

**ARKANSAS DEPARTMENT OF HUMAN SERVICES**  
**PERFORMANCE BASED CONTRACTING**

Pursuant to Ark. Code Ann. 19-11-267 et. seq., the selected contractor shall comply with performance-based standards. Following are the performance-based standards that will be a part of the contract and with which the contractor must comply for acceptable performance to occur under the contract.

- I. Contractor must comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to Contractor, Contractor's agents, employees, and the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.
- II. Except as otherwise required by law, Contractor agrees to indemnify and hold harmless the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of Contractor's performance or lack of performance.
- III. During the term of the contract, the Division/Office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable. The damages set forth below are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.
- IV. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest. Any changes or additions to performance standards will be made in good faith following acceptable industry standards and may include the input of the vendor so as to establish standards that are reasonably achievable.
- V. The contract program deliverables and performance indicators to be performed by the contractor are:

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p><b>DESIGN PHASE</b></p> <p>The Design Phase <b>shall</b> be based upon tasks, deliverables, and timeframes identified within the Project Work Plan (PWP) and <b>must</b> include preliminary plans identified in the scope of work.</p> <p>Contractor shall coordinate revisions with DHS and receive DHS approval on final plans.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: A five percent (5%) penalty will be assessed in the initial payment to the provider per the payment plan if Vendor is not fully compliant with all contract requirements thirty (30) days after the stated deadline. The five percent (5%) penalty will be calculated from the total initial payment.</p> <p>2<sup>nd</sup> Incident: A ten percent (10%) penalty will be assessed in the initial payment to the provider for each subsequent thirty (30) day period Vendor is not in full compliance with all contract requirements. The ten percent (10%) penalty will be calculated from the total initial payment.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file, and contract termination.</p>
<p><b>DEVELOPMENT AND TESTING PHASE</b></p> <p>Development and testing is required with any EBT system upgrade.</p> <p>Contractor <b>shall</b> configure and test the EBT System according to the system specifications defined and agreed upon in the Design Phase.</p> <p>Contractor <b>shall</b> perform testing on all components and functional areas of the EBT system before and after delivery of the system. Contractor <b>shall</b> develop test data and update the Test Plan as required by DHS.</p> <p>Contractor <b>shall</b> provide documentation in the format specified by DHS of its internal testing results describing the results of each test that is performed. The documentation <b>shall</b> describe the intended scope and results from the tests, and any system modifications needed to resolve system errors and deficiencies.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Contractor <b>shall</b> provide system test scripts to DHS within thirty (30) calendar days after contract start.</p> <p>Contractor <b>shall</b> provide the following manuals:</p> <p><u>EBT Support on Systems Operations and Interface Procedures</u> for interfaces with Federal and State batch files within thirty (30) calendar days of contract start.</p> <p><u>Reports Manual</u> within forty-five (45) calendar days of contract start</p>	<p>The first (1<sup>st</sup>) installment, consisting of forty percent (40%) of the total start-up costs will be withheld or delayed until successful completion of the State's system acceptance test.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
	<p>describing all standard reports to be generated.</p> <p><u>Settlement and Reconciliation Manual</u> within thirty (30) calendar days of contract start.</p> <p><u>EBT Program Manual</u> within sixty (60) calendar days of contract award.</p>	
<p><b>TRANSITION-IN PHASE</b></p> <p>Contractor's Project Manager <b>must</b> conduct weekly status meetings with DHS and the current EBT Contractor and prepare a status report (in MS Excel) in advance of each meeting. Contractor <b>must</b> record the minutes for all status meetings and distribute the minutes via e-mail within two (2) business days after each meeting.</p> <p>Contractor <b>must</b> complete a review of all systems documentation prior to completion of the Transition-In Period.</p> <p>Contractor <b>must</b> attend question and answer sessions with the current EBT Contractor and advise DHS of any areas of concern. The current Contractor, DHS, and the incoming Contractor <b>shall</b> conduct technical interchange meetings as needed.</p> <p>Contractor <b>must</b> participate in a Performance Readiness Review (PRR) meeting with DHS. Each deliverable <b>must</b> be checked for total compliance with all required specifications of the task.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>The second (2<sup>nd</sup>) installment, consisting of forty percent (40%) of the total start-up costs will be withheld or delayed until successful conversion to the new Contractor's EBT System.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>OPERATIONS AND MAINTENANCE PHASE</b></p> <p>Contractor <b>shall</b> ensure the Go Live date is no later than September 1, 2026.</p> <p>Contractor <b>shall</b> maintain ongoing communication with DHS on EBT operations and provide immediate notification of any issues or system problems. Contractor's Project Manager and other key personnel may be the point persons for these communications.</p> <p>Contractor <b>shall</b> assume complete operational support, maintenance, and responsibility of the system.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>The final installment, consisting of the remaining twenty percent (20%) of the start-up costs, will be withheld or delayed until satisfactory resolutions of all issues remaining following conversions.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>TRANSITION-OUT PHASE</b></p> <p>Contractor <b>must</b> provide a Transition-Out plan at least one (1) year prior to the contract end date. The Plan <b>shall</b> include:</p> <ul style="list-style-type: none"> <li>• A specific approach and schedule for the transition of services from Contractor's team to a new contractor</li> </ul>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as</p>	<p>If Vendor fails to meet the acceptable performance standard, DHS may issue a below standard VPR to be maintained in the vendor file.</p> <p>Final payment may be withheld from Vendor until all elements of the transition are satisfied as determined by DHS.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<ul style="list-style-type: none"> <li>• A clear breakdown of tasks and responsibilities, including tasks that will be DHS' responsibility,</li> <li>• A turnover resource plan.</li> <li>• Documentation of all services provided, updates, changes, and enhancements. All documentation and records <b>shall</b> be written in English, provided in hardcopy, and at least one (1) electronic copy in PDF format and a copy in MS Word at time of turnover.</li> <li>• Written procedures and policies for the protection and control of confidential system media that is transported from one location to another or when there is a change in custody of the media.</li> <li>• Written procedures and policies protecting against the inadvertent release or destruction of State data.</li> <li>• Provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) days prior to the contract end date. All proprietary data collected and/or created during the final thirty (30) days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) days following the contract end date.</li> </ul> <p>Contractor <b>shall</b> submit a final turnover plan detailing the resources Contractor will commit to transferring operations to the new Contractor. Contractor <b>shall</b> complete all turnover activities within DHS-approved timeframes with no delays or decreases in services. Contractor <b>shall</b> cooperate in facilitating the transfer of operations prior to the expiration of the Contract. Contractor <b>shall</b> ensure sufficient staff be retained for the duration of the transition.</p>	<p>determined by DHS.</p> <p>Contractor <b>shall</b> submit a quarterly report detailing outstanding deliverables, tasks, and expected completion dates.</p> <p>Incumbent Contractor <b>shall</b> acknowledge in writing that the incoming Contractor will oversee all transition-out activities.</p>	
<p><b>COMPLIANCE</b></p> <p>Contractor <b>must</b> follow all applicable State and Federal laws, rules, regulations, and policies regarding information security, confidentiality, privacy, and compliance.</p> <p>Contractor <b>must</b> adhere to the <a href="#">QUEST® Operating Rules</a> which set forth the requirements for the distribution of government benefits under the QUEST® mark.</p> <p>Contractor <b>shall</b> comply with all DHS policies governing the privacy and security of all personally identifiable information (PII) and/or other confidential information received or accessed on behalf of Arkansas DHS. Contractor <b>shall</b> safeguard the use and disclosure of, and restrict access to, protected health information and/or other confidential information. Contractor <b>must</b> maintain confidentiality and meet any applicable Health Insurance Portability and Accountability Act (HIPAA) requirements.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Contractor <b>shall</b> disclose any security or privacy breaches by contacting the DHS Information Technology Security Office within one (1) business day of the discovery of the suspected or confirmed breach at <a href="mailto:dhs.it.security.team@dhs.arkansas.gov">dhs.it.security.team@dhs.arkansas.gov</a></p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p><b>EBT SYSTEM FUNCTIONALITY</b></p> <p>Contractor <b>shall</b> provide a secure, fully redundant web based EBT System that complies with all Federal and State laws and regulations. The EBT System shall support both batch and online, real-time transmissions between the DHS's eligibility system and Contractor's EBT database. Circuits <b>shall not</b> be installed in a DHS facility. The EBT System <b>shall</b> be operational, seven (7) days a week, twenty-four (24) hours a day, three hundred sixty-five (365) days per year. Contractor shall provide FNS online access.</p> <p>Contractor <b>shall</b> assure adequate access to ATMs and POS terminals. Contractor <b>shall</b> adhere to 7 CFR § 274.3(b) for POS deployment. Contractor <b>shall</b> have a contingency plan for circumventing communication outages of longer than five (5) minutes.</p> <p>Contractor <b>shall</b> develop a system that allows for the transfer of authorized EBT benefits from DHS's online eligibility file, the return of benefit utilization information, other data, and reports. Contractor <b>shall</b> be responsible for determining, in conjunction with DHS's telecommunications staff, appropriate design and capacity of the interface link to ensure all transmissions are completed within established performance parameters. Contractor <b>shall</b> have appropriate control procedures ensuring transmitted data is accurately and completely received. Contractor shall allow for DHS to enable/disable account access, update demographics, and provide a memo field to add case notes and comments including a date stamp and card status.</p> <p>Contractor <b>shall</b> provide an automated inventory control system to manage vault card assignments. The system <b>shall</b> track cards received, issued, activated, undelivered, canceled, and voided by DHS. It must also include prompts for low inventory/reorder conditions and appropriate management reports. The inventory control system and database <b>shall</b> be accessible to DHS via secure password.</p>	<p>Acceptable performance is defined as ninety-eight percent (98%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p> <p>Contractor <b>shall</b> provide transaction processing, retailer management, customer service, and all services, supplies, and functions.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>EBT CARDS</b></p> <p>Contractor <b>must</b> provide and produce EBT cards that comply with the most current SNAP regulations at 7 CFR 274.8(b)(5) and 7 CFR 274.8(b)(10)(iii), specifications in the Quest Operating Rules (QOR), the International Standards Organization (ISO), and the American National Standards Institute (ANSI) relating to cards used for financial transactions.</p> <p>All EBT cards shall have:</p> <ul style="list-style-type: none"> <li>• The client's name and the Personal Account Number (PAN) printed on the card in the location specified by DHS.</li> <li>• The toll-free number for Customer Service.</li> </ul>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all contract requirements. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<ul style="list-style-type: none"> <li>• A signature panel shall on the back of the card.</li> <li>• “Do Not Write PIN on Card” and “If found, return to [Address provided by Contractor]”</li> <li>• The toll-free number for Merchant Voice Authorizations on the back of the card.</li> <li>• TTY (Telecommunications Relay Service for hearing/speech impaired.</li> <li>• The USDA/FNS statement of nondiscrimination on the back of the card <b>shall</b> read: “USDA is an Equal Opportunity Provider, and Employer and Lender.” in accordance with 7 CFR § 274.2(e) (5)).</li> </ul> <p>Contractor shall print the following on the EBT card, card carrier, or both:</p> <ul style="list-style-type: none"> <li>• “Buying, selling, or otherwise misusing SNAP benefits is a federal crime. To report suspected abuse, visit Customer Service Call Center toll free number: 1-800-997-9999. [Cardholder Web Portal address].”</li> </ul> <p>Card samples <b>must</b> be submitted for DHS approval prior to initial production and whenever the card is redesigned or changed in any respect.</p> <p>Contractor <b>shall</b> provide, at minimum, integrated circuit chip (smart card) security EMV double interface (a.k.a. dip and tap) functionality at the time of the scheduled transition to EMV cards, and Card Verification Value (CVV) on all issued EBT cards. Contractor <b>shall</b> allow Cardholders to lock and unlock cards to protect from theft.</p> <p><b><u>Card Production</u></b></p> <p>Contractor <b>shall</b> be responsible for all card production including:</p> <ul style="list-style-type: none"> <li>• Specified initial card issuance without an expedited indicator</li> <li>• Card replacement</li> <li>• Vault cards</li> <li>• Card activation</li> <li>• PIN selection with restrictions to block common PINs (such as all zeros, ones, 1234, etc.)</li> <li>• Maintaining current inventory</li> </ul> <p>Contractor <b>shall</b> allow multiple cardholders to have access to the SNAP account. Each card <b>must</b> contain unique identifying data and use an owner selected PIN while accessing the same benefit account(s). One (1) EBT card holder shall have access to a cash account.</p> <p>Contractor <b>shall</b> issue Authorized Representative or Alternate Payee EBT cards based on indicators received from the eligibility system. The EBT system shall issue a single Alternate Payee EBT card allowing access to both SNAP and TEA/Cash benefits when the Alternate Payee is the same person for both benefits. Separate EBT cards <b>shall</b> be issued for each Alternate Payee for the SNAP and TEA/Cash benefits</p>		<p>additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>



Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>when the Alternate Payee is different individuals for each benefit.</p> <p>Card mailers <b>must</b> be written in English, Spanish, Marshallese, or other language as requested by DHS. When mailing a card to an authorized representative, the primary cardholder's name <b>must</b> appear on the card mailer.</p> <p>Contractor <b>shall</b> train the state agency and provide the needed equipment for the production of cards according to industry standards.</p>		
<p><b>EBT CARD ISSUANCE</b></p> <p>Contractor <b>shall</b> mail initial and replacement cards (except for SNAP expedited cards issued by the state), first (1st) Class through the United States Postal Service (USPS), to the cardholder no later than the next business day. The packet <b>shall</b> include the EBT training pamphlet along with the EBT card and card carrier. Contractor <b>shall</b> generate a daily electronic Card Returned Report in MS Excel and upload the file to the administrative terminal for DHS access.</p> <p>Contractor <b>shall</b> activate EBT cards and allow for new PIN assignment via the IVRS. Contractor <b>shall</b> provide a Cardholder Protective Password solution that will prevent other individuals from changing the PIN or Status of a card. The Cardholder Protective Password solution <b>shall</b>:</p> <ul style="list-style-type: none"> <li>• Be auto generated by the EBT System.</li> <li>• Contain random numbers.</li> <li>• Require a Customer Service Representative (CSR) to request a cardholder protective password before the card status can be changed or a PIN selected.</li> <li>• Allow only the EBT Project Office Staff to generate passwords via a request from DHS staff.</li> <li>• Random password generation function.</li> <li>• The ability of the account holder to create a password by calling the toll-free number (1-800) listed on the back of the card to activate, selecting to set a PIN/Password accordingly.</li> </ul> <p>Contractor <b>shall</b> disable an EBT card (but not the benefit account) after four (4) consecutive, inaccurate PIN attempts at a POS terminal.</p> <ul style="list-style-type: none"> <li>• The disabled card <b>shall</b> remain blocked from all EBT transactions until 12:01 AM the following day.</li> <li>• In accounts with multiple cards, all other cards <b>shall</b> be allowed continued access to any remaining available benefits.</li> </ul> <p>Contractor <b>shall</b> deactivate all EBT cards that are reported lost, stolen, or non-functioning (damaged) and issue a new card. Contractor <b>shall</b>, via the Customer Service Call Center, replace a lost, stolen, and/or damaged card if the cardholder's address on</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>the EBT System is the cardholder's current address as verified by the CSR. If the address or security requirements are not met or do not match what is in the EBT System, Contractor <b>shall</b> instruct the cardholder to contact DHS to update their information.</p> <p>Contractor <b>shall</b> provide the cardholder with free replacement cards. All replacement cards mailed <b>shall</b> include an EBT card carrier and training pamphlet.</p> <p>Contractor <b>shall</b> be responsible for the maintenance of a card issuance database that <b>shall</b> be accessible to DHS twenty-four seven (24/7) via password. Contractor <b>shall</b> use USPS Business Gateway services barcoding on EBT cards mailed on behalf of DHS.</p> <p>Contractor <b>shall</b> document tracking information including the date the card was mailed, the date USPS received the card, and the date the card was delivered. Contractor <b>shall</b> provide this data to DHS in a monthly report.</p>		
<p><b>CUSTOMER SERVICE CALL CENTER (CSCC)</b></p> <p>Contractor <b>shall</b> provide a CSCC to assist cardholders, retailers, and provide the following services:</p> <ul style="list-style-type: none"> <li>• An IVRS and a Help Desk staffed with CSRs <b>shall</b> be available toll-free (1-800), twenty- four (24) hours a day, seven (7) days a week. Support shall be available in English, Spanish, Marshallese, and other languages as requested by DHS.</li> <li>• Help Desk <b>shall</b> allow access and support for clients using rotary phones.</li> <li>• Contractor shall utilize the current toll-free number "1-800-997-9999".</li> <li>• The maximum wait time should not exceed twenty (20) minutes.</li> </ul> <p>The CSCC <b>must</b> be operational and available when the Operations and Maintenance Phase begins.</p> <p>Contractor <b>must</b> immediately notify DHS of any CSCC outage exceeding five (5) minutes. Contractor <b>shall</b> provide contingency plans for operating the CSCC if a location is impacted by a disaster.</p> <p>Contractor <b>must</b> submit a monthly report detailing the following CSCC information:</p> <ul style="list-style-type: none"> <li>• Number of calls received per day</li> <li>• Duration of calls received</li> <li>• Number of Abandoned calls per day</li> <li>• Average hold time</li> <li>• Dequeued calls (calls that are rerouted or disconnected due to system rules/logic and not by the client)</li> <li>• Maximum wait time</li> <li>• Average answer speed</li> </ul>	<p>Acceptable performance for this service criteria is defined as:</p> <ul style="list-style-type: none"> <li>• Ninety-five percent (95%) of all calls are answered by automated attendant within three (3) rings or fifteen (15) seconds.</li> <li>• Number of busy signals <b>must not</b> exceed five percent (5%) of total incoming calls</li> <li>• Ninety-five percent (95%) of wait times <b>must not</b> exceed three (3) minutes. Maximum wait time of any call should not exceed twenty (20) minutes.</li> <li>• Abandoned call rate should not exceed twenty percent (20%) for any month.</li> </ul>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>



Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p><b>INTERACTIVE VOICE RESPONSE SYSTEM (IVRS)</b></p> <p>Contractor <b>shall</b> provide an IVRS that allows cardholders and retailers to obtain information using an automated system. The IVRS <b>shall</b> comply with the Americans with Disabilities Act and provide TTY capability for cardholders and retailers with hearing disabilities.</p> <p>For Cardholders, Contractor <b>shall</b>:</p> <ol style="list-style-type: none"> <li>1. Provide access to the IVRS via public telephone.</li> <li>2. Provide an option to report a claim from the main menu.</li> <li>3. Permit access to account balances and transaction history.</li> <li>4. Permit card activation/PIN assignment.</li> <li>5. Permit cardholders to cancel an EBT card and order a replacement using the IVRS or CSR.</li> <li>6. Include an adaptive fraud solution to mitigate cardholder losses. Components of the adaptive fraud solution must include, at a minimum: <ol style="list-style-type: none"> <li>a. Capturing IVRS information and then immediately identifying a risk score for every IVRS call based on characteristics from calls made previously from that ANI (Automated Number Identification) and the network carrier.</li> <li>b. Ability to implement in real-time certain solutions such as call blocking/termination once a high-risk score is detected.</li> <li>c. Capability to block certain known fraudulent ANIs based on experience in other states.</li> <li>d. Reports shall be provided on all ANIs associated with a risk score that meets the predetermined mitigation target and all cases accessed by a high-risk ANI.</li> </ol> </li> </ol> <p>For Retailers, Contractor <b>shall</b> provide:</p> <ol style="list-style-type: none"> <li>1. Manual authorization approval.</li> <li>2. Help Desk assistance for problem resolution, including but not limited to: connectivity, equipment performance, funds settlement, claims.</li> </ol> <p>Contractor <b>shall</b> submit the IVRS scripts during the Transition-In period for review and written approval by DHS. Contractor <b>shall</b> seek pre-approval from DHS in writing of any changes to the scripts.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>HELP DESK</b></p> <p>Contractor <b>shall</b> provide a general use Help Desk as well as a Technical Support Help Desk with live CSRs available twenty-four (24) hours a day, seven (7) days a week. All technical and support services <b>shall</b> be provided in English, Spanish, Marshallese, and any additional languages requested by DHS. CSRs <b>shall</b> be proficient in spoken and written English and have a clear comprehension of the English language.</p> <ol style="list-style-type: none"> <li>1. The Help Desk <b>shall</b> provide the following assistance:</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>For Cardholders:</p> <ol style="list-style-type: none"> <li>General information, i.e. mechanism to report lost, stolen or compromised cards.</li> <li>Problem resolution, i.e. transaction disputes.</li> </ol> <p>For Retailers:</p> <ol style="list-style-type: none"> <li>General DHS-related inquiry or support</li> <li>Manual Authorization approval</li> <li>Daily deposit inquiries/settlement data</li> <li>Account problem resolution</li> </ol> <p>2. Contractor <b>shall</b> provide Data Processing Technical Support Help Desk services to DHS twenty-four (24) hours a day, seven (7) days a week to resolve technical and system problems, locate files, and address transmission issues, etc. The Data Processing Technical Support Help Desk shall monitor the system and transmission line performance in real time and proactively resolve issues.</p>		<p>in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>EBT WEB PORTAL</b></p> <p>Contractor <b>shall</b> provide a Cardholder Portal for cardholder access to EBT benefit information via the internet. Contractor <b>shall</b> ensure that individual cardholder records are available only to an authorized user of the Cardholder Portal.</p> <p>Contractor <b>shall</b> ensure all data and information housed by the system are fully protected against hacking and other unauthorized access.</p> <p>The Cardholder Portal <b>shall</b> allow EBT cardholders to authenticate themselves by using secure Web protocols in Spanish and English, User IDs, and Passwords. Cardholders <b>shall</b> be able to create passwords through the Cardholder Portal and will be prompted to change passwords at a minimum of every ninety (90) days in accordance with State of Arkansas (IS) Policy.</p> <p>The Cardholder Portal <b>shall</b> allow the cardholder to:</p> <ul style="list-style-type: none"> <li>Obtain current account balances</li> <li>View the benefits that have been posted to the EBT account but are not yet available</li> <li>View transaction details (for a maximum of ninety (90) days)</li> <li>View, save, and/or print transaction history (for a maximum of ninety (90) days)</li> <li>View the issuance schedule for EBT and Cash benefits</li> <li>Change PIN</li> <li>Lock and Unlock EBT Card to protect from theft</li> </ul> <p>Contractor <b>shall</b> provide a report on Cardholder Portal usage, including the total number of cardholders accessing the portal during a selected reporting period and a breakdown of the portal functions used.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>Contractor <b>shall</b> develop and maintain a Retailer Portal accessible by Arkansas retailers via the internet in English, Spanish, and other languages as requested by DHS. Retailers <b>shall</b> be able to create passwords through the Retailer Portal and will be prompted to change passwords at a minimum every ninety (90) days.</p> <p>The Retailer Portal <b>shall</b> allow the following:</p> <ul style="list-style-type: none"> <li>• Access to a minimum of ninety (90) days of transaction history</li> <li>• View ACH deposits</li> <li>• Access to informational materials, i.e., State issuance schedule, Quick Reference Guide (QRG), etc.</li> </ul>		
<p><b>TRAINING</b></p> <p>Contractor <b>shall</b> provide initial training with all personnel and on-going and ad-hoc training to all EBT Project Office staff and staff trainers, i.e., field staff and other central office staff employed by DHS, including retailers. Training for equipment provided by a third (3rd) party processor, an independent sales organization, or a value-added reseller, <b>shall</b> be provided by that processor.</p> <p>Contractor <b>shall</b> provide system inquiry training to designated DHS Central Office management staff, issuance staff, and County Office staff.</p> <p>Contractor's training materials <b>must</b> alert cardholders, retailers, and DHS staff to the functions and capabilities, as well as the consequences of abuse or misuse of the EBT System. Contractor's training materials and live trainings <b>shall</b> emphasize that intentional misuse or abuse of the system <b>shall</b> result in investigation by State and/or Federal authorities, and sanctions <b>shall</b> be imposed for documented violations. The message during training <b>shall</b> clearly state that it is a crime to defraud the EBT System.</p> <p><b>Cardholder Training</b></p> <p>Contractor <b>must</b> develop an EBT training video and printed EBT training materials. Printed training materials <b>must</b> be included with all card mailings unless otherwise approved by DHS. Training materials <b>shall</b> be written in English, Spanish, Marshallese, and other languages as requested by DHS at a fifth (5th) grade reading level. DHS <b>shall</b> have final approval of all training materials.</p> <ul style="list-style-type: none"> <li>• The EBT training video and printed training material <b>shall</b> be distributed to the DHS EBT Office and to every DHS County Office.</li> <li>• Contractor <b>must</b> provide the video and training materials in a secure electronic format.</li> <li>• The training video <b>shall not</b> be longer than fifteen (15) minutes and be directed at a fifth (5th) grade education level. The training video <b>shall</b> be provided in English, Spanish, Marshallese, and</li> </ul>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>other languages as requested by DHS and must include closed captioning.</p> <p>Content of the training materials <b>must</b> include:</p> <ul style="list-style-type: none"> <li>• Use of the EBT card including the type of benefit transactions that can be processed at EBT terminals.</li> <li>• Use of the EBT card at ATMs, including the type of benefit transactions that can be processed at ATMs and related fees.</li> <li>• Types of locations Arkansas clients are prohibited by law from accessing.</li> <li>• Use and safeguarding of the card and PIN.</li> <li>• Card replacement information .</li> <li>• PIN change methods and procedures.</li> <li>• Guidance on reporting problems with the card or its use and on reporting a lost or stolen EBT card.</li> <li>• Use of transaction receipts to track balances.</li> <li>• Use of the Customer Service Call Center (CSCC).</li> <li>• Cardholder service functions, including a prominent display of the toll-free CSCC number.</li> <li>• Information on requesting and the processing of adjustments against a cardholder's EBT account.</li> <li>• Adherence to EBT policy regarding misuse of benefits.</li> <li>• Information about the use of cards across state lines (Interoperability).</li> </ul> <p>Contractor <b>must</b> include the following messaging in accordance with Federal civil rights law and USDA civil rights regulations and policies, the USDA, its agencies, offices, employees, and institutions participating in or administering USDA programs:</p> <ul style="list-style-type: none"> <li>• EBT benefits shall not be used to pay for any eligible food purchased prior to the time at which an EBT card is presented to authorized retailers or meal services.</li> <li>• EBT benefits cannot be sold for cash or exchanged for non-food items.</li> </ul> <p><b>Retailer Training</b></p> <p>Contractor <b>shall</b> be responsible for all aspects of initial and on-going training provided to retailers. If equipment is provided by a TPP retailer, then the TPP is responsible for providing training.</p> <p>Contractor <b>shall</b> develop and provide a Retailer User Manual (RUM) and a Quick Reference Guide (QRG) within ninety (90) calendar days after the contract start for distribution to all retailers participating in the EBT System. The RUM and ORG must be updated at least semi-annually or upon request by DHS.</p> <p>Contractor <b>must</b> provide updates to training materials and videos semi-annually or upon request by DHS.</p> <p><b>EBT System Training</b></p> <p>Contractor <b>shall</b> provide hands on training of the new web based EBT System to DHS staff. The training <b>must</b> include a live instructor, be recorded for future</p>		

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>reference, and made available online. Contractor <b>shall</b> also provide an EBT Program User Manual for distribution to all DHS EBT staff trained in the new EBT System.</p> <p>Contractor <b>shall</b> provide user specific live trainings, materials, and manuals as requested by DHS that include without limitation the following topics:</p> <ul style="list-style-type: none"> <li>• Fraud/Security</li> <li>• Financial Transactions</li> <li>• System Performance</li> <li>• Inventory Control</li> <li>• User fields</li> <li>• Access</li> </ul> <p>Contractor <b>shall</b> submit training materials and manuals to DHS for review and approval prior to distribution. Contractor <b>must</b> provide updates to training materials and videos on upon request by DHS.</p>		
<p><b>POS TERMINALS</b></p> <p>Contractor <b>shall</b> provide all approved retailers the opportunity to participate in the EBT System. Contractor <b>shall</b> be responsible for all aspects of initial and on-going training provided to retailers unless the equipment is provided by a TPP. In that case, the TPP is responsible for providing the necessary training for the equipment.</p> <p>Contractor <b>shall</b> document the EBT System's capacity for blocking access to TANF benefits at POS terminals in accordance with the Middle-Class Tax Relief (MCTR) and Job Creation Act of 2012. Cardholders <b>shall not</b> be permitted to use EBT cards at the following:</p> <ul style="list-style-type: none"> <li>• Gambling or gaming establishments.</li> <li>• Adult entertainment venues where performers disrobe or perform in an unclothed state for entertainment.</li> <li>• Liquor stores that sell exclusively or primarily intoxicating liquor.</li> </ul> <p>Contractor <b>shall</b> be responsible for the authorization of cardholder-initiated SNAP transactions. The EBT System <b>shall</b> only accept SNAP transactions from POS terminals of FNS approved retailers.</p> <p>Contractor <b>shall</b> ensure that EBT account benefits are distributed on a First In, First out (FIFO) basis.</p> <p>Contractor <b>shall</b> support the Federal requirement of processing interoperable SNAP transactions, including SNAP transactions performed at a State of Arkansas retailer where the cardholder has benefits issued by a state other than Arkansas. Contractor <b>shall</b> be capable of accepting and processing</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>cardholder transactions occurring at out-of-state (non-Arkansas) retailers.</p> <p>Contractor <b>shall</b> accept and process EBT transactions where the card number has been manually entered into the POS terminal. Transactions <b>must</b> be entered manually with the card number at times when an EBT card is damaged and/or the POS terminal is unable to read the magnetic stripe. PIN entry by the cardholder <b>must</b> also be required on manually entered transactions.</p> <p>Contractor <b>shall</b> process manual vouchers for SNAP transactions only when electronic transactions are not available due to disaster, infrastructure failures or EBT System failure.</p> <p>Retailer Log-on and Log-off Security Functions - The retailer's staff <b>shall</b> interact with EBT security processes to access the system using the POS terminal. Contractor's procedures and software <b>must</b> control staff access via authority level and define management controls to access system.</p> <p>Settlement Processing - The POS terminal <b>must</b> allow the retailer to access the system to process the various close of business functions in the Retailer and Financial Institution Account Processing as required.</p>		
<p><b>FINANCIAL TRANSACTION PROCESSING</b></p> <p>Contractor <b>must</b> identify networks for inclusion in the EBT System. The EBT System <b>shall</b> identify and capture both on- and off-line financial transactions, including:</p> <ul style="list-style-type: none"> <li>• On-line EBT transactions executed on the financial network</li> <li>• On-line transaction processing related to cardholder accounts initiated at access terminals</li> <li>• On-line transaction processing related to retailer and financial institution accounts, initiated at access terminals</li> <li>• System initiated transactions</li> <li>• On-line processing interactions</li> <li>• Off-line transaction processing-manual voucher transactions</li> </ul> <p>Contractor <b>shall</b> bear all liability for any losses resulting from errors or omissions including fraud and abuse on the part of Contractor or its representatives or Subcontractors.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>DAILY BENEFIT TRANSMISSION</b></p> <p>Contractor <b>shall</b> validate the file by assuring that the record totals and benefit amount totals equal the summary totals provided by DHS. A pre-processing check <b>shall</b> be performed to ensure the file is structured correctly, prevent duplicate processing, and ensure there is nothing unusual in the file. The file</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in</p>



Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p><b>shall</b> then be processed, and a summary report showing the total number of cases processed, the total dollar amount, and a listing of any case demographic or issuance that was rejected <b>must</b> be submitted to DHS. The file <b>shall</b> consist of the following information:</p> <ul style="list-style-type: none"> <li>• Account number</li> <li>• Issuance Method</li> <li>• Issuance number</li> <li>• Issuance type</li> <li>• Payment name</li> <li>• County number/record number</li> <li>• Payment date/time of availability</li> <li>• Benefit Program</li> <li>• Benefit Sub-Program</li> <li>• Benefit amount</li> <li>• DHS account code</li> </ul> <p>New accounts are established for each new cardholder. If an account already exists for a participant, benefits <b>shall</b> be credited to the existing account but are not to become available before the payment date. The EBT System <b>must</b> recognize when a duplicate account is created for a participant with matching name, date of birth, and social security number. Contractor <b>must</b> immediately notify DHS of duplicates and place the account on hold. DHS will review the account for rejection or approval of the account.</p> <p>An account <b>shall</b> receive one (1) or more benefit types on any payment date or transmission.</p> <p>An active case <b>shall</b> be billed only once in the billing month regardless of the number of authorized benefits that have posted. Monthly benefits posted prior to the end of the month <b>shall not</b> constitute a billable case until the benefit has been made available to the client, i.e., availability date of the benefit has been reached. A “holdover” occurs when a client accesses benefits from a previous month and no new benefits have been authorized and made available for the current month. A “holdover” is not an active case. The identity of each individual benefit stored in the account is retained. The EBT System <b>shall</b> permit DHS to close and reopen accounts (case numbers).</p>	<p>the contract term as determined by DHS.</p>	<p>full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>TRACKING BENEFIT WITHDRAWALS</b></p> <p>The EBT System <b>shall</b> be capable of the following:</p> <ol style="list-style-type: none"> <li>1. Tracking and retaining the identity of each individual whole benefit, as well as the first (1st) withdrawal from a benefit. <ol style="list-style-type: none"> <li>a. If all benefit funds are not withdrawn, then the remaining amount is referred to as a partial benefit.</li> </ol> </li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months’ payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%)</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<ul style="list-style-type: none"> <li>b. Every subsequent withdrawal from that account is charged against that partial benefit until it is totally withdrawn.</li> <li>c. Ensure that there is only one (1) partial benefit per account at any given time.</li> </ul> <ol style="list-style-type: none"> <li>2. Upon a withdrawal, determining which whole benefit to access on a First in, First out (FIFO) basis. (An account may contain multiple whole benefits at one (1) time.)</li> <li>3. If two (2) or more whole benefits are received on the same day, selecting the oldest benefit from which to access for withdrawals.</li> <li>4. Reporting the tracking of benefit access to DHS in an electronic format.               <ul style="list-style-type: none"> <li>a. Contractor <b>shall</b> provide all benefit information originally provided by DHS related to that benefit on the daily return/monthly aging report file.</li> </ul> </li> </ol>		<p>penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>ACCOUNT BALANCES</b></p> <p>An EBT benefit account <b>shall not</b> close when a case closes. The former recipient <b>shall</b> remain entitled to the account balance. As long as benefits remain in the EBT account, the former recipient <b>shall</b> have the right to have cards issued or reissued and select or change PINs.</p> <p>SNAP Benefits <b>shall</b> remain available to the household for two hundred seventy-four (274) days from the date of availability, or the last time accessed, whichever occurs last. Contractor <b>shall</b> notify DHS of SNAP EBT accounts with balances that have aged to defined intervals so DHS can send expungement notices to those households. Contractor <b>must</b> provide appropriate funds unavailable/decline messages at a POS terminal. After two hundred seventy-four (274) days of inactivity, the inactive benefit(s) <b>shall</b> be expunged from the account. The household <b>shall</b> no longer access expunged benefits, but they may be applied to a SNAP overpayment claim.</p> <p>Summer EBT benefits <b>shall</b> remain available to the household for one hundred twenty-two (122) days from the date of availability. After one hundred twenty-two (122) days of inactivity, the inactive SEBT benefits <b>shall</b> be expunged from the account. Contractor <b>shall</b> notify DHS of SEBT accounts with balances that have aged to seventy-seven (77) days so DHS can send expungement notices to those households.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>ACCOUNT CLOSE OUT</b></p> <p>Contractor <b>must</b> close accounts from the active database according to the following criteria:</p> <ol style="list-style-type: none"> <li>1. An account is reduced to a zero (0) balance and remains at a zero (0) balance for a period of two hundred seventy-five (275) days. The two hundred seventy-five (275) day count <b>shall</b> begin on the date when the account was first reduced to</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>a zero (0) balance. Any active account <b>shall</b> stay active. Contractor <b>shall</b> reactivate the account if possible, on the conversion date; if impossible, Contractor <b>shall</b> create a new account, e.g.,</p> <ul style="list-style-type: none"> <li>• If the case has been inactive for two hundred seventy-five (275) days or more, that case will be listed as inactive.</li> <li>• If on the conversion date the case has been inactive for less than two hundred seventy-five (275) days, the case will be listed as active.</li> <li>• An inactive case is defined as one in which the account balance is equal to zero (0) and there has been no account activity in or out of the case for two hundred seventy-five (275) days or more.</li> </ul> <p>2. For SNAP, an account with benefits not accessed for two hundred seventy-five (275) days and resulting in the benefits being returned and a zero (0) balance. Any subsequent benefit authorizations <b>shall</b> reset the day count to zero (0).</p>	<p>determined by DHS.</p>	<p>of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>TRANSACTION HISTORY</b></p> <p>Contractor <b>shall</b> provide DHS online inquiry for all account benefit transaction activity for a minimum of (4) years, if four (4) years of data is available, from the date of the final withdrawal that closed out a benefit. Information should be obtained without reactivating closed accounts. Online transaction activity for partial benefits <b>shall</b> remain available if the partial benefit has not been returned. This online capability <b>shall</b> permit the inquiry of and receipt of account information in the following ways:</p> <ul style="list-style-type: none"> <li>• By account, summary credit, debit, and current balance information.</li> <li>• By account, detailed information on all SNAP, Summer EBT, TEA, and Work Pays transactions for a specified period, including the date, time, location, and amount.</li> <li>• By account, detailed information on all transactions for a specific retailer, POS terminal.</li> <li>• By account, EBT card issuance and replacement history, including information, i.e., account balances at time of replacement and summary totals of card replacements over a specified period from one (1) day up to four (4) years.</li> <li>• By retailer, detail information on all cash, SNAP, or Summer EBT transactions for a specified period, listing such information i.e., account numbers, days, times, locations, terminals, and amounts.</li> <li>• By retailer, detail information on all transactions for a particular account.</li> </ul> <p>Contractor <b>shall</b> move transaction history to an off-line storage file for the duration of the contract after four (4) years on-line storage. This storage file <b>shall</b></p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>include all pertinent information regarding the transaction, including the following:</p> <ul style="list-style-type: none"> <li>• Cardholder card and account numbers</li> <li>• POS number and location, full address including zip code.</li> <li>• Date and amount of the transaction.</li> </ul> <p>Access to the data <b>shall</b> be granted to DHS and other authorized government agencies as required for investigative and auditing purposes. This file <b>shall</b> be delivered in a mutually agreed upon format to DHS's new EBT Contractor as part of the overall database transfer process when the contract is terminated.</p> <p>Off-line information retrieval <b>shall</b> provide for different sorting of the information. The following are requirements for off-line history storage:</p> <ul style="list-style-type: none"> <li>• By account, transactions occurring at out-of-state locations over a specified period from one (1) day up to four (4) years.</li> <li>• By retailer and/or by store, summary transaction history over a specified period from one (1) day up to four (4) years.</li> <li>• By retailer and account, even dollar transactions over a variable threshold over a specified period from one (1) day up to four (4) years.</li> </ul>		
<p><b>RETAILER &amp; FINANCIAL INSTITUTION ACCOUNT PROCESSING</b></p> <p>The EBT System <b>shall</b> support the following functions to process cardholder accounts at USDA/FNS approved retailers and financial institutions interested in participating in EBT as acquirers of cash financial transactions:</p> <p>A. System Recognition</p> <ul style="list-style-type: none"> <li>• The EBT System <b>must</b> maintain control files that recognize a participating EBT retailer.</li> <li>• The EBT System <b>must</b> allow transactions only from POS terminals recognized by the control files. These files <b>shall</b> store information i.e., store name, address, and Federal authorization number.</li> <li>• Contractor <b>shall</b> use the FNS Retailer EBT Data Exchange (REDE) system. The EBT System <b>shall</b> not allow duplicate terminal identification numbers.</li> <li>• As part of the initial set-up of a retailer account, a pre-note transaction <b>must</b> be sent through the ACH network to verify the retailer's bank's American Bankers Association (ABA) number retailer's bank account number. Contractor <b>shall</b> comply with Section 2.38 Bank Requirements, and bank regulation requirements at 7 CFR § 274.8(c)(1).</li> <li>• The EBT system <b>must</b> interface with the Arkansas Integrated Eligibility System (ARIES). All transactions authorized from the</li> </ul>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>administrative terminal <b>must</b> display in ARIES, including cancellations.</p> <p>B. Service Termination</p> <ol style="list-style-type: none"> <li>1. Contractor <b>must</b> support termination of a retailer by FNS.</li> <li>2. The EBT System <b>must</b> support a service termination function i.e., a “hold status,” or termination status.</li> <li>3. Retailer <b>must</b> be removed/de-activated from Contractor’s database immediately upon receipt of the REDE file from FNS.</li> </ol> <p>C. ATM/POS Settlement Processing</p> <ul style="list-style-type: none"> <li>• Contractor <b>shall</b> accomplish settlement for SNAP benefits for electronic and manual voucher transactions. Terminal settlement <b>must</b> reconcile out of balance situations.</li> <li>• Financial reimbursement for transactions performed at participating retailers <b>shall</b> be based on the daily Federal Reserve (FR) deadlines. Transactions that are processed after the deadline for the current business day <b>shall</b> be credited to the following business day’s totals.</li> </ul> <p>D. Fund Transfer</p> <ol style="list-style-type: none"> <li>1. After settlement between the terminal and the EBT System, Contractor <b>must</b> transfer funds to the appropriate retailer accounts for the value of the transactions executed for the business day. If a TPP is involved, Contractor <b>shall not</b> settle to the retailer but <b>must</b> settle the TPP of record.</li> <li>2. All activity <b>must</b> be reflected on daily settlement reports in Excel (unless otherwise specified by DHS) and transmitted to DHS.</li> <li>3. If retailer’s refunds exceed its sales, a debit to the retailer account <b>must</b> be generated and performed through the ACH process.</li> </ol> <p>E. Dispute Processing</p> <ol style="list-style-type: none"> <li>1. Contractor <b>shall</b> process disputes that arise when daily balancing totals at the retailer and financial institution level do not match those in the EBT System.</li> <li>2. Contractor <b>shall</b> process disputes that arise when funds transferred or deposited to the retailer and financial institution accounts, via the ACH, do not match totals calculated independently by the retailer.</li> <li>3. Cardholder-retailer dispute resolutions <b>must</b> meet the adjustment regulations in 7 CFR § 274.2 (g)(2).</li> </ol> <p>F. Retailer Account Transaction History</p> <ol style="list-style-type: none"> <li>1. The EBT System <b>must</b> allow for online inquiry for all retailers account transaction activity for a period of four (4) years.</li> <li>2. After four (4) years, Contractor <b>must</b> move the transaction history to an off-line storage file for the duration of the contract. Access to the data <b>shall</b> be made available to DHS and</li> </ol>		

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>authorized government agencies for investigation and audit purposes within forty-eight (48) hours of request.</p> <p>3. Contractor's history file <b>must</b> include all pertinent information regarding the transaction, including the retailer identifier, the POS number and location, the date, time, type, and amount of the transaction, and the cardholder card and account numbers.</p> <p>4. The online inquiry <b>shall</b> provide access to daily ACH deposit information for each retailer and financial institution that conducts EBT transactions.</p> <p>G. Retailer Account Management</p> <p>1. Contractor <b>shall</b> be responsible for managing retailer participation in the State of Arkansas EBT program in accordance with USDA/FNS regulations and State requirements.</p> <p>2. Contractor <b>must</b> establish and maintain all agreements to establish a benefit delivery network. The network <b>shall</b> include relationships with food retailers where cardholders <b>shall</b> be able to use their EBT cards for food purchases.</p> <p>3. Contractor <b>shall</b> notify in writing all retailers that fees <b>shall</b> not be charged to cardholders for accessing benefits.</p> <p>4. Contractor <b>shall</b> provide for periodic planned meetings and communications with retailer associations and user advocacy groups. DHS will facilitate the meetings and communications to evaluate system usage and discuss problems. Contractor <b>shall</b> be responsible for collecting any data, preparing an agenda, and providing all support materials for such meetings or communications. All materials and/or other forms of information <b>must</b> be approved by DHS prior to distribution.</p> <p>H. System Settlement and Reconciliation</p> <p>1. Contractor <b>shall</b> ensure that benefits received from DHS are accurately posted to cardholder accounts.</p> <p>2. Contractor <b>shall</b> accurately debit/credit cardholder's accounts for refunds.</p> <p>3. Contractor <b>shall</b> accurately credit retailers for benefits disbursed.</p> <p>4. Contractor <b>shall</b> settle and reconcile accounts every banking business day at a time to be specified in accordance with applicable State and Federal regulations.</p> <p>5. Contractor <b>must</b> conduct settlements for retailers and TPPs through the existing ACH infrastructure. Contractor <b>shall</b> have an originating and receiving relationship with the ACH, either directly or through one (1) of its subcontractors. Contractor <b>must</b> have access</p>		



Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>to the appropriate regional network(s) and be capable of settling DHS transactions.</p> <p>6. For retailers or TPPs, Contractor <b>shall</b> originate an ACH credit for the total balance due for DHS benefits provided during the DHS processing day being settled. The benefit provider credits <b>shall</b> be entered into the ACH for settlement on the next banking day. Credits due DHS benefit providers who are connected to Contractor through a transaction switch, TPP, or national network <b>shall</b> settle utilizing the QOR.</p> <p>7. Contractor <b>shall</b> ensure that both Direct Connect (DC) and TPPs receive DHS credits within two (2) business days of system settlement. DHS will continue to settle on the business day after transactions are posted and processed and all debits in the settlement <b>shall</b> be posted to DHS accounts in the overnight ACH cycle.</p> <p>8. Contractor <b>must</b> support the following outputs of the settlement and reconciliation processes:</p> <p>a. EBT Benefits Extract</p> <ol style="list-style-type: none"> <li>1) Contractor <b>shall</b> provide a daily file of all transactions processed through the EBT System. This file <b>shall</b> identify daily authorizations received from EBT and applied to the DHS system and must include daily cancels, withdrawals, refunds, voids, reversals, repayments, and remaining available balance (for each account). The file <b>must</b> summarize, by EBT benefit code (program), total authorizations, cancellations, ending balances, terminal activity, benefit refresh, repayments, and aged benefits.</li> <li>2) Unsettled funds <b>shall</b> be handled the next business day. Contractor <b>must</b> report any unsettled funds to the State. Unsettled funds <b>must</b> be returned to the U.S. Treasury.</li> </ol> <p>b. Aged Benefits</p> <ol style="list-style-type: none"> <li>1) An EBT benefit account <b>shall not</b> close when a case closes. The former recipient shall remain entitled to the account balance. After six (6) months inactivity, the EBT account <b>shall</b> move into a dormant status. The account <b>shall</b> remain dormant until the EBT account becomes active again (usually through the accessing of benefits via the EBT card).</li> <li>2) For SNAP, after two hundred seventy-five (275) continuous days of inactivity, the inactive benefit(s) <b>shall</b> be expunged from the account. The</li> </ol>		

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>household <b>shall</b> no longer access expunged SNAP benefits, but they may be applied to a SNAP overpayment claim.</p> <p>3) Summer EBT benefits <b>shall</b> remain available to the household for one hundred twenty-two (122) days from the date of availability. After one hundred twenty-two (122) days from the date of availability, any remaining SEBT benefits <b>shall</b> be expunged from the account.</p> <p>c. Retailer/Merchant Credit Detail</p> <p>1) Contractor <b>must</b> create files of all EBT payments made by retailers and financial institutions via the EBT networks.</p> <p>2) Daily settlement reporting <b>shall</b> be provided to DHS summarizing by benefit Program and Subprogram the total retailer ACH for SNAP and Cash programs.</p> <p>3) If only (1) one Concentrator Bank (CB) is involved for the settlement of both cash and EBT, Contractor <b>shall</b> provide a settlement report summarizing by benefit program, the total settled for cash programs, and a separate total settled for programs.</p> <p>d. EBT Transfer File</p> <p>1) This transfer file <b>shall</b> provide a daily net transaction total by retailer authorization number. Contractor <b>must</b> transmit this file weekly or as required by FNS, to the FNS Minneapolis Computer Support Center (MCSC).</p> <p>2) Contractor <b>shall</b> comply with the FNS regulations at 7 CFR § 274.4 (a) and the FNS reconciliation requirements to perform reconciliation for all DHS programs. Contractor <b>shall</b> reconcile:</p> <ul style="list-style-type: none"> <li>• Cardholder account daily beginning balances and net draws versus the ending balance.</li> <li>• Cardholder net redemptions versus acquirer settlement values.</li> <li>• Total funds, entering, exiting, and remaining in the system each day.</li> <li>• Total net change in system-wide obligations outstanding to the sum of the net change in obligations outstanding.</li> <li>• The net settlement value of all transactions to the sum of the net</li> </ul>		

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>settlement values for all benefit programs.</p> <p>3) Contractor <b>shall</b> determine the total amount of Federal funds by program necessary to reimburse its account for the total credits due to EBT acquirers.</p> <p>4) Contractor <b>shall</b> use the information generated during the system cut-off and balance processing to prepare the daily settlement files.</p> <p>5) Contractor <b>shall</b> maintain audit trails throughout the settlement process.</p>		
<p><b>CURRENT SETTLEMENT BACKGROUND AND SUMMARY</b></p> <p>The current EBT settlement process <b>shall</b> be required unless and until it is changed by written agreement with DHS. Contractor <b>shall</b>, at a minimum, use the flow of funds as follows:</p> <ol style="list-style-type: none"> <li>1. EBT Benefits – Contractor <b>must</b> accumulate the approved EBT transactions each day.</li> <li>2. Contractor <b>must</b> distribute the transactions to the CB with credits to the merchant banks (accounts) and debits to the settlement (Concentrator) account.</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with THIS service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>ADJUSTMENT PROCESSING</b></p> <p>Contractor and/or retailer/TPP <b>shall</b> adjust resolve errors and out-of-balances related to system problems. Contractor <b>shall</b> have the capability to process the adjustment and have this reflected in the cardholder's account. Contractor <b>shall</b> comply with Federal regulations at 7 CFR § 274.2(g) regarding the recording, tracking, and processing of these types of adjustments.</p> <p>Adjustments made by Contractor <b>shall</b> cause money to be moved either to or from the cardholder's EBT account and <b>shall</b> impact the daily settlement. Contractor <b>shall</b> provide notification to DHS and the cardholder of pending debit adjustments. Contractor <b>shall</b> provide DHS with a copy of the notification sent to the cardholder. All debit adjustments <b>shall</b> be approved by DHS.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>MAINTENANCE &amp; CHANGE REQUESTS</b></p>	<p>Acceptable performance is defined as one hundred percent (100%)</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10)</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>Contractor <b>shall</b> implement a change request process to minimize service downtime. Contractor <b>shall</b> adhere to the following change management process:</p> <ol style="list-style-type: none"> <li>1. Contractor will perform any testing prior to implementation into the production environment.</li> <li>2. Contractor <b>must</b> provide DHS adequate documentation demonstrating that testing was performed.</li> <li>3. Contractor <b>must</b> schedule and coordinate the implementation of the change request to meet the DHS specified implementation date.</li> <li>4. Contractor <b>shall</b> have a release control process to ensure changes are tested first in a test environment.</li> <li>5. The controlled release process <b>shall</b> have a contingency plan in place in case the release does not work as planned.</li> <li>6. Contractor <b>must</b> obtain approval from DHS prior to implementation.</li> </ol>	<p>compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>PROBLEM MANAGEMENT</b></p> <p>Contractor <b>must</b> have a Problem Management Process (PMP) with specific strategies for problem management to include the following:</p> <ol style="list-style-type: none"> <li>1. Incident reporting</li> <li>2. Logging</li> <li>3. Tracking</li> <li>4. Problem escalation</li> <li>5. Notification</li> <li>6. Resolution</li> <li>7. Root Cause Analysis (RCA)</li> <li>8. Twenty-four (24) hours a day, seven (7) days a week hardware monitoring</li> <li>9. Online batch and back-ups.</li> </ol> <p>Contractor <b>must</b> track and correct system defects, malfunctions, or functional deviations from approved system requirements identified by retailers, cardholders, or State staff. Upon notification of an issue, Contractor <b>shall</b> notify DHS and follow the PMP to classify the issue based on the severity levels. Contractor <b>shall</b> maintain communications with DHS until the problem is resolved and provide an RCA.</p> <p>Contractor <b>must</b> report all defects or problems to DHS based on the priority assigned to the defect or problem. Problems or issues with the system <b>shall</b> be reported through an Incident Report and updated per the required notification process.</p> <p>Contractor <b>shall</b> promptly document reported problems upon receipt and report on each problem until resolved and/or corrected. Contractor <b>shall</b> maintain appropriate and timely communications with DHS and affected users on all problems from onset through resolution. Updates <b>must</b> be provided to DHS every twenty (20) minutes for Sev1 and Sev2, and</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>every two (2) hours for Sev3 and Sev4 unless otherwise agreed upon by the State per incident.</p> <p>Contractor <b>shall</b> expedite the handling of problems that are high business priority to DHS. A preliminary RCA <b>shall</b> be required for all Critical/Severity1 (SEV1) incidents within twenty-four (24) hours of the incident, which needs to follow the problem management process for documenting severity levels. An Interim RCA <b>must</b> be submitted every twenty-four (24) hours with updated information. A final RCA <b>must</b> be submitted no later than seventy-two (72) hours after resolution is approved and completed. The RCA <b>must</b> contain details regarding the issue, a severity level timeline from inception to completion, corrective and preventive measure(s) taken, and updated report information.</p> <p>Contractor <b>must</b> correct all problems within the reasonable scope of Contractor's responsibility. A problem <b>shall not</b> be considered corrected until Contractor receives confirmation that the issue is resolved to DHS's satisfaction.</p> <p>Contractor <b>shall</b> proactively provide to DHS appropriate reports on problems, including statistics on total number of problems, outstanding problems, and resolution time. Contractor <b>shall</b> integrate and coordinate problem reporting processes and procedures with DHS.</p> <p>Contractor <b>must</b> monitor the DHS application, network devices, telecommunications, online activity, and batch activity twenty-four-seven (24/7), three hundred sixty-five (365) days and notify DHS of any issues. Notification <b>shall</b> occur within twenty (20) minutes of a suspected identification of a SEV1 or SEV 2 incident, and within two (2) hours of a SEV3 or SEV 4 incident. Notification start time <b>shall</b> begin once the problem is discovered.</p>		
<p><b>CONTRACT MONITORING &amp; PROBLEM RESOLUTION</b></p> <p>Contractor <b>shall</b> comply with all processes and requests made by DHS in conducting monitoring oversight activities during the term of the contract. Contractor <b>shall</b> allow DHS to complete scheduled and unscheduled site visits, as appropriate, to assess performance, determine contract compliance, and report on delivery of services required under this contract.</p> <p>Contractor <b>shall</b> provide support to DHS and technical assistance to support batch execution in all of DHS's key environments (operations). Contractor <b>shall</b> perform all batch processes during non-prime time hours (between 7:00 PM and 7:00 AM).</p> <p>Contractor <b>shall</b> provide twenty-four-seven (24/7), three hundred sixty-five (365) days production support</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>to DHS's staff. Contractor <b>shall</b> document and maintain a problem log of both batch and online issues encountered. Contractor <b>shall</b> describe specific policy and problem resolution procedures related to cardholder notification and service interruptions.</p> <p>Contractor service interruptions <b>shall not</b> be scheduled between 6:00 AM and 11:00 PM CST.</p>		<p>contract termination.</p>
<p><b>SYSTEM PERFORMANCE</b></p> <p>System performance factors <b>shall</b> include the system processing speed, availability, reliability, capacity (to absorb volume increases), and ease of use. Contractor <b>shall</b> provide an EBT System that, at a minimum, meets the performance standards consistent with USDA Federal regulations in 7 CFR § 274.8(b).</p> <p><u>Availability:</u> Contractor <b>shall</b> ensure that the EBT System is available and functioning for the processing of transactions.</p> <p><u>Reliability:</u> Contractor <b>shall</b> ensure that the EBT System is reliable and accurate in the processing of transactions.</p> <p>EBT System transactions <b>must</b> include the following:</p> <ul style="list-style-type: none"> <li>• EBT terminal and ATM initiated</li> <li>• System initiated</li> <li>• Manual data-entered</li> <li>• Credits and debits to retailer accounts</li> <li>• Household accounts</li> <li>• Financial institutions processed through EBT system central or host computers.</li> </ul> <p><u>Performance, Processing Speed, and Response Time:</u> Contractor <b>shall</b> ensure that the EBT System meets performance and technical standards, in accordance with 7 CFR § 274.8(b) in the areas of system processing speeds. Contractor <b>shall</b> meet the Response Time Standards (RTS) found at 7 CFR § 274.8(b)(1) for all on-line EBT transactions. RTS for transactions originating at ATMs, the CSCC, and EBT terminal <b>shall</b> be in accordance with general industry standards.</p> <p>All EBT transactions <b>shall</b> be processed in accordance with 7 CFR § 274.8(b)(1).</p>	<p>The EBT system's central computer <b>shall</b> be available ninety-nine-point nine percent (99.9%) of scheduled up-time, twenty-four (24) hours a day, seven (7) days per week.</p> <p>The total system, including the central computer, any network or intermediate processing facilities, and cardholder authorization processors <b>shall</b> be available ninety-eight percent (98%) of scheduled up-time, twenty-four (24) hours per day, seven (7) days per week.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>FRAUD ANALYSIS PREVENTION</b></p> <p>Contractor <b>shall</b> provide an Anti-Fraud Plan that includes locating and stopping fraud by actively and aggressively monitoring the activities of cardholders, employees, retailers, and others for the purpose of identifying, at the earliest possible opportunity, evidence of fraudulent conduct.</p> <p>The Anti-Fraud Plan <b>must</b> include a description of Fraud Analysis techniques intended for fraud</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%)</p>



Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>prevention of cardholders served through remote banking service systems. Contractor <b>shall</b> ensure all data processed through business rules and analytical models are in near-real time or in batch so that suspicious activity may be spotted with greater accuracy. Contractor <b>shall</b> state specific fraud analysis techniques and tools used to show a full comprehensive approach for the following:</p> <ul style="list-style-type: none"> <li>• Detection and Alert Generation</li> <li>• Fraud Data management</li> <li>• Predictive and Prevention Analysis</li> <li>• EBT account alerts</li> <li>• Proactive account activity alerts through SMS (text), mobile app and/or email</li> <li>• Deposits</li> <li>• Purchases</li> <li>• Withdrawals</li> <li>• Purchase with cashback</li> <li>• Returns</li> <li>• PIN changes</li> <li>• Disallow soft PIN selection.</li> <li>• Address, phone number and email updates</li> <li>• Daily, Weekly, Ad Hoc and Monthly reports as required by the State</li> <li>• Cardholder-initiated card lock and unlock through the mobile app and cardholder portal.</li> <li>• Lock card to prevent all transactions.</li> <li>• Lock card to prevent only out of state transactions.</li> <li>• Social Network Analysis</li> <li>• Drill Down Dashboard</li> <li>• Analysis Reports</li> <li>• Risk Behavior</li> <li>• Data Analytics</li> <li>• Social network monitoring tools for suspicious activity related to EBT cards and cardholders.</li> </ul> <p>Standardized and/or ad-hoc reports <b>shall</b> be used by either DHS or Contractor for the purpose of detecting and preventing fraud. For fraud detection and prevention, Contractor <b>must</b> provide DHS access to a web-based reporting mechanism such as a dashboard capable of generating reports on demand. The reporting mechanism <b>must</b> include all EBT data sets to allow DHS the ability to generate reports as needed.</p> <p>A semi-annual review of the Anti-Fraud Plan with DHS which <b>shall</b> include trends in the industry, current fraud detected, if any, counter measures taken to eliminate fraud and types of preventive measures implemented.</p>		<p>penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p><b>THIRD PARTY PROCESSORS</b></p> <p>FNS regulations allow retailers to use third-party processors (TPPs) for EBT transactions. Contractor <b>shall</b> ensure TPPs meet the FNS requirements in 7 CFR § 274.3(d). Contractor <b>must</b> provide the following:</p> <ul style="list-style-type: none"> <li>• An EBT system interface for TPPs. TPPs are financial institutions, cardholder authorization processors, and food retailers driving their own terminals that are capable of relaying electronic transactions to a central database computer for authorization that have contracted for EBT services.</li> <li>• A written TPP certification standard to allow TPPs access to the EBT system. All TPP agreements <b>shall</b> be approved by DHS and FNS and include the following requirements: <ul style="list-style-type: none"> <li>▪ Terminal IDs – TPPs <b>shall</b> give each terminal a unique ID and include those terminal IDs as part of their transaction messages. Contractor <b>shall</b> include those IDs in the ALERT data submitted to FNS.</li> <li>▪ Transactions – TPPs <b>shall</b> be able to support the entire transaction set included in the EBT regulations. Contractor <b>shall</b> be able to process all of these transactions.</li> <li>▪ Interoperability – TPPs <b>shall</b> be able to process transactions for cards issued by all States for all EBT equipment they support.</li> <li>▪ Balance Information – TPPs <b>shall</b> be able to display remaining balances on the printed receipt for all EBT equipment they support.</li> <li>▪ State the date, merchant's name and location, transaction type, transaction amount, and remaining balance for the SNAP account.</li> <li>▪ Comply with the requirements of 12 CFR part 205 in addition to the requirements of this section; and</li> <li>▪ Identify the SNAP household(s) member's account number (the PAN) using a truncated number or coded transaction number. The household's name shall not appear on the receipt except when a signature is required when utilizing a manual transaction voucher.</li> </ul> </li> <li>• Servicing only EBT-authorized retailers – TPPs <b>shall</b> only route EBT transactions for retailers authorized by FNS to redeem EBT benefits.</li> <li>• A certification test performed for each TPP requesting an interface with the EBT system. <ul style="list-style-type: none"> <li>▪ This test <b>shall</b> ensure that every TPP function, message, response, and error exception meets the TPP standard set</li> </ul> </li> </ul>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>forth by Contractor as well as all applicable QUEST and FNS EBT operating rules.</p> <ul style="list-style-type: none"> <li>▪ Contractor <b>shall</b> issue the TPP a test script, test cards, and required instructions prior to a scheduled test. Certification <b>shall</b> include, at a minimum, performance testing (throughput and stress), and a review of system security, PIN encryption, and disaster recovery plans.</li> <li>▪ Existing TPPs shall be tested during the Arkansas implementation and each new TPP added throughout the duration of the contract shall also be tested.</li> </ul> <ul style="list-style-type: none"> <li>• Settle all transaction disputes between TPPs and DHS cardholders and report the results to DHS. The results <b>must</b> include a description of the dispute, the parties involved, and the outcome.</li> </ul>		
<p><b>INDEPENDENT AUDIT AND CERTIFICATION</b></p> <p>Contractor <b>shall</b> submit copies of annual audits of its data processing, operations, disaster recovery, and security functions upon request by DHS.</p> <p>Contractor <b>shall</b> provide to DHS, who will forward to FNS, an annual written certification stating that Contractor and its subcontractors comply with applicable banking regulatory requirements and EBT specific requirements such as National Automated Clearing House Association (NACHA) Operating Rules and Operating Guidelines, Department of the Treasury Financial Management Service (TFMS) Green Book Requirements, and 31 CFR § 210. This certification <b>shall</b> be subject to independent verification and validation.</p> <p>Contractor <b>shall</b> engage an independent auditing firm to conduct an annual Service Organization Controls (SOC) one (1) and SOC two (2) report in accordance with Statement on Standards for Attestation Engagements (SSAE) No. eighteen (18) on the issuance, redemption, and settlement of SNAP benefits. The SSAE-18 report <b>must</b> cover twelve (12) months of EBT System operations, or for the initial report, it <b>must</b> cover the period of time Contractor provided EBT services to the State.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>If deficiencies requiring a CAP are identified by the SOC audit, DHS will notify Contractor in writing within thirty (30) calendar days. Contractor <b>shall</b> submit a CAP to DHS within seven (7) business days after receipt of written notification that the CAP is required.</p> <p>Contractor's CAP <b>shall</b> describe in detail the remedial actions that <b>shall</b> be taken by Contractor to resolve the deficiencies and the timeline (begin and end dates) for completing each action. The CAP <b>shall</b> be subject to review and approval by the State Project Manager.</p> <p>If Contractor fails at any time to obtain an annual SOC one (1) and/or SOC two (2) Audit, DHS has the right to retain an independent audit firm to perform an audit of Contractor's EBT operations and computer systems software and hardware at Contractor's sole cost and expense. Contractor <b>shall</b> allow the independent audit firm to access its facility for purposes of conducting the SOC one (1) and two (2) audits and provide any necessary support to the independent audit firm in the performance of the audit. Such access <b>shall</b> include the creation of cases and cards to be used by investigators and the posting of benefits. DHS will invoice Contractor for all costs and expenses incurred for any auditing functions.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
		DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.
<p><b>REPORTING</b></p> <p>Contractor <b>must</b> maintain all information required for reporting and <b>must</b> electronically transfer the data from the EBT system to ARIES. Reports that include county data <b>must</b> be sorted by county and show county totals, as well as State totals.</p> <p>All reports <b>shall</b> be sent to DHS or FNS as applicable, in the agreed upon format. Contractor <b>shall</b> provide reports in different formats if requested by DHS.</p> <p>Daily reports <b>shall</b> be delivered no later than (12:00 pm) CST for the previous day's activity.</p> <p>Weekly reports shall be due no later than the second (2<sup>nd</sup>) business day of the week following the reporting week.</p> <p>Monthly reports <b>shall</b> be due no later than the second (2<sup>nd</sup>) business day of the month following the reporting month.</p> <p>Each report <b>must</b> be submitted separately as a single report. Partial reports <b>shall not</b> be accepted.</p> <p>Reports <b>shall</b> include the following information:</p> <ol style="list-style-type: none"> <li>1. Bi-weekly Status reports</li> <li>2. Financial</li> <li>3. Batch Processing</li> <li>4. Card</li> <li>5. Billing</li> <li>6. System Security</li> <li>7. Program Management</li> <li>8. System Performance</li> <li>9. Service Level Agreement Report</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>SERVICE LEVEL</b></p> <p>Contractor <b>shall</b> provide quality service at or above that as defined in the Scope of Work.</p> <p>Contractor <b>shall</b> have a comprehensive approach for measuring overall service provision and <b>shall</b> provide a monthly summary report detailing the various service level agreement metrics met or not met.</p>	<p>Acceptable performance is defined as ninety-nine percent (99%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
		future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.
<p><b>PAYMENT AND INVOICING</b></p> <p>All invoices <b>shall</b> be forwarded to the DHS Division of County Operations via email at: <a href="mailto:SNAPFinancials@dhs.arkansas.gov">SNAPFinancials@dhs.arkansas.gov</a> by the 10<sup>th</sup> of each month unless otherwise instructed by DHS.</p> <p>Contractor should invoice the agency by an itemized list of charges. The agency's Purchase Order Number and/or the Contract Number should be referenced on each invoice.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1<sup>st</sup> Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2<sup>nd</sup> Incident: A five percent (5%) penalty will be assessed in the following months' payment for each thirty (30) day period Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>DHS reserves the right to impose additional penalties including without limitation, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>
<p><b>MANDATED REPORTING</b></p> <p>Pursuant to Ark. Code Ann. §§ 12-18-402 (b)(10) and 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents shall immediately make a report to the Child Abuse Hotline or the Adult Maltreatment Hotline (based on type of maltreatment) if Contractor or any of its employees, agents, or Subcontractors' employees and agents, while performing duties under this contract, have reasonable cause to suspect that:</p> <ul style="list-style-type: none"> <li>a. A child has been subjected to child maltreatment;</li> <li>b. A child died as a result of child maltreatment;</li> <li>c. A child died suddenly and unexpectedly; or</li> <li>d. Observe a child being subjected to conditions or circumstances that would reasonably result in child maltreatment.</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>e. An endangered person or an impaired person has been subjected to conditions or circumstances that constitute adult maltreatment or long-term care facility resident maltreatment.</li> </ul> <p>A privilege or contract shall not prevent a person from reporting maltreatment when he or she is a mandated reporter and required to report under this section.</p> <p>An employer or supervisor of a mandated reporter shall not prohibit an employee or a volunteer from directly reporting maltreatment to the Hotline.</p> <p>An employer or supervisor of a mandated reporter shall not require an employee or a volunteer to obtain</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>For each failure to report, DHS may impose:</p> <p>A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or</p> <p>A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount, as determined by DHS. DHS may elect to calculate penalties/damages differently per occurrence.</p> <p>DHS reserves the right to impose additional penalties including without limitation, requiring a CAP, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>



Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>permission or notify any person, including an employee or a supervisor, before reporting maltreatment to the Hotline.</p> <p>Pursuant to Act 531 of 2019, Ark. Code Ann. §§ 12-18-402 (b)(10) and 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents are mandated reporters.</p>		
<p><b>PERFORMANCE BONDING</b></p> <p>Contractor <b>shall</b> obtain performance bonds to protect the State's interest as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of the performance bonds <b>shall</b> be one hundred percent (100%) of the annual contract price, unless the State determines that a lesser amount would be adequate for its protection.</li> <li>2. The State <b>shall</b> require additional performance bond protection when a contract price is increased or modified.</li> <li>3. The additional performance bond <b>must</b> be delivered to the DHS Chief Procurement Officer within fourteen (14) calendar days of request.</li> <li>4. Contractor <b>shall</b> notify the State of any changes, modification, or renewals for the performance bond during the contract term. The performance bond documentation must be provided to the State with each required notice.</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contract term as determined by DHS.</p>	<p>Damages shall be one percent (1%) per day, calculated using the annual contract amount, for each day Vendor fails to meet the Performance Bonding Requirements specified in this Service Criteria.</p> <p>Vendor's continued failure to meet this Service Criteria may result in a below standard VPR to be maintained in the vendor file and/or contract termination.</p> <p>Failure to provide performance bonds is a breach of contract and may result in immediate contract termination.</p>
<p><b>CONFLICT OF INTEREST MITIGATION</b></p> <p>Vendor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest policy provisions. Vendor shall disclose all actual, apparent, or potential conflicts of interest to DHS within five (5) days of having knowledge of them.</p> <p>Vendor shall develop a mitigation plan which must be approved and accepted by DHS. Any changes to the approved mitigation plan must be approved in advance by DHS.</p>	<p>Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the contract term.</p>	<p>Vendor will be fined one thousand dollars (\$1,000) per day for each day past five (5) days for each actual, apparent, or potential conflict of interest it fails to disclose.</p> <p>Vendor shall be fined ten thousand dollars (\$10,000) for the first failure to comply with the approved mitigation plan. Each subsequent violation of the mitigation plan shall be twice the amount of the immediately preceding violation fine.</p>
<p><b>ARKANSAS FREEDOM OF INFORMATION ACT (FOIA) (Ark. Code Ann. § 25-19-101 et seq.):</b></p> <p>Contractor shall cooperate with DHS requests for information and documents that DHS requires to fulfil a FOIA request.</p> <p>Contractor shall timely provide all documents in its possession or control to DHS that match the request made by DHS.</p> <p>Contractor is subject to Arkansas FOIA law pursuant to Ark. Code Ann. § 25-19-103(7)(A).</p>	<p>Contractor shall respond to FOIA requests timely and accurately one hundred percent (100%) of the time.</p> <p>Contractor shall provide information and documents to DHS upon request in the timeframe specified in the request one hundred percent (100%) of the time.</p>	<p>For each failure to meet this performance standard, DHS may impose:</p> <ol style="list-style-type: none"> <li>a. A ten percent (10%) penalty will be assessed in the following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or</li> <li>b. A one percent (1%) penalty will be assessed in the next payment for</li> </ol>



Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
Contractor shall timely and accurately respond to FOIA requests made directly to Contractor. See Ark. Code Ann. § 25-19-101 et seq. for specific requirements.	DHS shall have sole determination as to the sufficiency of Contractor's response and provision of documents.	<p>each failure to report. The penalty will be calculated from the projected total yearly contract amount, as determined by DHS.</p> <p>DHS may elect to calculate penalties and/or damages differently per occurrence.</p> <p>Contractor <b>shall</b> be responsible for any penalties, fees, and/or costs imposed on DHS associated with Vendor's failure to timely and accurately provide the requested information and documents.</p> <p>DHS reserves the right to impose additional penalties including without limitation, requiring a CAP, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard VPR in the vendor file, and contract termination.</p>

Failure to meet the minimum Performance Standards as specified **may** result in the assessment of damages.

In the event a Performance Standard is not met, Vendor will have the opportunity to defend, respond to, or cure the insufficiency to the State's satisfaction. The State **may** waive damages if it determines there were extenuating factors beyond Vendor's control that hindered the performance of services of it is in the State's best interest. In these instances, the State **shall** have final determination of the performance acceptability.

Should any compensation be owed to the agency due to the assessment of damages, Vendor **shall** follow the agency's direction regarding the required compensation process.

<sup>i</sup> Nothing in this table is intended to set forth all obligations of the Contractor under the contract. These obligations are in addition to any others imposed by the contract and applicable law.

<sup>ii</sup> The damages set forth are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.