes a file of retailer EBT transactions provided by the states' contracted EBT processors. The EBT Contractor shall provide this transaction data, starting at implementation, on a monthly basis to FNS. This file should be submitted once a month to FNS, so that it is received by the 15th day of the calendar month, by secure delivery. The monthly file should contain all of the retailer Food Supplement Program EBT transactions for the prior calendar month.

4.30 EBT Transition Plan

Transition from the current EBT Contractor to the new EBT Contractor shall consist of 2 phases. This section includes the conversion to the new EBT Contractor, following the conclusion of the contract awarded through this procurement.

- **EBT-Only POS Terminals:** During the conversion of EBT-only equipment, it is critical that customers not be negatively impacted in their ability to redeem their benefits, due to conversion. Business operations of stores using EBT-only terminals should not be negatively impacted, due to the conversion to new terminals and terminal drivers. Therefore, 95% of all existing EBT-only terminals shall be converted prior to the database conversion.
- **EBT Database:** Database Conversion (conversion from existing database to new database) shall take place overnight on a weekend. The EBT Contractor shall analyze monthly transaction volumes and select a weekend when the least number of retailer and customers would be impacted. The entire conversion shall be completed in 10 hours or less.

During conversion, the EBT Contractor shall allow for certain processing of Food Supplement purchases, up to \$40 per cardholder per retailer for which the Contractor shall be liable for insufficient funds. The cost of such certain processing shall be included

in the standard cost per case month (CPCM) charges. Please provide the process for converting EBT cards from the current over-the-counter process to a centralized mailing process. This total card replacement will need to include the use of high coersivity cards for all.

The EBT Contractor shall:

- Perform significant testing of the conversion process, including performing test transactions against the converted database in the Test System. Testing shall validate that PINs have been converted successfully.
- Accept 3 years of transaction history to be transferred from the current EBT Contractor.
- Provide for conversion of 90 days of online transaction history, onto the new system.
- Provide a transition plan for dispute resolution that would maintain a 180 day transaction history for client-initiated disputes and a 15 day transaction history for acquirer-initiated disputes.
- Have checkpoints and reconciliation procedures built into the conversion process, to ensure that no benefits or records are dropped.
- Have a contingency fallback plan, in case the conversion cannot be completed in a timely manner, due to problems.
- Test all data exchange process with DHSS systems.

4.31 Disaster Preparation and Continuation Plan

Disaster preparation and continuation planning, includes 3 different areas. The 1st is the Contractor's system; the 2nd is Delaware's eligibility systems; and the 3rd is disasters impacting a large number of Delaware's population.

- Contractor Systems: The Contractor shall provide an alternative means of authorization of EBT transactions during short-term outages, when switching over to the back-up site is not considered appropriate. The response to this requirement shall include how the Contractor will notify both DHSS and the retailer community that an outage is occurring, and alternate means of authorizations are currently in place.

The EBT Contractor must allow for certain processing of Food Supplement purchases, up to \$40 per cardholder, per retailer, per outage, for which the Contractor shall be liable for insufficient funds. The Respondents shall define, in their proposal, under what circumstances they would consider their EBT system unavailable. Responses to this requirement should specify the process, by which retailers would be notified that certain processing is currently in effect, as well as the processing and settlement of these transactions. When using an EBT Administrative Terminal to issue Disaster Food Benefits, the Eligibility System must be checked for duplicate participation at the time of issuance.

However, in the event of a disaster impacting the availability of the Contractor's primary data processing site, the Contractor shall have available a back-up site for host processing and telecommunications network services. The Contractor shall have the EBT available back-up site begin processing transactions within 1 hour of a disaster declaration.

The Contractor's disaster recovery plan shall include a State notification process, as well as a declaration criteria and timeframes that are acceptable to DHSS. The Contractor shall notify DHSS immediately upon the Contractor's decision to move to a disaster back-up site, to provide EBT services. If the Contractor is providing EBT services to multiple States, the disaster recovery plan should address the timing and order of recovery of DHSS, as compared to the other agencies being processed. The recovery for the State of Delaware's EBT system shall not be delayed due to the Contractor recovering other States' EBT systems.

The disaster back-up site shall be tested annually, and the Contractor shall provide DHSS with copies of such tests results, within 30 days of receipt of such test results.

DHSS conducts disaster recovery testing of DHSS systems twice a year. During this testing the contractor may be required to send and receive files from the DHSS EBT subsystem, in order to confirm that the DHSS disaster back-up site has connectivity with the contractor's system.

- **State Systems:** The Contractor shall support the recovery of DHSS' eligibility and the EBT interface systems at a back-up site, in the event of a disaster at Delaware's data center which supports the Food Supplement Program. This support shall consist of providing connectivity to DHSS' back-up site to support the transmission of data files and reports between DHSS and the EBT Contractor. The connectivity during the initial days of a disaster may consist of passing tape cartridges between the Contractor and DHSS. In any case, the Contractor shall provide support to DHSS in ensuring that benefits are still being provided to customers through the EBT system, during the recovery of DHSS' data processing systems. Following the declaration of a disaster by Delaware and movement to a back-up data center, the Contractor shall work with DHSS technical staff to provide EBT support.
- **Disasters within Delaware:** In the event of a disaster in Delaware, the EBT Vendor must support DHSS in implementing a Disaster Food Supplement Program in which EBT cards and benefits are delivered in an emergency. The EBT Vendor must address this issue in their Continuation Plan. The basic assumption, in this scenario, is that there is sufficient infrastructure available within the retailer community, to support EBT as a means for benefit payments. This section provides the requirements to the EBT Contractor, for providing these benefits.

In the event of a disaster in Delaware, the EBT Vendor must support DHSS in implementing a Disaster Food Supplement Program, in which EBT cards and benefits are delivered in an emergency. The EBT Vendor must address this issue in their Continuation Plan. This will become a part of DE's D-SNAP Plan.

4.32 Post Award Project Deliverables

During the transition period, the Contractor must produce, on a weekly basis, project tracking reports that indicate tasks and time frames, which have been agreed upon by the Contractor and DHSS. Status reports shall be prepared and reviewed, at regularly scheduled status meetings, expected to occur weekly throughout the duration of the Contract or as determined by DHSS. The Vendor shall be responsible for providing the following documentations at each meeting in the formats approved by DHSS. These documents shall include:

- A status report which details status of major milestones and project deliverables completed, in process, planned, delayed, or added.
- Risk Matrix, Issues Log, and Project Work Plan with initial version provided at the 1st meeting and updated versions at subsequent meetings.
- Enterprise Technology Strategies status reporting, as required.
- Support State and Federal Review(s) – The Vendor shall support Delaware personnel for any State and Federal reviews, as needed. This includes consultation and documentation.
- Additionally the Vendor shall be required to attend, participate, facilitate, prepare materials and documents for various executive status briefings and DHSS meetings.
- The Vendor shall be required to assist DHSS in obtaining documentation for the DTI approval process.
- The Vendor shall follow DTI and IRM standards and comply with IEEE standards for SDLC.

The following shall be delivered within timeframes that have been established in the Milestone Schedule:

- Project Work Plan detailing tasks, timeline and resource assignments adhering to Contractual timelines as part of milestone #1. The Work Plan must be detailed to show all tasks necessary to complete the project. The Work Plan must detail a former review, approval, and sign-off by State personnel prior to the start of the next major activity/task within the plan. Any and all deviations from the Work Plan will follow the accepted Change Management Plan.
- Communications Plan documenting what project information is received by various stakeholders and the frequency and method of information distribution as part of milestone #2. Information includes project performance reporting such as project status and progress. Meetings are included in the communications plan.
- Organization Plan detailing organizational structure, resource requirements, and roles and responsibilities of both Vendor and State as part of milestone #2.
- Change Management Plan describing how changes in scope shall be handled for this project as part of milestone #2. Included in the plan are the identification, tracking, and classification of changes and how changes shall be incorporated into the project or deferred.
- Issues and Risk Management Plan describing how issues and risks shall be identified tracked, monitored, and resolved or mitigated as part of milestone #2. A Risk Matrix and Issues Log are required as regularly updated project control deliverables during the project.

4.33 Deliverables

In Phase 1, all deliverable documentation will be initially introduced in an “Outline and Sample Contents” template submitted by the contractor. State staff will approve each template. These templates may also be subject to federal review as well. Each deliverable will follow their respective approved template design.

Each document deliverable must be delivered in ten (10) paper copies, along with electronic copies sent to the two State Project Directors. State staff time is limited on this project especially for deliverable review. The project plan must include sufficient time for serial deliverable review. The contractor must include at least ten (10) business days, per deliverable, in the project plan for State staff to complete a review and to document their findings. Based on the review findings, DHSS may grant approval, reject portions of or reject the complete document, request contractor revisions be made, or may state the inability to respond to the deliverable until a future specified date. Upon each rejection, the contractor will have five (5) business day periods to revise the document. Additional three (3) business day periods shall be required by the State for subsequent reviews whenever revisions are requested or a deliverable is disapproved.

For each application module deliverable, the source code (or executable, in the case of COTS products) will initially be delivered to the IRM Manager of Application Support responsible for the Division (or designee) at the time of UAT. The vendor is responsible for installation in the DHSS test environment with IRM staff present. The vendor must remain on-site to address any errors until the application is successfully installed. The project plan must include sufficient time for:

- Training for the UAT group
- UAT
- Correction of issues uncovered during UAT

The vendor is responsible for developing a test plan and providing UAT test scripts along with each application module.

Both types of deliverables will be reviewed by DHSS and will require formal approval from DHSS, including the two State Project Directors, prior to milestone approval and payment. Formal approval of a deliverable is State approval of the final version. Bidder will include reasonable federal timeframes in the project plan for those deliverables requiring federal review, comment and approval. Also, both types of deliverables will be accompanied by a Deliverable Acceptance Request (DAR) – see Appendix M. The target in deliverable review is to complete the review in two cycles. However, review will need to continue beyond the second cycle if a deliverable still has major defects.

1. In the case of any discrepancy between any deliverable and the Contract, the controlling document shall be the Contract.
2. In the case of any contradiction between deliverables, the contradiction shall be resolved at the sole discretion of DHSS.

NOTE: Deliverables will be reviewed in a sequential manner. A deliverable will not be accepted for review until the preceding deliverable has been approved. This provision does not prohibit a vendor from working on multiple deliverables at the same time.

Deliverables are listed as follows. Milestones are indicated with the Mn designation.

	Project Deliverables & Milestones (M1-5)
Phase 1	Deliverable 1: Detailed Project Plan
	Deliverable 2: Deliverable Document Templates
	Approval of Phase 1 (M1)
Phase 2	Deliverable 3: System Requirement Specifications Document
	Deliverable 4: Detailed Functional Design Document
	Deliverable 5: Detailed Technical Specifications Document
	Approval of Phase 2 (M2)
Phase 3	Deliverable 6: System Integration Test Report
	Deliverable 7: User Acceptance Test Report
	Approval of Phase 3 (M3)
Phase 4	Deliverable 8: Training Materials
	Deliverable 9: User Training
	Approval of Phase 4 (M4)
Phase 5	Deliverable 10: Acceptance in Production of All Delivered Modules
	Deliverable 11: Ninety (90) Day Warranty Period
	Approval of Phase 5 (M5)

Except for the initial and final project phases above, vendors may propose a different sequence of phases and deliverables. Schedule F1 of Appendix F (Project Cost Forms) must reflect this different sequence.

Deliverables shown in **bold** are mandatory.

4.33.1 Phase 1

This phase is the kickoff of the project where the overall project planning, project management and schedule are agreed to and the ground rules and expectations are set.

The deliverables in this phase are:

Deliverable 1: Detailed Project Plan

This deliverable is the first update of the project plan submitted with the proposal of the selected vendor. See Section 6.2.4 for a description of this deliverable.

The project plan is a living document and must be updated at least weekly throughout the project to reflect actual project status and timelines. The State must approve any change that results in the change of a milestone date.

Deliverable 2: Deliverable Document Templates

Bidder must work with State staff to design templates for each subsequent document deliverable including but not limited to requirement documents, detailed design documents, training plans, testing plans, status reports, issues tracking, executive meeting summaries and other project documents. These template designs are critical to ensuring that the deliverables and other project documents are in a format agreed to by all parties. Each template must be separately approved by the State. Once the template format is agreed to, the actual project documents will be formatted to match the agreed upon template.

With formal State approval of all deliverables in this phase, the milestone payment (M1) minus 10% holdback may be invoiced.

4.33.2 Phase 2

The deliverable(s) are as follows:

Deliverable 3: System Requirement Specifications Document

The System Requirement Specifications deliverable will formally document the system requirements for the DHSS EBT system. In order to help produce this document the vendor may need to hold several JAD sessions with DHSS staff. In your proposal please discuss the number of JAD sessions that you will need to gather and document the system requirements. This deliverable should describe in detail the current Delaware business processes. All Delaware specific requirements gathered during JAD sessions must be included in this document regardless if the vendor is proposing a COTS solution that only contains specific functionality.

Deliverable 4: Detailed Functional Design Document

The Detailed Functional Design deliverable will be used to document system functionality. The vendor and DHSS staff will need to hold several JAD sessions to finalize the functional design. This document will include screen designs, user navigation details, report layouts, business rules, security controls and batch processing. This deliverable must also include a Gap Analysis between the Delaware specific requirements in the System Requirement Specifications Document and the functional design of the vendor's proposed system.

Deliverable 5: Detailed Technical Specifications Document

The Detailed Technical Specifications deliverable will be used to document the technical design specifications for processes in the DHSS EBT system. This document should contain file layouts and details of data exchange processes. This document will serve as a tool for DHSS IT staff when they develop processes to interface with the vendor's system. This document should contain data flow diagrams, field names and data types for all batch data exchanges and details regarding any web services available in the vendor's proposed system.

With formal State approval of all deliverables in this phase, the milestone payment (M2) minus 10% holdback may be invoiced.

4.33.3 Phase 3

The deliverable(s) are as follows:

Deliverable 6: System Integration Test Report

The System Integration Test Report should list issues that were found and fixed during system testing by the vendor. This deliverable will serve as a memorandum for the completion of system integration testing.

Deliverable 7: User Acceptance Test Report

The User Acceptance Test Report should list issues that were found and fixed during user acceptance testing. This deliverable will serve as a memorandum for the completion of acceptance testing and the sign-off to move forward with production implementation.

With formal State approval of all deliverables in this phase, the milestone payment (M3) minus 10% holdback may be invoiced.

4.33.4 Phase 4

The deliverable(s) are as follows:

Deliverable 8: Training Materials

The vendor must provide training materials for DHSS user, clients, and EBT vendors. Printed training materials must be provided in pamphlet format. Training material must be prepared in both English and Spanish. At a minimum the training pamphlet shall include the following:

- Use of the Delaware EBT card at the point-of-sale, including benefit transactions that can be processed at the POS terminals
- Use and safeguarding of the card and PIN
- Card replacement and PIN selection methods and procedures
- Manual Food Supplement transaction procedures
- Guidance on reporting problems with the card or its use and on reporting a lost or stolen EBT card
- Use of the transaction receipt to track balances
- Use of the Speech-enabled Interactive Voice Response (SIVR)
- Customer service functions, including a prominent display of the toll-free Customer Service Help Desk number.

In conjunction with the use of written training materials, the EBT Contractor shall, also, develop an EBT training video for the purposes of state agency training of customers.

Deliverable 9: User Training

Training material provided by the EBT Contractor shall cover all of the functionality supported by the EBT Online Admin application for DHSS. The material shall cover accessing the Online Admin functions, security features within the system, and detailed explanation of the screens and functions supported by the Online Admin application.

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

With formal State approval of all deliverables in this phase, the milestone payment (M4) minus 10% holdback may be invoiced.

4.33.5 Phase 5

The deliverable(s) are as follows:

Deliverable 10: Acceptance in Production of All Delivered Modules

This deliverable consists of final State approval of all delivered modules and their implementation into production.

Deliverable 11: Ninety (90) Day Warranty Period

As the final deliverable of the project, vendor will supply 90 calendar days of warranty support after the final production implementation of all modules. The first two weeks of warranty support will be on-site. The warranty period provides for issue resolution, bug fixes and system functionality problems with the new system. This support is included in the firm fixed price.

With formal State approval of all deliverables in this phase, the milestone payment (M5) may be invoiced. The total **M5** payment is the sum total of the holdbacks from milestone payments **M1 thru M4**. See subsection 7.2 for details on project payments.

4.34 Project Expectations

Contractor will be expected to address the following requirements in detail. Emphasis is on the limited availability of state staff for this project and the expectation that the contractor express in detail their understanding of their responsibilities in the areas of Customization/Development, Implementation, Warranty, Training, and Deliverables.

4.34.1 Customization/Development

Vendor assumes primary responsibility for this project with minimal assistance from state staff

4.34.2 Site Requirements

The application and database infrastructure and platforms must be located at the Biggs Data Center on the DHSS Herman Holloway Sr. Health & Social Services Campus in New Castle, Delaware.

At a minimum, there will be three environments in Delaware. There will be an integration test environment, a User Acceptance Test (UAT) environment and a production environment. Development and other internal environments may be located offsite.

Additional staging areas may be proposed at the discretion of the vendor. Bidder will address how each of these regions will be set up and utilized. These regions will be maintained for the life of the system. Proposals must provide for adequate ongoing licenses to maintain each region.

DHSS prefers the use of web browser based applications and given the option between browser-based applications and other types of applications, will select the browser-based solution. Vendors should note though that ASP/COM applications that use MTS/Component Services present security difficulties in the DHSS IT Environment and will generally not be allowed.

When a web browser based solution is not available, DHSS runs all "thick client" applications (sometimes referred to as "client/server applications") on the Citrix

XenApp/Metaframe platform. Vendors proposing such applications must ensure full Citrix XenApp/Metaframe compatibility. DHSS has infrastructure in place to present Citrix based applications to internal network users and/or external users via the Internet.

Any remote access by IT vendors will be accomplished through the use of SSL VPN. Direct modem dial-up access is not allowed. If a vendor expects or requires remote access for proper implementation and/or support of his product, proposals must detail the exact nature of the remote access required and why it cannot be accomplished through other means. Vendors should note that under no circumstances is "remote control" of user desktops ever allowed and the State of Delaware firewall will block such access. For remote access to Windows based servers in the DMZ, either RDP or Citrix must be used.

If the vendor will use any third party products during the course of this project, such products must be approved in writing by DHSS prior to their use. In order to receive such approval the vendor is required to submit a list of the products, the number of licenses that will be procured (if applicable), and a description of how the product will be used. The description must include whether the product is only required for customization/development or whether it would be required for ongoing support/maintenance. Each product must also have an outline as to its initial and ongoing costs (including, but not limited to, licensing, maintenance, support, run time licensing versus developer licensing, and so on). Approval of third party products is ultimately at the discretion of DHSS.

Any software purchased or developed for DHSS must be an appropriate fit into the DHSS IT Environment. The DHSS IT Environment Standard will be distributed at the pre-bid meeting. Vendors will describe how their proposal's components are consistent with the current environment. Vendors may propose solutions that are not consistent with the current environment but in that case must include a detailed analysis of how their solution's requirements will be integrated into the existing DHSS IT Environment (including, but not limited to, purchases required, set up requirements and so on). The state wishes to leverage the existing infrastructure at the Biggs Data Center to the extent possible. Bidder will describe how their system will take advantage of the existing infrastructure. All proposals (and/or their attendant integration suggestions) will be evaluated for their fit into the current environment. Utilization of this infrastructure will be a factor in proposal evaluation.

The State prefers to purchase third party hardware and software directly unless there is significant advantage to the State in having the hardware/software as vendor deliverables. In either case, all software licenses must be in the name of DHSS and must provide for separate development, test and production environments.

4.34.3 System Testing

Contractor will consult with IRM to ensure that all aspects of the testing environment are ready. Conversion run tests from existing system will be scheduled through IRM. These tests will be scheduled to run during off peak hours so as to minimize network load. Each developed entity will be thoroughly tested by the contractor before it is scheduled for UAT with the State.

4.34.4 User Acceptance Testing (UAT)

Each system module will undergo UAT by the State prior to production implementation. The vendor is responsible for developing UAT test scenarios, but the State is not limited to these scenarios and will test all aspects of deliverables. The locations for UAT State staff will be at the State's discretion. Upon formal State approval of a module's UAT, it will be scheduled with IRM for implementation into the production environment.

4.34.5 Conversion

An integral part of the project will be to integrate into the new system, historical data from the following existing DHSS system(s):

- Food Benefit Eligibility System Transaction Windows
- Food Benefit Eligibility System Hardship Windows
- Food Benefit Eligibility System FSP Authorized Representatives Windows

Conversion controls, especially the monitoring and proof of initial conversion results, are very important to ensure that the transactional source data converted into the system is accurate prior to implementation. Initial and ongoing conversion controls and balancing procedures must be described. Bidders must describe their approach to data conversion and describe in detail how they will convert existing data. Data conversion must be addressed in the proposed project plan.

4.34.6 Training

Contractor will be responsible for training users in all aspects of the new system. Training will be outlined in a training plan discussing expectations and schedules. A training planning session must be held to review the training plan prior to the first actual training session. This will enable State and Contractor staff to better communicate during these sessions. Contractor will detail in their proposal a training plan outline and schedule for users of each component of the system.

4.34.7 Support Services

Bidders must include a description of the ongoing support they are proposing which will start after the warranty phase. Support includes licenses, help desk support, bug fixes, updates, ASP charges (if applicable) and new releases. Costs for such services will need to be shown in the Business Proposal volume, together with a statement that such services will be available for a minimum of five years after the warranty period. The first year will be mandatory; years two through five will be at the State's option. Support cost inflation is discussed on the cost forms.

Bidder must guarantee that their proposed solution will comply with all mandatory requirements. Bidder will also specify expected deadline dates for completion of such modifications after the provision of detailed, written notice of impending changes from the Division.

Bidders should also address the following in their proposal:

- Identify the average of your response and resolution times. Provide examples of current measurements and metrics.
- Describe your process for providing application fixes and enhancements.
- Identify your average turnaround time for fixes and enhancements.

- Confirm whether or not clients have the opportunity to provide input into the prioritization of new features and enhancements.
- Identify your anticipated **2011-2012** schedule for new releases and updates.
- Confirm whether you have User Conferences and/or Advisory Boards.

It is critical that the proposed solution include ongoing support services and assurance that all regulatory requirements will be met for the Division. Other details and specific requirements are included in various sections throughout this RFP.

4.34.8 Maintenance Services

Bidders must also provide:

- An estimate of the number of hours required to apply the DHSS customization features to new releases.
- A single fully loaded hourly rate which will apply to this work, as well as to future customization.

This information will need to be shown in the Business Proposal.

Bidder must guarantee that their proposed solution will comply with all mandatory requirements throughout the entire support phase. Bidder will also specify expected deadline dates for completion of such modifications after the provision of detailed, written notice of impending changes from DHSS.

4.34.9 Documentation

The vendor is responsible for providing documentation for the new system. At a minimum this includes user manuals and on-line help. For non-COTS systems and for the customized components of COTS systems, the vendor is also responsible for providing sufficient system documentation to permit DHSS to perform application maintenance.

5 Proposal Evaluation/Contractor Selection

5.1 Process

An Evaluation Team will review all proposals submitted in response to this RFP. The Evaluation Team will perform separate Technical Proposal and Business Proposal Reviews. The Business Proposal Review will be done only after the Technical Proposal Review process has been completed.

Each Technical Proposal will be evaluated to determine if it meets the Mandatory Submission Requirements. Any proposal failing to meet those requirements is subject to immediate disqualification without further review. Relative merits of all remaining proposals will be evaluated against technical criteria as listed in this RFP.

Vendors may be required to demonstrate their proposed solutions. The demonstrations may be used in the Evaluation Team's final deliberations.

The Business Proposal evaluation will be conducted in accordance with cost criteria listed in this RFP.

The individual scores of each evaluator will be averaged to determine a final technical score and a final business score. Technical and Business scores will be combined to determine each bidder's total score.

Evaluation team findings will be presented to an Executive Selection Committee. The Executive Selection Committee will review Evaluation Team findings. A potential contractor will be recommended to the Director, Division of Management Services. Final selection is at the discretion of the Director or her designee.

5.2 Proposal Evaluation and Scoring

The Technical and Business proposals of each bidder will be evaluated and assigned points. A maximum of 100 total points is possible.

5.2.1 Mandatory Requirements

This portion of the evaluation will be performed by the Division Director or designee. Each proposal will be reviewed for responsiveness to the mandatory requirements set forth in the RFP. This will be a yes/no evaluation and proposals that fail to satisfy **all** of the criteria of this category may not be considered further for the award of a Contract. Specific criteria for this category are as follows: Vendor is required to address Section 4 "Contractor Responsibilities/Project Requirements" in detail by subsection and bullet. Vendor is required to follow Section 6 "Bidder Instructions" explicitly and complete all required forms as instructed.

Failure to adequately meet any one (1) mandatory requirement may cause the entire proposal to be deemed non-responsive and be rejected from further consideration. However, the State reserves the right to waive minor irregularities and minor instances of non-compliance.

5.2.2 Technical Proposal Scoring

Only those bidders submitting Technical Proposals which meet the Mandatory Submission Requirements provision will have their Technical Proposals scored.

Category	Maximum Assigned Points
Meets Mandatory RFP Requirements	Pass/Fail
Appropriateness of Proposed Solution	30
Organization, Staff Qualifications and Experience With Similar Projects	30
Understanding Scope of the Project	10
Project Management Methodology	10
Total Maximum Technical Score	80

5.2.3 Business Proposal Scoring

Total business score will be based on the costs submitted as part of the cost worksheet and on the documented stability and resources of the vendor. Strong consideration will be given to how well the costs in the Project Cost Forms compare to the level of effort for this and other proposals along with the accuracy of the submitted figures. The State of Delaware reserves the right to reject, as technically unqualified, proposals that are unrealistically low if, in the judgment of the evaluation team, a lack of sufficient budgeted resources would jeopardize project success.

Total Maximum Business Score	20
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5.2.4 Total Points Awarded

(Total Technical Score + Total Business Score) = Total Evaluation Score

Total Maximum Evaluation Score	100
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6 Bidder Instructions

The proposal must be submitted as follows:

Two (2) original CDs (Each Labeled as “Original”) and six (6) CD copies (Each labeled as “Copy”). In addition, any required confidential financial or audit information relating to the company and not specifically to the proposal may be copied separately to three (3) additional CDs (Each labeled “Corporate Confidential Information”).

Each CD will contain the following files at a minimum:

- CD Directory.doc (Microsoft Word 2000 or higher)
- RFP Technical Proposal.doc
- RFP Business Proposal.doc
- RFP Technical Proposal.pdf
- RFP Business Proposal.pdf
- RFP Project Plan.mpp

Each proposal file in .pdf format must be a printable copy of each original volume submitted. Other files may be submitted separately. The CD Directory.doc file must contain a Word table listing each file contained on the CD along with a short description of each.

It is the responsibility of the bidder to ensure all submitted CDs are machine readable, virus free and are otherwise error-free. CDs (or their component files) not in this condition may be cause for the vendor to be disqualified from bidding.

Bidders are no longer required to make hard copies.

The Technical Proposal Volume copies must be labeled on the outside as follows:

<p style="text-align:center">State of Delaware Department of Health and Social Services RFP</p> <p style="text-align:center">Volume 1 Electronic Benefit Transfer RFP - Technical Proposal</p> <p style="text-align:center">DHSS RFP # PSCHSS-10-067 (Name of Bidder)</p> <p style="text-align:center">May 28, 2010 11:00 A.M. ET</p>
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The Business Proposal Volume copies must be labeled on the outside as follows:

<p style="text-align:center">State of Delaware Department of Health and Social Services RFP</p> <p style="text-align:center">Volume 2 Electronic Benefit Transfer RFP - Business Proposal</p> <p style="text-align:center">DHSS RFP # PSCHSS-10-067 (Name of Bidder)</p> <p style="text-align:center">May 28, 2010 11:00 A.M. ET</p>

6.1.1 Proposal Delivery

Proposals must be delivered to:

Wendy Brown, Procurement Administrator
DE Department of Health & Social Services
Division of Management Services
Procurement Branch, DHSS Campus
Administration Building- 2nd Floor Main Bldg., Room 259
1901 N. DuPont Highway
New Castle, DE 19720

6.1.2 Closing Date

All responses must be received no later than **May 28, 2010 11:00 A.M. ET**

6.1.3 Notification of Award

Proposed date the Notification of Award will be mailed to all bidders: **July 31, 2010.**

6.1.4 Bidder Questions

All questions shall reference the pertinent RFP section(s) and page number(s). Written responses from DHSS will be binding. Verbal responses given at the bidders' meeting will be informational only and non-binding. Other than at the bidders' meeting, bidders may not contact any State staff except by sending questions **electronically** to:

Kelli D'Aguiar
Division of Management Services – Client Payments
1901 N. DuPont Hwy. – 3rd Floor Annex
New Castle, DE 19720
kelli.daguiar@state.de.us

by **April 30, 2010 04:30 P.M. ET**. Only those questions received in this manner by this date and time will be considered, and it is the vendor's responsibility to ensure that questions are received by the above named person by the date and time shown above. DHSS will not respond to questions received after that time. A final list of written questions and responses will be posted as an RFP addendum on the Internet at <http://www.dhss.delaware.gov/dhss/rfp/dhssrfp.htm>. This addendum will also be sent electronically to all vendors attending the bidders' meeting.

6.1.5 Anticipated Schedule

The following timetable is anticipated for key activities within the procurement process:

Activity	Schedule
State Publishes RFP	March 31, 2010
Mandatory Bidder's Meeting	April 16, 2010 11:00 AM ET
Submission of Questions	April 30, 2010 04:30 P.M. ET
Response to Questions	May 14, 2010 04:30 P.M. ET
Receipt of Proposals	May 28, 2010 11:00 A.M. ET
Selected Vendors' Demonstrations	June 21 thru June 30, 2010
Notification of Award	July 31, 2010
Contract Signature/Project Start	August 11, 2010
Production Implementation and Start of 90 Day Warranty Period	August 11, 2011

6.1.6 Proposal Becomes State Property

All proposals become the property of the State of Delaware and will not be returned to bidders. DHSS will not divulge specific content of proposals to the extent that the bidder identifies contents as privileged or confidential. Any information not so designated will be considered public information.

6.1.7 RFP and Final Contract

The contents of the RFP will be incorporated into the final contract and will become binding upon the successful bidder.

6.1.8 Proposal and Final Contract

The bidder's proposal will be incorporated into the final contract and be considered binding upon the successful bidder.

6.1.9 Modifications to Proposals

Modifications to proposals will not be accepted after the submission deadline. At any time, DHSS reserves the right to request clarification and/or further technical information from any contractor submitting a proposal.

6.1.10 Alternative Solutions

The proposal must contain a single solution, including hardware and software. This is critical in ensuring project success and that project costs are expected, administered and contained. Bidders may propose alternative solutions but only as fully separate proposals that will be evaluated separately. Single proposals containing alternative/multiple solutions will be failed.

6.1.11 Cost of Proposal Preparation

All costs of proposal preparation will be borne by the bidder.

6.1.12 Mandatory Pre-bid Meeting

The Division will hold a mandatory pre-bid meeting to address questions regarding solicitation procedures only. Attendance is mandatory for those firms submitting a bid. The pre-bid meeting will take place on:

April 16, 2010 11:00 AM ET

DHSS Campus
Administration Building
Room 301
1901 N. DuPont Highway
New Castle, DE 19720

6.2 Volume I – Technical Proposal Contents

The Technical Proposal shall consist of and be labeled with the following sections:

- A. Transmittal Letter**
- B. Required Forms**
- C. Executive Summary**
- D. Project Management Plan**
- E. Contractor Responsibilities/Project Requirements**
- F. Staff Qualifications and Experience**
- G. Firm Past Performance and Qualifications**

The format and contents for the material to be included under each of these headings is described below. Each subsection within the Technical Proposal must include all items

listed under a heading because evaluation of the proposals shall be done on a section-by-section or functional area basis. **No reference to, or inclusion of, cost information shall appear in the Technical Proposal or Transmittal Letter.**

6.2.1 Transmittal Letter (Section A)

The Transmittal Letter shall be written on the bidder's official business letterhead stationery. The letter is to transmit the proposal and shall identify all materials and enclosures being forwarded collectively in response to this RFP. The Transmittal Letter must be signed by an individual authorized to commit the company to the scope of work proposed. It must include the following in the order given:

1. An itemization of all materials and enclosures being forwarded in response to the RFP
2. A statement certifying that the proposal CD's have been scanned and are free from viruses and other malicious software.
3. A reference to all RFP amendments received by the bidder (by amendment issue date), to warrant that the bidder is aware of all such amendments in the event that there are any; if none have been received by the bidder, a statement to that effect must be included
4. A statement that all proposal conditions are valid for 180 days from the deadline date for proposal submission
5. A statement that price and cost data are not contained in any part of the bid other than in the Business Proposal volume
6. A statement that certifies pricing was arrived at without any collusion or conflict of interest

The original of the Transmittal Letter shall be submitted in a separate, sealed envelope inside the package containing the Technical Proposals. All other copies of the Transmittal Letter shall be bound into the copies of the Technical Proposal.

6.2.2 Required Forms (Section B)

This section of the proposal will include the following completed forms:

Certification and Statement of Compliance

Appendix B: This is a mandatory form in which the bidder must certify certain required compliance provisions.

Mandatory Submission Requirements Checklist

Appendix G: This is the mandatory submission requirements checklist. Agreement to or acknowledgement of a requirement is shown by a Y (Yes) or N (No) next to the requirement and a signature at the bottom of the checklist. **Failure to adequately meet any one (1) mandatory requirement may cause the entire proposal to be deemed non-responsive and be rejected from further consideration.** However, the State reserves the right to waive minor irregularities and minor instances of non-compliance.

State of Delaware Contracts Disclosure

Appendix H: On this form, bidder shall list all contracts awarded to it or its predecessor firm(s) by the State of Delaware that have been active during the last three (3) years. Failure to list any contract as required by this paragraph may be grounds for immediate rejection of the bid.

Bidders Signature Form

Appendix J: This is a standard bidder information form.

Office of Minority and Women Business Enterprise Self-Certification Tracking Form

Appendix K: This is an optional form

Bidder Project Experience

Appendix L: This provides a standard form to document vendor's work on similar projects.

6.2.3 Executive Summary (Section C)

Bidder shall present a high-level project description to give the evaluation team and others a broad understanding of the technical proposal and the bidder's approach to this project. This should summarize project purpose, key project tasks, a timeline, deliverables and key milestones, qualifications of key personnel, along with subcontractor usage and their scope of work. A summary of the bidder's corporate resources, including previous relevant experience, staff, and financial stability must be included. The Executive Summary is limited to a maximum of ten (10) pages.

6.2.4 Project Management Plan (Section D)

Bidder shall describe the overall plan and required activities in order to implement the project within the budget and described schedule. This should include descriptions of management controls, processes and reporting requirements that will be put into place to ensure a smooth administration of this project.

Project Plan (Section D.1)

Bidder must outline a project plan with the following information:

- Key dates including dates for deliverable submission, State deliverable approval, Federal deliverable approval (if required) and milestones
- Staffing structure, with a breakdown by activity, task and subtask within the entire project
- An organization chart with staff names & functional titles
- Description at the subtask level including duration and required staff resources (contractor vs. State) and hours
- Resource staffing matrix by subtask, summarized by total hours by person, per month.

The proposed schedule in the project plan must be in Microsoft Project format. Bidder must also discuss procedures for project plan maintenance, status reporting, deliverable walkthroughs, subcontractor management, issue tracking and resolution, interfacing with State staff and contract management.

Vendors attending the mandatory bidders' meeting will receive a sample Microsoft project plan. It provides the general format that vendors must follow when constructing their project plan. Vendor plans must reflect each deliverable and milestone in the specified format. Review periods as specified in the RFP must be built into the project schedule. Serial deliverable review periods must be shown - the best way to do this is to link the "State Review of Deliverable" task with the prior deliverable's review task. The project plan is a critical deliverable and must reflect all dependencies, dates and review

periods. If the plan has issues, the state will not approve the initial milestone payment. Vendor staff expertise in MS Project is critical for proper construction and maintenance of this plan.

NOTE: All of the application deliverables are described at a module level. The project plan must be more detailed and include items such as:

- Requirements JAD sessions
- Requirements document *
- Design JAD sessions
- Design document *
- User manual and on-line help *
- Systems documentation, as required *
- Training plan *
- UAT *
- Production implementation *

For the items shown with an asterisk above, the plan needs to provide time for DHSS review and approval.

6.2.5 Project Requirements (Section E)

Bidder must describe their understanding and approach to meet the expectations and mandatory requirements specified in Section 4. Please address each numbered subsection in this section separately in sequence as “RFP Section 4.x.x”. Address bulleted and titled requirement paragraphs within subsections as “Bullet n” and “Paragraph Title” respectively. Please address State staffing considerations in subsections where staffing is mentioned. The Crosswalk of RFP Section 4 in Appendix I must be completed in full and included in the beginning of this section of the bidder’s proposal.

6.2.6 Staff Qualifications and Experience (Section F)

Bidders shall submit a staff skills matrix in their own format to summarize relevant experience of the proposed staff, including any subcontractor staff in the areas of:

- Technical project management
- Planning
- Requirements Analysis
- Technical analysis
- Development
- Subject Matter (Behavioral Health Clinical Expertise) Development
- Documentation
- Planning
- Training

Additionally, bidders shall provide a narrative description of experience each key staff member has in the areas relevant to this project. Bidder and subcontractor staff shall be separately identified. Contractor staff requirements will be addressed as outlined in subsection 4.1. Resumes will be formatted as outlined in Appendix E and included in this section of the proposal. Bidder must also provide an organization chart of all proposed staff.

If subcontractors are being proposed, then include the name and address of each subcontractor entity along with an organization chart indicating staffing breakdown by job title and staff numbers on this project. This organization chart must show how the individual subcontractor entity will be managed by your firm as the primary contractor. Any sub or co-contractor entity(s) proposed will need prior approval by the State before the contract is signed. If proposing no sub contractors, please state in this proposal section “**No subcontractors are being proposed as part of this contract.**” Please refer to RFP Appendix A for subcontractor standards.

6.2.7 Firm Past Performance and Qualifications (Section G)

The bidder shall describe their corporate experience within the last five (5) years directly related to the proposed contract. Also include experience in:

- Other government projects of a similar scale
- EBT Projects
- Development of Accounting of payment processing systems.

Experience of proposed subcontractors shall be presented separately.

Provide a summary description of each of these projects including the contract cost and the scheduled and actual completion dates of each project. For each project, provide name, address and phone number for an administrative or managerial customer reference familiar with the bidder’s performance. Use the form provided in Appendix L.

Provide an example of an actual client implementation plan, similar in magnitude to the Delaware Electronic Benefit Transfer (EBT) project, including staff, dates, milestones, deliverables, and resources.

6.3 Volume II – Business Proposal Contents

The business proposal volume will contain all project costs along with evidence of the bidder’s financial stability.

6.3.1 Project Cost Information (Section A)

The bidder shall provide costs for the Technical Proposal Volume as outlined in Appendix F.

In completing the cost schedules, rounding should not be used. A total must equal the sum of its details/subtotals; a subtotal must equal the sum of its details.

The Total Cost shown in Schedule F1 must include all costs (except out year costs) that the selected vendor will be paid by DHSS. If specialized hardware or software will be provided by the vendor, it must be included as a deliverable in this schedule.

Vendors attending the mandatory bidders’ meeting will receive a sample Microsoft Excel version of Schedule F1.

Cost information must only be included in the Business Proposal Volume. No cost information should be listed in the Technical Proposal Volume.

6.3.2 Software and Hardware Information (Section B)

On a separate page of the Business Proposal entitled “Software Licensing Structure” list each module and each third party software application listed in either Schedule F1 or Schedule F5. Describe what required (or optional) functions from section 4 that the particular module or application includes. Discuss the licensing structure (per seat, concurrent user, site, etc.) for each.

All licenses must be in the name of the State and must provide for separate development, test and production environments.

On a separate page of the Business Proposal entitled “Hardware Description” list each hardware item listed in either Schedule F1 or Schedule F6. Provide a description of its function and a detailed component list.

6.3.3 Vendor Stability and Resources (Section C)

The bidder shall describe its corporate stability and resources that will allow it to complete a project of this scale and meet all of the requirements contained in this RFP. The bidder’s demonstration of its financial solvency and sufficiency of corporate resources is dependent upon whether the bidder’s organization is publicly held or not:

- If the bidder is a publicly held corporation, enclose a copy of the corporation's most recent three years of audited financial reports and financial statements, a recent Dun and Bradstreet credit report, and the name, address, and telephone number of a responsible representative of the bidder's principle financial or banking organization; include this information with copy of the Technical Proposal and reference the enclosure as the response to this subsection; or
- If the bidder is not a publicly held corporation, the bidder may either comply with the preceding paragraph or describe the bidding organization, including size, longevity, client base, areas of specialization and expertise, a recent Dun and Bradstreet credit report, and any other pertinent information in such a manner that the proposal evaluator may reasonably formulate a determination about the stability and financial strength of the bidding organization; also to be provided is a bank reference and a credit rating (with the name of the rating service); and
- Disclosure of any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the bidding organization; or warrant that no such condition is known to exist.

This level of detail must also be provided for any subcontractor(s) who are proposed to complete at least ten (10) percent of the proposed scope of work.

7 Terms and Conditions

The following provisions constitute the terms and conditions of the contractual agreement between the State of Delaware, Department of Health and Social Services (DHSS) and its contractor. This section contains terms and conditions specific to this RFP. The general terms and conditions are contained in Appendix A. The standard departmental contract is contained in Appendix C.

7.1 Contract Composition

The terms and conditions contained in this section constitute the basis for any contract resulting from this RFP. The State will be solely responsible for rendering all decisions on matters involving interpretation of terms and conditions. All contracts shall be in conformity with, and shall be governed by, the applicable laws of the federal government and the State of Delaware.

[The following language is to replace the verbiage in Section 16 of the Standard Department Contract when the contract is constructed]

The term "Contract Documents" shall mean the documents listed in this Section 16. Each of the Contract Documents is an essential part of the agreement between the Parties, and a requirement occurring in one is as binding as though occurring in all. The Contract Documents are intended to be complementary and to describe and provide for a complete agreement. In the event of any conflict among the Contract Documents, the order of precedence shall be as set forth below:

- A. Standard Department Contract
- B. Contract Amendment(s)
- C. RFP Amendment(s)
- D. Published RFP
- E. Amendment(s) to Vendor Proposal
- F. Vendor Proposal
- G. Other Informational Documents

7.2 Payment for Services Rendered

Services will be bound by a **firm fixed price contract**. The firm fixed price will be the Total Cost shown in Schedule F1 (Appendix F). Payments will be made based upon the contractor's satisfactory completion and State approval of the identified scheduled milestones.

7.3 Contract Term

The maximum term of the project is **five (5) years** from contract signature. Bidder may propose a shorter term in their proposal. The system implementation, including data migration and transition from current EBT vendor must be completed by August 2011.

The State shall have the right to extend the contract period for 5 additional one-year periods or portions thereof for a total contract term not to exceed 5 years. The terms and conditions of any such contract extension shall remain the same as the original contract.

7.4 Contractor Personnel

At any time and at its sole discretion, DHSS shall have the right to require the Contractor to remove any individual (either Contractor or subcontractor) from his/her assignment to this contract if, in the opinion of DHSS, such employee is uncooperative, inept, incompetent or otherwise unacceptable. DHSS will notify the Contractor of this issue in writing and Contractor will immediately comply. The State shall not be invoiced for any further work by this individual after this notification. If the Contractor must make a staff substitution for whatever reason, a staff person with equivalent or better qualifications and experience will be proposed to the State as soon as possible. This proposed candidate will be subject to the same qualifying procedures as the original candidate. The State Project Director(s) must approve this substitution before their term on the project begins. In the event that a staff position becomes temporarily or permanently vacant for any reason, including the contractor's choice to reassign a staff member, DHSS may reduce payments to the Contractor in the amount equal to the vacated positions pay rate for the time period the position is vacant. DHSS may choose to waive its right to reduce payments if the State Project Directors approve a proposed replacement staff member who can assume the vacated position immediately upon its vacancy.

7.5 DTI Requirements

STANDARD PRACTICES:

With respect to work provided to or conducted for the state by a contractor, the contractor(s) shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished to the state. The contractor(s) shall follow practices consistent with generally accepted professional and technical standards. The contractor(s) shall be responsible for ensuring that all services, products and deliverables furnished to the state are coordinated with the Department of Technology and Information (DTI) and are consistent with practices utilized by, or standards promulgated by DTI. If any service, product or deliverable furnished by a contractor(s) does not conform to DTI standards or general practices, the contractor(s) shall, at its expense and option either (1) replace it with a conforming equivalent or (2) modify it to conform to DTI standards or practices.

CONFIDENTIALITY AND DATA INTEGRITY:

The Department of Technology and Information is responsible for safeguarding the confidentiality and integrity of data in State computer files regardless of the source of those data or medium on which they are stored; e.g., electronic data, computer output microfilm (COM), tape, or disk. Computer programs developed to process State Agency data will not be modified without the knowledge and written authorization of the Department of Technology and Information. All data generated from the original source data, shall be the property of the State of Delaware. The control of the disclosure of those data shall be retained by the State of Delaware and the Department of Technology and Information.

The Contractor is required to agree to the requirements in the CONFIDENTIALITY AND INTEGRITY OF DATA STATEMENT, attached, and made a part of this RFP. Contractor employees, individually, may be required to sign the statement prior to beginning any work.

SECURITY:

Computer, network, and information security is of paramount concern for the State of Delaware and the Department of Technology and Information. The State wants to ensure that computer/network hardware and software does not compromise the security of its IT infrastructure. The SANS Institute and the FSPI have released a document describing the Top 20 Internet Security Threats. The document is available at www.sans.org/top20.htm for your review. The Contractor is guaranteeing that any systems or software provided by the Contractor are free of the vulnerabilities listed in that document.

CYBER SECURITY LIABILITY:

It shall be the duty of the Vendor to assure that all products of its effort do not cause, directly or indirectly, any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of information maintained by the State of Delaware. Vendor's agreement shall not limit or modify liability for information security breaches, and Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) arising out of such breaches. In addition to all rights and remedies available to it in law or in equity, the State shall subtract from any payment made to Vendor all damages, costs and expenses caused by such information security breaches that have not been previously paid to Vendor.

OTHER

The contractor agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the contractor, its employees, and invitees on or about the premises and which arise out of the contractor's performance, or failure to perform, as specified in the Agreement.

It shall be the duty of the contractor to assure that all products of its effort do not cause, directly or indirectly, any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of information maintained by the State of Delaware. Contractor's agreement shall not limit or modify liability for information security breaches, and contractor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) arising out of such breaches. In addition to all rights and remedies available to it in law or in equity, the State shall subtract from any payment made to contractor all damages, costs and expenses caused by such information security breaches which have not been previously paid to Vendor.

7.6 Funding

This contract is dependent upon the appropriation of the necessary funding.

DHSS reserves the right to reject or accept any bid or portion thereof, as may be necessary to meet its funding limitations and processing constraints.

7.7 Confidentiality

The contractor shall safeguard any client information and other confidential information that may be obtained during the course of the project and will not use the information for any purpose other than the Contract may require.

7.8 Method of Payment:

The agencies or school districts involved will authorize and process for payment each invoice within thirty (30) days after the date of receipt. The contractor or vendor must accept full payment by procurement (credit) card and or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

7.9 Contract Transition

In the event the Department awards the contract to another Contractor, through contract expiration or termination of this contract, the Contractor will develop a plan to facilitate a smooth transition of contracted functions either back to the Department or to another Contractor designated by the State. This close out plan must be approved by the Department.

7.10 Tardiness Sanction

All bidders who wish to bid on this proposal must be present on time at the mandatory pre bid meeting. No proposals will be accepted from bidders who either did not attend the Mandatory Pre-Bid Meeting or who are MORE than 15 minutes late.

8 Appendices

Appendices referenced in this RFP are included in this section. The following are included for the bidder's use in submitting a proposal.

A. General Terms and Conditions

B. Certification and Statement of Compliance

C. Standard Departmental Contract

D. Website Links

E. Key Position Resume

F. Project Cost Forms

G. Mandatory (Pass/Fail) Submission Requirements Checklist

H. State of Delaware Contracts Disclosure

I. Crosswalk of RFP Section 4

J. Bidders Signature Form

K. Office of Minority and Women Business Enterprise Self-Certification Tracking Form

L. Bidder Project Experience

M. Deliverable Acceptance Request (DAR)

The following Appendices must be completed by all bidders and included as part of the specified proposal:

- Technical Proposal - Appendices B, E, G, H, I, J, K(optional), L
- Business Proposal – Appendix F

Appendix

A. General Terms and Conditions

Appendix A

General Terms and Conditions

The following provisions are applicable to all DHSS RFP's

1) Proposal Becomes State Property

All proposals become the property of the State of Delaware and will not be returned to contractors.

2) RFP and Final Contract

The contents of this RFP will be incorporated into the final contract and will become binding upon the successful bidder. If bidders are unwilling to comply with certain RFP requirements, terms and conditions, objections must be clearly stated in the proposal and will be subject to negotiation at the discretion of the Department.

3) Proposal and Final Contract

The bidder's proposal will be incorporated into the final contract and be considered binding upon the successful bidder.

4) Amendments to Proposals

Amendments to proposals will not be accepted after the submission deadline. DHSS reserves the right to request clarification and/or further technical information from any contractor submitting a proposal at any time.

5) Cost of Proposal Preparation

All costs of proposal preparation will be borne by the bidder.

6) Investigation of Contractor's Qualifications

The State of Delaware may make such investigation as it deems necessary to determine ability of potential contractors to furnish required services, and contractors shall furnish the State with data requested for this purpose. The State reserves the right to reject any offer if evidence submitted or investigation of such contractor fails to satisfy the State that the contractor is properly qualified to deliver services.

Bidder shall list all contracts awarded to it or its predecessor firm(s) by the State of Delaware during the last three years, by State Department, Division, Contact Person (with address/phone number), period of performance and amount. The Evaluation/Selection Review Committee will consider these as additional references and may contact these sources. Information regarding bidder performance gathered from these sources may be included in the Committee's deliberations and may be factored

into the final scoring of the bid. Failure to list any contract as required by this paragraph may be grounds for immediate rejection of the bid.

7) Certifications, Representations, Acknowledgments

Using Appendix B, bidding contractors must certify that:

- They are a regular dealer in the services being procured.
- They have the ability to fulfill all requirements specified for development with this RFP.
- They have independently determined their prices.
- They are accurately representing their type of business and affiliations.
- They have acknowledged any contingency fees paid to obtain award of this contract.
- They have included in their quotation all costs necessary for or incidental to their total performance under the contract.
- They will secure a Delaware Business License.
- They will secure the appropriate type and amounts of insurance coverage required by the State. Proof of such coverage will be a requirement of the contract.

8) Ownership Rights

The State will retain ownership rights to all materials including software, designs, drawings, specifications, notes, electronically or magnetically recorded material, and other work in whatever form, developed during the performance of this contract. A fundamental obligation herein imposed on the Contractor is the assignment by the Contractor to DHSS of all ownership rights in the completed project. This obligation on the part of the Contractor to assign all ownership rights is not subject to limitation in any respect, whether by characterization of any part of the deliverables as proprietary or by failure to claim for the cost thereof. The provisions of this article shall be incorporated into any subcontract.

9) Federal/State Access Rights

Appropriate Federal and/or State representatives will have access to work in progress and to pertinent cost records of the contractor and its subcontractors at such intervals as any representative shall deem necessary.

10) Reserved Rights of the Department of Health & Social Services

The Department reserves the right to:

- Reject any and all proposals received in response to this RFP
- Select for contract or for negotiations a proposal other than that with the lowest cost
- Waive or modify any information, irregularities or inconsistencies in proposals received;
- Negotiate as to any aspect of the proposal with any proposer and negotiate with more than one proposer at the same time;
- If negotiations fail to result in an agreement within two weeks, terminate negotiations

and select the next most responsive proposer, prepare and release a new RFP, or take such other action as the Department may deem appropriate.

11) Standard for Subcontractors

The contract with the prime contractor will bind subcontractors to the prime contractor by the terms, specifications and standards of this statement of work and any subsequent proposals and contracts. All such terms, specifications, and standards shall preserve and protect the rights of the State with respect to the services to be performed by the subcontractor, so that the subcontractor will not prejudice such rights. The use of subcontractors on this project must have the prior approval of the State.

12) Irrevocable License

The State of Delaware reserves a royalty-free, exclusive, and irrevocable license to reproduce, publish, or otherwise use the copyright of any deliverables developed under the resulting contract.

13) Non-Discrimination

The selected provider will be required to sign a contract containing a clause that prohibits the provider from discriminating against employees on the basis of their race, color, sex, religion, age and national origin.

14) Right to a Debriefing

To request a debriefing on a bidder selection, the bidder must submit a letter requesting a debriefing to the Procurement Administrator, DHSS, within ten days of the announced selection. In the letter, the bidder must specifically state the reason(s) for the debriefing. Debriefing requests must be based on pertinent issues relating to the selection process. Debriefing requests based on specifications in the RFP will not be accepted. All debriefing requests will be evaluated in accordance with these conditions. Debriefing requests that meet these conditions will be reviewed and respectively answered by the Procurement Administrator and/or Debriefing Committee.

15) Hiring Provision

Staff contracted to provide the services requested in this RFP are not precluded from seeking employment with the State of Delaware. The contractor firm selected as a result of this RFP shall not prohibit their employees or subcontractor staff from seeking employment with the State of Delaware.

16) Anti Lobbying

The selected contractor must certify that no Federal funds will be used to lobby or influence a Federal officer or a Member of Congress and that the contractor will file required Federal lobbying reports.

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

1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee or a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure form to report lobbying," in accordance with its instructions.

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

17) Anti Kick-back

The selected contractor will be expected to comply with other federal statutes including the Copeland "Anti-Kickback Act" (18 U.S.C.874), Section 306 of the Clean Air Act, Section 508 of the Clean Water Act, and the Debarment Act.

18) Delaware Contract Language

Appendix C contains a copy of the standard Departmental contract, which will be used for the agreement between the State and the winning bidder. The State will not entertain any modifications to the language of this document. By submitting a proposal to this RFP, the bidder agrees to be bound by the terms and conditions in that contract document.

19) Project Cost

The Department reserves the right to award this project to a bidder other than the one with the lowest cost or to decide not to fund this project at all. Cost will be balanced against the score received by each bidder in the rating process. The State of Delaware reserves the right to reject, as technically unqualified, proposals that are unrealistically low if, in judgment of the Selection Committee, a lack of sufficient budgeted resources would jeopardize the successful completion of the project.

20) Public Record

The Department will not divulge specific content of proposals to the extent that the contractor identifies contents as privileged or confidential. Any information not so designated will be considered public information.

21) Minority/Women/Disadvantaged Business Certification

If the proposer wishes to have M/W/D business enterprise status taken into consideration, they should submit proof of such certification with their bid response. If the proposer wishes to have M/W/D business enterprise status taken into consideration, they should submit proof of such certification with their bid response. Further information, guidelines and forms for such certifications can be found at: <http://www2.state.de.us/omwdbe/>

22) Suspension/Debarment

The grantee agrees to ensure that all contractors and/or sub-grantees are neither excluded nor disqualified under the suspension and debarment rules found at 7 CFR Part 3017.300 by doing any of the following:

- a) Checking the Excluded Parties List System (EPLS) at www.epls.gov.
- b) Collecting a certification that the entity is neither excluded nor disqualified. Since a Federal certification form is no longer available, the grantee or sub-grantee electing this method must devise its own form.
- c) Including a clause to this effect in the sub-grant agreement; and in any procurement contract expected to equal or exceed \$25,000.

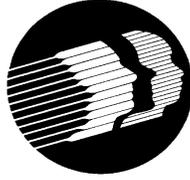
23) Drug Free Workplace (DFW) Rule

The grantee agrees to (A) make a good faith effort, on a continuing basis to maintain a DFW (including taking specific actions described at 7 CFR Part 3021.200 through 3021.230); and (B) identify all workplace locations where work under the Federal award will be performed. Since Federal entities will no longer collect a paper certificate, this may include the following:

- a) Notifying all sub-grantees and contractors of the Drug Free Workplace rules
- b) Making conforming changes to internal procedures, directives, training materials, etc
- c) Incorporating the new rules into sub-grantee monitoring practices

Appendix

B. Certification and Statement of Compliance



DELAWARE HEALTH AND SOCIAL SERVICES
REQUEST FOR PROPOSAL

CERTIFICATION SHEET

As the official representative for the bidder, I certify on behalf of the agency that:

- a. They are a regular dealer in the services being procured.
- b. They have the ability to fulfill all requirements specified for development within this RFP.
- c. They have independently determined their prices.
- d. They are accurately representing their type of business and affiliations.
- e. They will secure a Delaware Business License.
- f. They have acknowledged that no contingency fees have been paid to obtain award of this contract.
- g. The Prices in this offer 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 contractor or with any competitor;
- h. Unless otherwise required by Law, the prices which have been quoted in this offer have not been knowingly disclosed by the contractor and prior to the award in the case of a negotiated procurement, directly or indirectly to any other contractor or to any competitor; and
- i. No attempt has been made or will be made by the contractor in part to other persons or firm to submit or not to submit an offer for the purpose of restricting competition.
- j. They have not employed or retained any company or person (other than a full-time bona fide employee working solely for the contractor) to solicit or secure this contract, and they have not paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the contractor) any fee, commission percentage or brokerage fee contingent upon or resulting from the award of this contract.
- k. They (check one) operate ___an individual; ___a Partnership ___a non-profit (501 C-3) organization; ___a not-for-profit organization; or ___for Profit Corporation, incorporated under the laws of the State of _____.
- l. The referenced bidder has neither directly or indirectly entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this bid submitted this date to Delaware Health and Social Services
- m. The referenced bidder agrees that the signed delivery of this bid represents the bidder's acceptance of the terms and conditions of this invitation to bid including all specifications and special provisions.

- n. They (check one): _____ are; _____ are not owned or controlled by a parent company. If owned or controlled by a parent company, enter name and address of parent company:

Violations and Penalties:

Each contract entered into by an agency for professional services shall contain a prohibition against contingency fees as follows:

1. The firm offering professional services swears that it has not employed or retained any company or person working primarily for the firm offering professional services, to solicit or secure this agreement by improperly influencing the agency or any of its employees in the professional service procurement process.
2. The firm offering the professional services has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working primarily for the firm offering professional services, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this agreement; and
3. For the violation of this provision, the agency shall have the right to terminate the agreement without liability and at its discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

The following conditions are understood and agreed to:

- a. No charges, other than those specified in the cost proposal, are to be levied upon the State as a result of a contract.
- b. The State will have exclusive ownership of all products of this contract unless mutually agreed to in writing at the time a binding contract is executed.

Date

Signature & Title of Official Representative

Type Name of Official Representative

PROCUREMENT

STATEMENT OF COMPLIANCE

As the official representative for the contractor, I
Certify that on behalf of the agency that _____
(Company name) will comply with all Federal and State of Delaware laws, rules, and
regulations, pertaining to equal employment opportunity and affirmative action laws. In
addition, compliance will be assured in regard to Federal and State of Delaware laws
and Regulations relating to confidentiality and individual and family privacy in the
collection and reporting of data.

Authorized Signature: _____

Title: _____

Date: _____

Appendix

C. Standard Departmental Contract

(DHSS Standard Contract Boilerplate Approved: 03/20/08 Revised: 1/11/08)

CONTRACT

A) Introduction

1. This contract is entered into between the Delaware Department of Health and Social Services (the Department), Division of _____ (Division) and _____(the Contractor).

2. The Contract shall commence on _____ and terminate on _____ unless specifically extended by an amendment, signed by all parties to the Contract. Time is of the essence. (Effective contract start date is subject to the provisions of Paragraph C 1 of this Agreement.)

B) Administrative Requirements

1. Contractor recognizes that it is operating as an independent Contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the Contractor's negligent performance under this Contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the Contractor in their negligent performance under this Contract.

2. The Contractor shall maintain such insurance as will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this Contract. The Contractor is an independent contractor and is not an employee of the State.

3. During the term of this Contract, the Contractor shall, at its own expense, carry insurance with minimum coverage limits as follows:

a)	Comprehensive General Liability	\$1,000,000
and	b) Medical/Professional Liability	\$1,000,000/ \$3,000,000
or	c) Misc. Errors and Omissions	\$1,000,000/\$3,000,000
or	d) Product Liability	\$1,000,000/\$3,000,000

All contractors must carry (a) and at least one of (b), (c), or (d), depending on the type of service or product being delivered.

If the contractual service requires the transportation of Departmental clients or staff, the contractor shall, in addition to the above coverage, secure at its own expense the following coverage:

- e) Automotive Liability (Bodily Injury) \$100,000/\$300,000
- f) Automotive Property Damage (to others) \$ 25,000

4. Notwithstanding the information contained above, the Contractor shall indemnify and hold harmless the State of Delaware, the Department and the Division from contingent liability to others for damages because of bodily injury, including death, that may result from the Contractor's negligent performance under this Contract, and any other liability for damages for which the Contractor is required to indemnify the State, the Department and the Division under any provision of this Contract.
5. The policies required under Paragraph B3 must be written to include Comprehensive General Liability coverage, including Bodily Injury and Property damage insurance to protect against claims arising from the performance of the Contractor and the contractor's subcontractors under this Contract and Medical/Professional Liability coverage when applicable.
6. The Contractor shall provide a Certificate of Insurance as proof that the Contractor has the required insurance. The certificate shall identify the Department and the Division as the "Certificate Holder" and shall be valid for the contract's period of performance as detailed in Paragraph A 2.
7. The Contractor acknowledges and accepts full responsibility for securing and maintaining all licenses and permits, including the Delaware business license, as applicable and required by law, to engage in business and provide the goods and/or services to be acquired under the terms of this Contract. The Contractor acknowledges and is aware that Delaware law provides for significant penalties associated with the conduct of business without the appropriate license.
8. The Contractor agrees to comply with all State and Federal licensing standards and all other applicable standards as required to provide services under this Contract, to assure the quality of services provided under this Contract. The Contractor shall immediately notify the Department in writing of any change in the status of any accreditations, licenses or certifications in any jurisdiction in which they provide

services or conduct business. If this change in status regards the fact that its accreditation, licensure, or certification is suspended, revoked, or otherwise impaired in any jurisdiction, the Contractor understands that such action may be grounds for termination of the Contract.

a) If a contractor is under the regulation of any Department entity and has been assessed Civil Money Penalties (CMPs), or a court has entered a civil judgment against a Contractor or vendor in a case in which DHSS or its agencies was a party, the Contractor or vendor is excluded from other DHSS contractual opportunities or is at risk of contract termination in whole, or in part, until penalties are paid in full or the entity is participating in a corrective action plan approved by the Department.

A corrective action plan must be submitted in writing and must respond to findings of non-compliance with Federal, State, and Department requirements. Corrective action plans must include timeframes for correcting deficiencies and must be approved, in writing, by the Department.

The Contractor will be afforded a thirty (30) day period to cure non-compliance with Section 8(a). If, in the sole judgment of the Department, the Contractor has not made satisfactory progress in curing the infraction(s) within the aforementioned thirty (30) days, then the Department may immediately terminate any and/or all active contracts.

9. Contractor agrees to comply with all the terms, requirements and provisions of the Civil Rights Act of 1964, the Rehabilitation Act of 1973 and any other federal, state, local or any other anti discriminatory act, law, statute, regulation or policy along with all amendments and revision of these laws, in the performance of this Contract and will not discriminate against any applicant or employee or service recipient because of race, creed, religion, age, sex, color, national or ethnic origin, disability or any other unlawful discriminatory basis or criteria.
10. The Contractor agrees to provide to the Divisional Contract Manager, on an annual basis, if requested, information regarding its client population served under this Contract by race, color, national origin or disability.

11. This Contract may be terminated in whole or part:
- a) by the Department upon five (5) calendar days written notice for cause or documented unsatisfactory performance,
 - b) by the Department upon fifteen (15) calendar days written notice of the loss of funding or reduction of funding for the stated Contractor services as described in Appendix B,
 - c) by either party without cause upon thirty (30) calendar days written notice to the other Party, unless a longer period is specified in Appendix A.

In the event of termination, all finished or unfinished documents, data, studies, surveys, drawings, models, maps, photographs, and reports or other material prepared by Contractor under this contract shall, at the option of the Department, become the property of the Department.

In the event of termination, the Contractor, upon receiving the termination notice, shall immediately cease work and refrain from purchasing contract related items unless otherwise instructed by the Department.

The Contractor shall be entitled to receive reasonable compensation as determined by the Department in its sole discretion for any satisfactory work completed on such documents and other materials that are usable to the Department. Whether such work is satisfactory and usable is determined by the Department in its sole discretion.

Should the Contractor cease conducting business, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or assets, or shall avail itself of, or become subject to any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or protection of the rights of creditors, then at the option of the Department, this Contract shall terminate and be of no further force and effect. Contractor shall notify the Department immediately of such events.

- 12. Any notice required or permitted under this Contract shall be effective upon receipt and may be hand delivered with receipt requested or by registered or certified mail with return receipt requested to the addresses listed below. Either Party may change its address for notices and official formal correspondence upon five (5) days written notice to the other.

To the Division at:

To the Contractor at:

- 13. In the event of amendments to current Federal or State laws which nullify any term(s) or provision(s) of this Contract, the remainder of the Contract will remain unaffected.
- 14. This Contract shall not be altered, changed, modified or amended except by written consent of all Parties to the Contract.
- 15. The Contractor shall not enter into any subcontract for any portion of the services covered by this Contract without obtaining prior written approval of the Department. Any such subcontract shall be subject to all the conditions and provisions of this Contract. The approval requirements of this paragraph do not extend to the purchase of articles, supplies, equipment, rentals, leases and other day-to-day operational expenses in support of staff or facilities providing the services covered by this Contract.

16. This entire Contract between the Contractor and the Department is composed of these several pages and the attached:
- Appendix A - Divisional Requirements
 - Appendix B - Services Description
 - Appendix C - Contract Budget
 - Appendix
17. This Contract shall be interpreted and any disputes resolved according to the Laws of the State of Delaware. Except as may be otherwise provided in this contract, all claims, counterclaims, disputes and other matters in question between the Department and Contractor arising out of or relating to this Contract or the breach thereof will be decided by arbitration if the parties hereto mutually agree, or in a court of competent jurisdiction within the State of Delaware.
18. In the event Contractor is successful in an action under the antitrust laws of the United States and/or the State of Delaware against a vendor, supplier, subcontractor, or other party who provides particular goods or services to the Contractor that impact the budget for this Contract, Contractor agrees to reimburse the State of Delaware, Department of Health and Social Services for the pro-rata portion of the damages awarded that are attributable to the goods or services used by the Contractor to fulfill the requirements of this Contract. In the event Contractor refuses or neglects after reasonable written notice by the Department to bring such antitrust action, Contractor shall be deemed to have assigned such action to the Department.
19. Contractor covenants that it presently has no interest and shall not acquire any interests, direct or indirect, that would conflict in any manner or degree with the performance of this Contract. Contractor further covenants that in the performance of this contract, it shall not employ any person having such interest.
20. Contractor covenants that it has not employed or retained any company or person who is working primarily for the Contractor, to solicit or secure this agreement, by improperly influencing the Department or any of its employees in any professional procurement process; and, the Contractor has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working primarily for the Contractor, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this agreement. For the violation of this provision, the Department shall have the right to terminate the agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration.
21. The Department shall have the unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data, or other materials prepared under this Contract. Contractor shall have no right to copyright any material produced in whole or in part under this Contract. Upon the

request of the Department, the Contractor shall execute additional documents as are required to assure the transfer of such copyrights to the Department.

If the use of any services or deliverables is prohibited by court action based on a U.S. patent or copyright infringement claim, Contractor shall, at its own expense, buy for the Department the right to continue using the services or deliverables or modify or replace the product with no material loss in use, at the option of the Department.

22. Contractor agrees that no information obtained pursuant to this Contract may be released in any form except in compliance with applicable laws and policies on the confidentiality of information and except as necessary for the proper discharge of the Contractor's obligations under this Contract.
23. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Contract unless stated to be such in writing, signed by authorized representatives of all parties and attached to the original Contract.
24. If the amount of this contract listed in Paragraph C2 is over **\$25,000**, the Contractor, by their signature in Section E, is representing that the Firm and/or its Principals, along with its subcontractors and assignees under this agreement, are not currently subject to either suspension or debarment from Procurement and Non-Procurement activities by the Federal Government.

C) Financial Requirements

1. The rights and obligations of each Party to this Contract are not effective and no Party is bound by the terms of this contract unless, and until, a validly executed Purchase Order is approved by the Secretary of Finance and received by Contractor, *if required by the State of Delaware Budget and Accounting Manual*, and all policies and procedures of the Department of Finance have been met. The obligations of the Department under this Contract are expressly limited to the amount of any approved Purchase Order. The State will not be liable for expenditures made or services delivered prior to Contractor's receipt of the Purchase Order.
2. Total payments under this Contract shall not exceed \$ _____ in accordance with the budget presented in Appendix C. Payment will be made upon receipt of an itemized invoice from the Contractor in accordance with the payment schedule, if any. The contractor or vendor must accept full payment by procurement (credit) card and or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions. Contractor is responsible for costs incurred in excess of the total cost of this Contract and the Department is not responsible for such costs.

3. The Contractor is solely responsible for the payment of all amounts due to all subcontractors and suppliers of goods, materials or services which may have been acquired by or provided to the Contractor in the performance of this contract. The Department is not responsible for the payment of such subcontractors or suppliers.
4. The Contractor shall not assign the Contract or any portion thereof without prior written approval of the Department and subject to such conditions and revisions as the Department may deem necessary. No such approval by the Department of any assignment shall be deemed to provide for the incurrence of any obligations of the Department in addition to the total agreed upon price of the Contract.
5. Contractor shall maintain books, records, documents and other evidence directly pertinent to performance under this Contract in accordance with generally accepted accounting principles and practices. Contractor shall also maintain the financial information and data used by Contractor in the preparation of support of its bid or proposal. Contractor shall retain this information for a period of five (5) years from the date services were rendered by the Contractor. Records involving matters in litigation shall be retained for one (1) year following the termination of such litigation. The Department shall have access to such books, records, documents, and other evidence for the purpose of inspection, auditing, and copying during normal business hours of the Contractor after giving reasonable notice. Contractor will provide facilities for such access and inspection.
6. The Contractor agrees that any submission by or on behalf of the Contractor of any claim for payment by the Department shall constitute certification by the Contractor that the services or items for which payment is claimed were actually rendered by the Contractor or its agents, and that all information submitted in support of the claims is true, accurate, and complete.
7. The cost of any Contract audit disallowances resulting from the examination of the Contractor's financial records will be borne by the Contractor. Reimbursement to the Department for disallowances shall be drawn from the Contractor's own resources and not charged to Contract costs or cost pools indirectly charging Contract costs.
8. When the Department desires any addition or deletion to the deliverables or a change in the services to be provided under this Contract, it shall so notify the Contractor. The Department will develop a Contract Amendment authorizing said change. The Amendment shall state whether the change shall cause an alteration in the price or time required by the Contractor for any aspect of its performance under the Contract. Pricing of changes shall be consistent with those prices or costs established within this Contract. Such amendment shall not be effective until executed by all Parties pursuant to Paragraph B 14.

D) Miscellaneous Requirements

1. *If applicable*, the Contractor agrees to adhere to the requirements of DHSS Policy Memorandum # 46, (PM # 46, effective 3/11/05), and divisional procedures regarding the reporting and investigation of suspected abuse, neglect,

- mistreatment, misappropriation of property and significant injury of residents/clients receiving services, including providing testimony at any administrative proceedings arising from such investigations. The policy and procedures are included as Appendix _____ to this Contract. It is understood that adherence to this policy includes the development of appropriate procedures to implement the policy and ensuring staff receive appropriate training on the policy requirements. The Contractor's procedures must include the position(s) responsible for the PM46 process in the provider agency. Documentation of staff training on PM46 must be maintained by the Contractor.
2. The Contractor, including its parent company and its subsidiaries, and any subcontractor, including its parent company and subsidiaries, agree to comply with the provisions of 29 Del. Code, Chapter 58: "Laws Regulating the Conduct of Officers and Employees of the State," and in particular with Section 5805 (d): "Post Employment Restrictions."
 3. *When required by Law*, Contractor shall conduct child abuse and adult abuse registry checks and obtain service letters in accordance with 19 Del. Code Section 708; and 11 Del. Code, Sections 8563 and 8564. Contractor shall not employ individuals with adverse registry findings in the performance of this contract.
 4. *If applicable*, the Contractor agrees to adhere to the requirements of DHSS Policy Memorandum # 40, and divisional procedures regarding conducting criminal background checks and handling adverse findings of the criminal background checks. This policy and procedure are included as Appendix _____ to this Contract. It is understood that adherence to this policy includes the development of appropriate procedures to implement the policy and ensuring staff receive appropriate training on the policy requirements. The Contractor's procedures must include the title of the position(s) responsible for the PM40 process in the contractor's agency.
 5. All Department campuses are tobacco-free. Contractors, their employees and sub-contractors are prohibited from using any tobacco products while on Department property. This prohibition extends to personal vehicles parked in Department parking lots.

E) Authorized Signatures:

For the Contractor:

For the Department:

Name

Rita Landgraf
Secretary

Title

Date

Date

For the Division:

Director

Date

Appendix

D. Website Links

- State of Delaware Web Standards
<http://www.state.de.us/sos/gic/information/webstandards.shtml>
- DTI Executive Sponsor Reporting Standards and Change Management Standards
<http://dti.delaware.gov/majorproj/majorproj.shtml>.
- Top 20 Internet Security Threats developed by the SANS Institute and the FBI
<http://www.sans.org/top20/>

Appendix

E. Key Position Resume

Key Position Resume

Name: _____ Proposed Project Position: _____

Number of years experience in the proposed position: _____

Number of years experience in this field of work: _____

Detail Training/Education

(Repeat the format below for as many degrees/certificates as are relevant to this proposal. Dates between training/education may overlap.)

Degree/Certificate	Dates of Training/Education
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Detail Experience

(Repeat the format below for as many jobs/projects as are relevant to this proposal. Dates between jobs/projects may overlap.)

Job/Project: _____ Position: _____

From Date: _____ To Date: _____

Description of the tasks this person performed in this job/project. Detail any state or government planning projects and specify the role of the person on each project

Appendix

F. Project Cost Forms

F1. Project Costs by Deliverables & Milestones

Electronic Benefits Transfer Project Deliverable & Milestone Cost Schedule

Phase	Project Deliverables & Milestones	Deliverable Cost	Phase Cost	Holdback	Vendor Payment	State Share	Projected Date	Actual Date Approved
Phase 1	Deliverable 1: Detailed Project Workplan							
	Deliverable 2: Deliverable Document Templates							
	State Approval of Phase 1 (M1)							
Phase 2	Deliverable 3: System Requirement Specifications							
	Deliverable 4: Functional Design							
	Deliverable 5: Technical Specifications							
	State Approval of Phase 2 (M2)							
Phase 3	Deliverable 6: System Integration Testing							
	Deliverable 7: User Acceptance Test Report							
	State Approval of Phase 3 (M3)							
Phase 4	Deliverable 8: Training Materials							
	Deliverable 9: User Training							
	State Approval of Phase 3 (M4)							
Phase 5	Deliverable 10: Acceptance in Production of All Delivered Modules							
	Deliverable 11: Ninety (90) Day Warranty Period							
	State Approval of Phase 5 and Entire Project, Including Holdback From Prior Phases (M5)							

Total Project Cost				
ASP Cost During Implementation & Warranty Period (if applicable)				
Total Cost				

Holdback Percent	
State Share Percent	

The Total Cost shown in Schedule F1 **must** include all costs (except out year costs) that the selected vendor will be paid by DHSS. If specialized hardware or software will be provided by the vendor, it must be included as a deliverable in the above schedule. Deliverable costs will sum to the Total Project Cost which constitutes the firm fixed price of the contract.

Deliverables in the Microsoft Project plan must match those included in the project cost schedule above.

The modules listed above are those described in the RFP. If a vendor’s proposed solution provides the same functionality as described in the RFP, but organizes this functionality in a different combination of modules, the vendor should show its own organization of modules in the above schedule and in Schedules F3 and F4.

Vendors must complete the **Projected Date** column for each milestone and the dates must correspond to the dates provided in the Microsoft Project plan.

Milestone Cost Breakdown

- M1 = Total Cost for Phase 1 deliverables – 10% holdback
- M2 = Total Cost for Phase 2 deliverables – 10% holdback
- M3 = Total Cost for Phase 3 deliverables – 10% holdback
- M4 = Total Cost for Phase 4 deliverables – 10% holdback
- M5 = M1 + M2 + M3 + M4 holdbacks

Costs for each task/deliverable listed must be specified along with the total cost of all tasks/deliverables in each specified phase. Please check all figures for accuracy.

Contractor may invoice for **milestone payments** upon formal approval by the Division and IRM.

F3 Software Licensing Schedule

Module Name	Number of Licenses	Percent Customization
Deliverable 3:		
Deliverable 4:		
Deliverable 5:		

F4 Out year Software Support, ASP and Maintenance Cost Schedule

Out year support costs are to be listed in the following schedules for each module. Support, ASP and maintenance costs are capped at a 2% inflation rate per year. Out year support and maintenance costs will be taken into effect in determining the Appropriateness of Solution Score. **Year 1 is defined as the first 12 months after the expiration of the 90 day warranty period.**

Support Costs

Module Name	Year 1	Year 2	Year 3	Year 4	Year 5
Deliverable 3:					
Deliverable 4:					
Deliverable 5:					
Total					

ASP Costs (if applicable)

Module Name	Year 1	Year 2	Year 3	Year 4	Year 5
Deliverable 3:					
Deliverable 4:					
Deliverable 5:					
Total					

Maintenance Costs

Estimate of the number of hours required to apply the DHSS customization features to new releases: _____

Single fully loaded hourly rate which will apply to this work, as well as to future customization during the first year: _____

F5.State Purchased Third Party Software Schedule

List all third party software that the State is responsible for purchasing for use after implementation. This includes State developer licenses as well as user licenses. The State is not responsible for purchasing vendor developer licenses. Only new software or additional licenses for existing software being proposed for this project will be listed here. If the proposed software solution comprises multiple separately-costed modules, please list them separately in the following Schedule.

Software Description/Name	Required Version	Number of Licenses

Total Estimated State Purchased Third Party Software Cost _____

The State will purchase the above items from a third party, not the selected vendor. The cost should not be included in Schedule F1.

F6. State Purchased Hardware Schedule

This is a hardware summary cost schedule. Only new hardware or upgrades to existing hardware being proposed for this project will be listed here.

Hardware Description/Name	Quantity

Total Estimated State Purchased Hardware Cost _____

The State will purchase the above items from a third party, not the selected vendor. The cost should not be included in Schedule F1.

Appendix

G. Mandatory (Pass/Fail) Submission Requirements Checklist

Mandatory (Pass/Fail) Submission Requirements Checklist

Mandatory Submission Requirement	RFP Section	Compliance Y or N
The bid is submitted no later than the closing date and time	6.1.2	
The bid is submitted in separate sealed volumes containing the Technical and Business proposals	0	
The correct number of copies of each proposal is submitted	0	
Each proposal volume is labeled correctly	0	
Proposal conditions are valid for 180 days from the deadline date for proposal submission	6.2.1	
The proposal contains a single solution in terms of this planning project	6.1.10	
Bidder/Proposed Subcontractor has appropriate project experience	6.2.7	
Transmittal Letter submitted on official business letterhead and signed by an authorized representative	6.2.1	
Proposal CD's have been scanned and are free from viruses and other malicious software.	6.2.1	
Bidder Agrees to Comply with the provisions specified in the General Terms and Conditions	Appendix A	
Technical proposal is submitted with a duly signed and dated copy of the Certification/Statement of Compliance	Appendix B	
Completed Project Cost Forms	Appendix F	
Firm fixed price contract proposed	7.2	
Technical proposal is submitted with a completed, duly signed and dated copy of the Submission Requirements Checklist	6.2.2 & Appendix G	
Completed State of Delaware Contracts Disclosure	Appendix H	
Completed Crosswalk of RFP Section 4	6.2.5 & Appendix I	
Completed Bidders Signature Form	Appendix J	
Project timeline does not exceed specified project length	7.3	
Compliance with HIPAA Regulations & Standards	4.3 & 4.4	
Proposal includes required resumes	6.2.6	

Signature of Authorized Representative

Title / Company

Date

Appendix

H. State of Delaware Contracts Disclosure

State of Delaware Contracts Disclosure

Vendor/Predecessor Firm Name	State Department and Division	Contact Name, Address and Phone Number	Period of Performance	Contract Number	Amount
Sample Vendor Firm Name	DHSS \ DMS	Contact Name 1901 N DuPont Highway New Castle, DE 19720 302.999.9999	01/01/2002 – 12/31/2002	PSC-999999	\$100,000

Bidder shall list all contracts awarded to it or its predecessor firm(s) by the State of Delaware during the last three (3) years, by State Department, Division, Contact Person (with address/phone number), period of performance, contract number and amount. The Evaluation/Selection Review Committee will consider these additional references and may contact each of these sources. Information regarding bidder performance gathered from these sources may be included in the Committee's deliberations and factored in the final scoring of the bid. Failure to list any contract as required by this paragraph may be grounds for immediate rejection of the bid.

List contracts in the format specified. Include those contracts whose period of performance has been within the past three (3) years in addition to those awarded within this timeframe. Contracts with amendments only have to be listed once. If a vendor has had no contracts within this timeframe, enter “**No contracts to specify**” under Vendor/Predecessor Firm Name in the first row of the table.

Appendix

I. Crosswalk of RFP Section 4

Crosswalk of RFP Section 4

RFP Section	Proposal Section Number	Proposal Page Number
4 Contractor Responsibilities/Project Requirements		
4.1 Staffing		
4.2 Project Management		
4.3 Requirement to Comply with State Policies and Standards		
4.4 State Architecture Requirements		
4.5 Database Design		
4.6 Reporting		
4.7 Performance		
4.8 Degree of Customization		
4.9 Backup and Recovery		
4.10 Disaster Recovery		
4.11 Specific Project Tasks		
4.32 Deliverables		
4.32.1 Phase 1		
Deliverable 1: Detailed Project Plan		
Deliverable 2: Deliverable Document Templates		
4.32.2 Phase 2		
Deliverable 3: System Requirement Specifications Document		
Deliverable 4: Detailed Functional Design Document		
Deliverable 5: Detailed Technical Specifications Document		

4.32.3 Phase 3		
Deliverable 6: System Integration Test Report		
Deliverable 7: User Acceptance Test Report		
4.32.4 Phase 4		
Deliverable 8: Training Materials		
Deliverable 9: User Training		
4.32.5 Phase 5		
Deliverable 10: Acceptance In Production of all Delivered Modules		
Deliverable 11: Ninety (90) Day Warranty Period		
4.33 Project Expectations		
4.33.1 Customization/Development		
4.33.2 Site Requirements		
4.33.3 System Testing		
4.33.4 User Acceptance Testing (UAT)		
4.33.5 Conversion		
4.33.6 Training		
4.33.7 Support Services		
4.33.8 Maintenance Services		
4.33.9 Documentation		

This is a template for the crosswalk of Section 4 in the RFP. It links the numbered RFP sections to the sections and page numbers of the bidder’s proposal. Bidders are required to fill out this crosswalk completely for each numbered section in Section 4.

Appendix

J. Bidders Signature Form



**DELAWARE HEALTH AND SOCIAL SERVICES
REQUEST FOR PROPOSAL**

BIDDERS SIGNATURE FORM

NAME OF BIDDER: _____
SIGNATURE OF AUTHORIZED PERSON: _____
TYPE IN NAME OF AUTHORIZED PERSON: _____
TITLE OF AUTHORIZED PERSON: _____
STREET NAME AND NUMBER: _____
CITY, STATE, & ZIP CODE: _____
CONTACT PERSON: _____
TELEPHONE NUMBER: _____
FAX NUMBER: _____
DATE: _____
BIDDER'S FEDERAL EMPLOYERS IDENTIFICATION NUMBER: _____
DELIVERY DAYS/COMPLETION TIME: _____
F.O.B.: _____
TERMS: _____

THE FOLLOWING MUST BE COMPLETED BY THE VENDOR:

AS CONSIDERATION FOR THE AWARD AND EXECUTION BY THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES OF THIS CONTRACT, THE (COMPANY NAME) _____
 HEREBY GRANTS, CONVEYS, SELLS, ASSIGNS, AND TRANSFERS TO THE STATE OF DELAWARE ALL OF ITS RIGHTS, TITLE AND INTEREST IN AND TO ALL KNOWN OR UNKNOWN CAUSES OF ACTION IT PRESENTLY HAS OR MAY NOW HEREAFTER ACQUIRE UNDER THE ANTITRUST LAWS OF THE UNITED STATES AND THE STATE OF DELAWARE, RELATING THE PARTICULAR GOODS OR SERVICES PURCHASED OR ACQUIRED BY THE DELAWARE HEALTH AND SOCIAL SERVICES DEPARTMENT, PURSUANT TO THIS CONTRACT.

Appendix

- K. Office of Minority and Women Business Enterprise Self-Certification Tracking Form**



OFFICE OF MINORITY AND WOMEN BUSINESS ENTERPRISE SELF-CERTIFICATION TRACKING FORM

IF YOUR FIRM WISHES TO BE CONSIDERED FOR ONE OF THE CLASSIFICATIONS LISTED BELOW, THIS PAGE MUST BE SIGNED, NOTARIZED AND RETURNED WITH YOUR PROPOSAL.

COMPANY NAME _____

NAME OF AUTHORIZED REPRESENTATIVE (Please print) _____

SIGNATURE _____

COMPANY ADDRESS _____

TELEPHONE # _____

FAX # _____

EMAIL ADDRESS _____

FEDERAL EI# _____

STATE OF DE BUSINESS LIC# _____

Note: Signature of the authorized representative must be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Delaware Health and Social Services.

Organization Classifications (Please circle)

Women Business Enterprise (WBE) Yes/No

Minority Business Enterprise (MBE) Yes/No

Please check one---Corporation _____

Partnership _____ Individual _____

For appropriate certification (WBE), (MBE), (DBE) please apply to Office of Minority and Women Business Enterprise Phone # (302) 739-4206 L. Jay Burks, Executive Director Fax# (302) 739-1965 Certification # _____ Certifying Agency _____

<http://www.state.de.us/omwbe>

SWORN TO AND SUBSCRIBED BEFORE ME THIS _____ DAY OF _____ 20_____

NOTARY PUBLIC _____ MY COMMISSION EXPIRES _____

CITY OF _____ COUNTY OF _____ STATE OF _____

Definitions

The following definitions are from the State Office of Minority and Women Business Enterprise.

Women Owned Business Enterprise (WBE):

At least 51% is owned by women, or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by women; or any business enterprise that is approved or certified as such for purposes of participation in contracts subject to women-owned business enterprise requirements involving federal programs and federal funds.

Minority Business Enterprise (MBE):

At least 51% is owned by minority group members; or in the case of a publicly owned enterprise, a business enterprise in which at least 51% of the voting stock is owned by minority group members; or any business enterprise that is approved or certified as such for purposes of participation in contracts subjects to minority business enterprises requirements involving federal programs and federal funds.

Corporation:

An artificial legal entity treated as an individual, having rights and liabilities distinct from those of the persons of its members, and vested with the capacity to transact business, within the limits of the powers granted by law to the entity.

Partnership:

An agreement under which two or more persons agree to carry on a business, sharing in the profit or losses, but each liable for losses to the extent of his or her personal assets.

Individual:

Self-explanatory

For certification in one of above, the bidder must contact:

L. Jay Burks

Office of Minority and Women Business Enterprise

(302) 739-4206

Fax (302) 739-1965

Appendix

L. Bidder Project Experience



Delaware Health and Social Services
Bidder Project Experience

Client	
Contact Name	
Telephone No.	
Location Street Address/City State/ZIP	
Location City/State	
Type of Facility	
Comparable Project Experience	
Current Status (WIP/Complete)	
Original Budget	
Completed Budget	
Original Schedule	
Completed Schedule	
Comments:	
<p>Use one page per client. All clients will be used as references and all projects must be completed or work in progress. For projects in progress, state the estimated final budget and schedule dates based on current status. The Contact must be an administrative or managerial customer reference familiar with the bidder's performance.</p>	

Appendix

M. Deliverable Acceptance Request (DAR)



*DELAWARE HEALTH
AND SOCIAL SERVICES*

Deliverable Acceptance Request (DAR)

Division Name:	
Project Name:	
Project Phase:	
Project Manager:	
Vendor:	
Vendor Project Manager:	

Deliverable Name:	
Delivery Date:	
Expected Date of Response:	
Actual hours worked and Cost incurred:	

Narrative of findings:

Division Program Name:	Signature:	Date:
Div. IT Liaison Name:	Signature:	Date:
IRM Name:	Signature:	Date: