

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:

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<p>DESIGN PHASE</p> <p>The Design Phase shall be based upon tasks, deliverables, and timeframes identified within the Project Work Plan (PWP) and must 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>1st 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>2nd 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>DEVELOPMENT AND TESTING PHASE</p> <p>Development and testing is required with any EBT system upgrade.</p> <p>Contractor shall configure and test the EBT System according to the system specifications defined and agreed upon in the Design Phase.</p> <p>Contractor shall perform testing on all components and functional areas of the EBT system before and after delivery of the system. Contractor shall develop test data and update the Test Plan as required by DHS.</p> <p>Contractor shall provide documentation in the format specified by DHS of its internal testing results describing the results of each test that is performed. The documentation shall 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 shall provide system test scripts to DHS within thirty (30) calendar days after contract start.</p> <p>Contractor shall 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 (1st) 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>

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	<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>TRANSITION-IN PHASE</p> <p>Contractor's Project Manager must 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 must 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 must complete a review of all systems documentation prior to completion of the Transition-In Period.</p> <p>Contractor must 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 shall conduct technical interchange meetings as needed.</p> <p>Contractor must participate in a Performance Readiness Review (PRR) meeting with DHS. Each deliverable must 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 (2nd) 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>OPERATIONS AND MAINTENANCE PHASE</p> <p>Contractor shall ensure the Go Live date is no later than September 1, 2026.</p> <p>Contractor shall 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 shall 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>TRANSITION-OUT PHASE</p> <p>Contractor must provide a Transition-Out plan at least one (1) year prior to the contract end date. The Plan shall include:</p> <ul style="list-style-type: none"> • A specific approach and schedule for the transition of services from Contractor's team to a new contractor 	<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>

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<ul style="list-style-type: none"> • A clear breakdown of tasks and responsibilities, including tasks that will be DHS' responsibility, • A turnover resource plan. • Documentation of all services provided, updates, changes, and enhancements. All documentation and records shall 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. • 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. • Written procedures and policies protecting against the inadvertent release or destruction of State data. • 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. <p>Contractor shall submit a final turnover plan detailing the resources Contractor will commit to transferring operations to the new Contractor. Contractor shall complete all turnover activities within DHS-approved timeframes with no delays or decreases in services. Contractor shall cooperate in facilitating the transfer of operations prior to the expiration of the Contract. Contractor shall ensure sufficient staff be retained for the duration of the transition.</p>	<p>determined by DHS.</p> <p>Contractor shall submit a quarterly report detailing outstanding deliverables, tasks, and expected completion dates.</p> <p>Incumbent Contractor shall acknowledge in writing that the incoming Contractor will oversee all transition-out activities.</p>	
<p>COMPLIANCE</p> <p>Contractor must follow all applicable State and Federal laws, rules, regulations, and policies regarding information security, confidentiality, privacy, and compliance.</p> <p>Contractor must adhere to the QUEST® Operating Rules which set forth the requirements for the distribution of government benefits under the QUEST® mark.</p> <p>Contractor shall 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 shall safeguard the use and disclosure of, and restrict access to, protected health information and/or other confidential information. Contractor must 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 shall disclose any security or privacy breaches by contacting the DHS Information Technology Security Office within one (1) business day of the <u>discovery of the suspected or confirmed</u> breach at dhs.it.security.team@dhs.arkansas.gov</p>	<p>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<p>EBT SYSTEM FUNCTIONALITY</p> <p>Contractor shall 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 shall not be installed in a DHS facility. The EBT System shall 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 shall assure adequate access to ATMs and POS terminals. Contractor shall employ a network that fulfills the FNS Formula for terminal placement, for exempt retailers who qualify for and elect to utilize State-deployed EBT equipment only. Contractor shall adhere to 7 CFR § 274.3(b) for POS deployment. Contractor shall have a contingency plan for circumventing communication outages of longer than five (5) minutes.</p> <p>Contractor shall 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 shall 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 shall 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 shall provide an automated inventory control system to manage vault card assignments. The system shall 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 shall 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 shall provide transaction processing, retailer management, customer service, and all services, supplies, and functions.</p>	<p>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>EBT CARDS</p> <p>Contractor must 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>	<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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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</p>

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<ul style="list-style-type: none"> The client's name and the Personal Account Number (PAN) embossed-printed on the card in the location specified by DHS. The toll-free number for Customer Service. A signature panel shall on the back of the card. "Do Not Write PIN on Card" and "If found, return to [Address provided by Contractor]" The toll-free number for Merchant Voice Authorizations on the back of the card. TTY (Telecommunications Relay Service for hearing/speech impaired). The USDA/FNS statement of nondiscrimination on the back of the card shall read: "USDA is an Equal Opportunity Provider, and Employer and Lender." in accordance with 7 CFR § 274.2(e) (5)). <p>Contractor shall print the following on the EBT card, card carrier, or both:</p> <ul style="list-style-type: none"> "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]." <p>Card samples must be submitted for DHS approval prior to initial production and whenever the card is redesigned or changed in any respect.</p> <p>Contractor shall 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 shall allow Cardholders to lock and unlock cards to protect from theft.</p> <p><u>Card Production</u></p> <p>Contractor shall be responsible for all card production including:</p> <ul style="list-style-type: none"> Specified initial card issuance without an expedited indicator Card replacement Vault cards Card activation PIN selection with restrictions to block common PINs (such as all zeros, ones, 1234, etc.) Maintaining current inventory <p>Contractor shall allow multiple cardholders to have access to the SNAP account. Each card must 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 shall 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</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 Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

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<p>allowing access to both SNAP and TEA/Cash benefits when the Alternate Payee is the same person for both benefits. Separate EBT cards shall be issued for each Alternate Payee for the SNAP and TEA/Cash benefits when the Alternate Payee is different individuals for each benefit.</p> <p>Card mailers must 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 must appear on the card mailer.</p> <p>Contractor shall train the state agency and provide the needed equipment for the production of cards according to industry standards.</p>		
<p>EBT CARD ISSUANCE</p> <p>Contractor shall 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 shall include the EBT brochure <u>training pamphlet</u> along with the EBT card, and card carrier, and card mailer. Contractor shall generate a daily electronic Card Returned Report in MS Excel and upload the file to the administrative terminal for DHS access.</p> <p>Contractor shall activate EBT cards and allow for new PIN assignment via the IVRS. Contractor shall 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 shall:</p> <ul style="list-style-type: none"> • Be auto generated by the EBT System. • Contain random numbers. • Require a Customer Service Representative (CSR) to request a cardholder protective password before the card status can be changed or a PIN selected. • Allow only the EBT Project Office Staff to generate passwords via a request from DHS staff. • Random password generation function. • 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. <p>Contractor shall 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"> • The disabled card shall remain blocked from all EBT transactions until 12:01 AM the following day. • In accounts with multiple cards, all other cards shall be allowed continued access to any remaining available benefits. 	<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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<p>Contractor shall deactivate all EBT cards that are reported lost, stolen, or non-functioning (damaged) and issue a new card. Contractor shall, via the Customer Service Call Center, replace a lost, stolen, and/or damaged card if the cardholder's address on 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 shall instruct the cardholder to contact DHS to update their information.</p> <p>Contractor shall provide the cardholder with free replacement cards. All replacement cards mailed shall include an EBT card carrier and mailer<u>training pamphlets</u>.</p> <p>Contractor shall be responsible for the maintenance of a card issuance database that shall be accessible to DHS twenty-four seven (24/7) via password. Contractor shall use USPS Business Gateway services barcoding on EBT cards mailed on behalf of DHS.</p> <p>Contractor shall document tracking information including the date the card was mailed, the date USPS received the card, and the date the card was delivered. Contractor shall provide this data to DHS in a monthly report.</p>		
<p>CUSTOMER SERVICE CALL CENTER (CSCC)</p> <p>Contractor shall provide a CSCC to assist cardholders, retailers, and provide the following services:</p> <ul style="list-style-type: none"> • An IVRS and a Help Desk staffed with CSRs shall 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. • Help Desk shall allow access and support for clients using rotary phones. • Contractor shall utilize the current toll-free number "1-800-997-9999". • The maximum wait time should not exceed twenty (20) minutes. <p>The CSCC must be operational and available when the Operations and Maintenance Phase begins.</p> <p>Contractor must immediately notify DHS of any CSCC outage exceeding five (5) minutes. Contractor shall provide contingency plans for operating the CSCC if a location is impacted by a disaster.</p> <p>Contractor must submit a monthly report detailing the following CSCC information:</p> <ul style="list-style-type: none"> • Number of calls received per day • Duration of calls received • Number of Abandoned calls per day • Average hold time 	<p>Acceptable performance for this service criteria is defined as:</p> <ul style="list-style-type: none"> • Ninety-five percent (95%) of all calls are answered by automated attendant within three (3) rings or fifteen (15) seconds. • Number of busy signals must not exceed five percent (5%) of total incoming calls • Ninety-five percent (95%) of wait times must not exceed three (3) minutes. Maximum wait time of any call should not exceed twenty (20) minutes. • Abandoned call rate should not exceed twenty percent (20%) for any month. 	<p>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<ul style="list-style-type: none"> • Dequeued calls (calls that are rerouted or disconnected due to system rules/logic and not by the client) • Maximum wait time • Average answer speed 		
<p>INTERACTIVE VOICE RESPONSE SYSTEM (IVRS)</p> <p>Contractor shall provide an IVRS that allows cardholders and retailers to obtain information using an automated system. The IVRS shall comply with the Americans with Disabilities Act and provide TTY capability for cardholders and retailers with hearing disabilities.</p> <p>For Cardholders, Contractor shall:</p> <ol style="list-style-type: none"> 1. Provide access to the IVRS via public telephone. 2. Provide an option to report a claim from the main menu. 3. Permit access to account balances and transaction history. 4. Permit card activation/PIN assignment. 5. Permit cardholders to cancel an EBT card and order a replacement using the IVRS or CSR. 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"> 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. b. Ability to implement in real-time certain solutions such as call blocking/termination once a high-risk score is detected. c. Capability to block certain known fraudulent ANIs based on experience in other states. 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. <p>For Retailers, Contractor shall provide:</p> <ol style="list-style-type: none"> 1. Manual authorization approval. 2. Help Desk assistance for problem resolution, including but not limited to: connectivity, equipment performance, funds settlement, claims. <p>Contractor shall submit the IVRS scripts during the Transition-In period for review and written approval by DHS. Contractor shall 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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>HELP DESK</p> <p><u>Contractor shall 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 shall be provided in English, Spanish, Marshallese, and any</u></p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable</p>	<p>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd Incident: A five percent (5%) penalty will be assessed in the following months' payment for each</p>

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<p><u>additional languages requested by DHS. CSRs shall be proficient in spoken and written English and have a clear comprehension of the English language.</u></p> <p>Contractor shall provide a help desk with live CSRs available twenty-four (24) hours a day, seven (7) days a week to assist with at minimum, the following:</p> <p><u>1. The Help Desk shall provide the following assistance:</u></p> <p>For Cardholders:</p> <ol style="list-style-type: none"> General information, i.e. mechanism to report lost, stolen or compromised cards. Problem resolution, i.e. transaction disputes. <p>For Retailers:</p> <ol style="list-style-type: none"> General DHS-related inquiry or support Manual Authorization approval Daily deposit inquiries/settlement data Account problem resolution <p><u>1.2. Contractor shall 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.</u></p> <p>All technical and support services shall be provided in English, Spanish, Marshallese, American Sign Language, and additional languages upon DHS request. CSRs shall be proficient in spoken and written English, and have a clear comprehension of the English language.</p>	<p>performance throughout the contract term as determined by DHS.</p>	<p>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>EBT WEB PORTAL</p> <p>Contractor shall provide a Cardholder Portal for cardholder access to EBT benefit information via the internet. Contractor shall ensure that individual cardholder records are available only to an authorized user of the Cardholder Portal.</p> <p>Contractor shall ensure all data and information housed by the system are fully protected against hacking and other unauthorized access.</p> <p>The Cardholder Portal shall allow EBT cardholders to authenticate themselves by using secure Web protocols in Spanish and English, User IDs, and Passwords. Cardholders shall 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 shall allow the cardholder to:</p> <ul style="list-style-type: none"> Obtain current account balances View the benefits that have been posted to the EBT account but are not yet available 	<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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<ul style="list-style-type: none"> • View transaction details (for a maximum of ninety (90) days) • View <u>save</u> and/or print transaction history (for a maximum of ninety (90) days) • View the issuance schedule for EBT and Cash benefits • Change PIN • Lock and Unlock EBT Card to protect from theft <p>Contractor shall 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>Contractor shall develop and maintain a Retailer Portal accessible by Arkansas retailers via the internet in English, Spanish, and other languages as requested by DHS. Retailers shall 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 shall allow the following:</p> <ul style="list-style-type: none"> • Access to a minimum of ninety (90) days of transaction history • View ACH deposits • Access to informational materials, i.e., State issuance schedule, Quick Reference Guide (QRG), etc. 		
<p>TRAINING</p> <p>Contractor shall 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, shall be provided by that processor.</p> <p>Contractor shall provide system inquiry training to designated DHS Central Office management staff, issuance staff, and County Office staff.</p> <p>Contractor's training materials must 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 shall emphasize that intentional misuse or abuse of the system shall result in investigation by State and/or Federal authorities, and sanctions shall be imposed for documented violations. The message during training shall clearly state that it is a crime to defraud the EBT System.</p> <p>Cardholder Training</p> <p>Contractor must develop an EBT training video and printed EBT training materials <u>for inclusion with all card mailings. Printed training materials must be included with all card mailings unless otherwise</u></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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<p><u>approved by DHS</u>. Training materials shall be written in English, Spanish, Marshallese, and other languages as requested by DHS at a fifth (5th) grade reading level. DHS shall have final approval of all training materials.</p> <ul style="list-style-type: none"> • The EBT training video and printed training material shall be distributed to the DHS EBT Office and to every DHS County Office. • Contractor must provide the video and training materials in a secure electronic format. • The training video shall not be longer than fifteen (15) minutes and be directed at a fifth (5th) grade education level. The training video shall be provided in English, Spanish, <u>Marshallese</u>, and other languages as requested by DHS and must include closed captioning. <p>Content of the training materials must include:</p> <ul style="list-style-type: none"> • Use of the EBT card including the type of benefit transactions that can be processed at EBT terminals. • Use of the EBT card at ATMs, including the type of benefit transactions that can be processed at ATMs and related fees. • Types of locations Arkansas clients are prohibited by law from accessing. • Use and safeguarding of the card and PIN. • Card replacement information . • PIN change methods and procedures. • Guidance on reporting problems with the card or its use and on reporting a lost or stolen EBT card. • Use of transaction receipts to track balances. • Use of the Customer Service Call Center (CSCC). • Cardholder service functions, including a prominent display of the toll-free CSCC number. • Information on requesting and the processing of adjustments against a cardholder's EBT account. • Adherence to EBT policy regarding misuse of benefits. • Information about the use of cards across state lines (Interoperability). <p>Contractor must 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"> • 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. • EBT benefits cannot be sold for cash or exchanged for non-food items. <p>Retailer Training Contractor shall be responsible for all aspects of initial and on-going training provided to retailers. If</p>		

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<p>equipment is provided by a TPP retailer, then the TPP is responsible for providing training.</p> <p>Contractor shall 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 must provide updates to training materials and videos semi-annually or upon request by DHS.</p> <p>EBT System Training</p> <p>Contractor shall provide hands on training of the new web based EBT System to DHS staff. The training must include a live instructor, be recorded for future reference, and made available online. Contractor shall also provide an EBT Program User Manual for distribution to all DHS EBT staff trained in the new EBT System.</p> <p>Contractor shall 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"> • Fraud/Security • Financial Transactions • System Performance • Inventory Control • User fields • Access <p>Contractor shall submit training materials and manuals to DHS for review and approval prior to distribution. Contractor must provide updates to training materials and videos on upon request by DHS.</p>		
<p>POS TERMINALS</p> <p>Contractor shall provide all approved retailers the opportunity to participate in the EBT System.</p> <p>Contractor shall supply and maintain Point of Sale (POS) terminals to all FNS approved exempt retailers who choose not to purchase their own equipment. This equipment shall be restricted to EBT use only. Terminals deployed by Contractor must meet the operational requirements of the EBT System and support the full EBT transaction set.</p> <p>Contractor shall 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. Contractor must supply Direct Marketing Farmers (DF) and Farmers' Market (FM) retailers with wireless POS equipment. Wired devices may be requested by some locations depending on access to a power source.</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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<p>Contractor shall 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 shall not be permitted to use EBT cards at the following:</p> <ul style="list-style-type: none"> • Gambling or gaming establishments. • Adult entertainment venues where performers disrobe or perform in an unclothed state for entertainment. • Liquor stores that sell exclusively or primarily intoxicating liquor. <p>Contractor shall enter into agreements for the deployment of POS equipment with USDA/FNS approved group living arrangements/meal services.</p> <p>Contractor shall be responsible for the authorization of cardholder-initiated SNAP transactions. The EBT System shall only accept SNAP transactions from POS terminals of FNS approved retailers.</p> <p>Contractor shall ensure that EBT account benefits are distributed on a First In, First out (FIFO) basis.</p> <p>Contractor shall 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 shall be capable of accepting and processing cardholder transactions occurring at out-of-state (non-Arkansas) retailers.</p> <p>Contractor shall accept and process EBT transactions where the card number has been manually entered into the POS terminal. Transactions must 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 must also be required on manually entered transactions.</p> <p>Contractor shall 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 shall interact with EBT security processes to access the system using the POS terminal. Contractor's procedures and software must control staff access via authority level and define management controls to access system.</p> <p>Settlement Processing - The POS terminal must 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>		
FINANCIAL TRANSACTION PROCESSING	Acceptable performance	1 st Incident: An acceptable CAP shall

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<p>Contractor must identify networks for inclusion in the EBT System. The EBT System shall identify and capture both on- and off-line financial transactions, including:</p> <ul style="list-style-type: none"> • On-line EBT transactions executed on the financial network • On-line transaction processing related to cardholder accounts initiated at access terminals • On-line transaction processing related to retailer and financial institution accounts, initiated at access terminals • System initiated transactions • On-line processing interactions • Off-line transaction processing-manual voucher transactions <p>Contractor shall 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>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>be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>DAILY BENEFIT TRANSMISSION</p> <p>Contractor shall validate the file by assuring that the record totals and benefit amount totals equal the summary totals provided by DHS. A pre-processing check shall be performed to ensure the file is structured correctly, prevent duplicate processing, and ensure there is nothing unusual in the file. The file shall 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 must be submitted to DHS. The file shall consist of the following information:</p> <ul style="list-style-type: none"> • Account number • Issuance Method • Issuance number • Issuance type • Payment name • County number/record number • Payment date/time of availability • Benefit Program • Benefit Sub-Program • Benefit amount • DHS account code <p>New accounts are established for each new cardholder. If an account already exists for a participant, benefits shall be credited to the existing account but are not to become available before the payment date. The EBT System must recognize when a duplicate account is created for a participant with matching name, date of birth, and social security number. Contractor must immediately notify DHS of duplicates and place the account on hold. DHS will</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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<p>review the account for rejection or approval of the account.</p> <p>An account shall receive one (1) or more benefit types on any payment date or transmission.</p> <p>An active case shall 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 shall not 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 shall permit DHS to close and reopen accounts (case numbers).</p>		
<p>TRACKING BENEFIT WITHDRAWALS</p> <p>The EBT System shall be capable of the following:</p> <ol style="list-style-type: none"> 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"> If all benefit funds are not withdrawn, then the remaining amount is referred to as a partial benefit. Every subsequent withdrawal from that account is charged against that partial benefit until it is totally withdrawn. Ensure that there is only one (1) partial benefit per account at any given time. 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.) If two (2) or more whole benefits are received on the same day, selecting the oldest benefit from which to access for withdrawals. Reporting the tracking of benefit access to DHS in an electronic format. <ol style="list-style-type: none"> Contractor shall provide all benefit information originally provided by DHS related to that benefit on the daily return/monthly aging report file. 	<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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>ACCOUNT BALANCES</p> <p>An EBT benefit account shall not close when a case closes. The former recipient shall remain entitled to the account balance. As long as benefits remain in the EBT account, the former recipient shall have the right to have cards issued or reissued and select or change PINs.</p> <p>SNAP Benefits shall remain available to the household for two hundred seventy-four (274) days from the date of availability, or the last time accessed,</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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<p>whichever occurs last. Contractor shall notify DHS of SNAP EBT accounts with balances that have aged to defined intervals so DHS can send expungement notices to those households. Contractor must provide appropriate funds unavailable/decline messages at a POS terminal. After two hundred seventy-four (274) days of inactivity, the inactive benefit(s) shall be expunged from the account. The household shall no longer access expunged benefits, but they may be applied to a SNAP overpayment claim.</p> <p>Summer EBT benefits shall 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 shall be expunged from the account. Contractor shall 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>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>ACCOUNT CLOSE OUT</p> <p>Contractor must close accounts from the active database according to the following criteria:</p> <ol style="list-style-type: none"> 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 shall begin on the date when the account was first reduced to a zero (0) balance. Any active account shall stay active. Contractor shall reactivate the account if possible, on the conversion date; if impossible, Contractor shall create a new account, e.g., <ul style="list-style-type: none"> • If the case has been inactive for two hundred seventy-five (275) days or more, that case will be listed as inactive. • 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. • 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. 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 shall reset the day count to zero (0). 	<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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>TRANSACTION HISTORY</p> <p>Contractor shall 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</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</p>	<p>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<p>benefits shall remain available if the partial benefit has not been returned. This online capability shall permit the inquiry of and receipt of account information in the following ways:</p> <ul style="list-style-type: none"> • By account, summary credit, debit, and current balance information. • 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. • By account, detailed information on all transactions for a specific retailer, POS terminal. • 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. • 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. • By retailer, detail information on all transactions for a particular account. <p>Contractor shall 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 shall include all pertinent information regarding the transaction, including the following:</p> <ul style="list-style-type: none"> • Cardholder card and account numbers • POS number and location, full address including zip code. • Date and amount of the transaction. <p>Access to the data shall be granted to DHS and other authorized government agencies as required for investigative and auditing purposes. This file shall 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 shall provide for different sorting of the information. The following are requirements for off-line history storage:</p> <ul style="list-style-type: none"> • By account, transactions occurring at out-of-state locations over a specified period from one (1) day up to four (4) years. • By retailer and/or by store, summary transaction history over a specified period from one (1) day up to four (4) years. • By retailer and account, even dollar transactions over a variable threshold over a specified period from one (1) day up to four (4) years. 	<p>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>RETAILER & FINANCIAL INSTITUTION ACCOUNT PROCESSING</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this</p>	<p>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p>

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<p>The EBT System shall 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"> The EBT System must maintain control files that recognize a participating EBT retailer. The EBT System must allow transactions only from POS terminals recognized by the control files. These files shall store information i.e., store name, address, and Federal authorization number. Contractor shall use the FNS Retailer EBT Data Exchange (REDE) system. The EBT System shall not allow duplicate terminal identification numbers. As part of the initial set-up of a retailer account, a pre-note transaction must be sent through the ACH network to verify the retailer's bank's American Bankers Association (ABA) number retailer's bank account number. Contractor shall comply with Section 2.38 Bank Requirements, and bank regulation requirements at 7 CFR § 274.8(c)(1). The EBT system must interface with the Arkansas Integrated Eligibility System (ARIES). All transactions authorized from the administrative terminal must display in ARIES, including cancellations. <p>B. Service Termination</p> <ol style="list-style-type: none"> Contractor must support termination of a retailer by FNS. The EBT System must support a service termination function i.e., a "hold status," or termination status. Retailer must be removed/de-activated from Contractor's database immediately upon receipt of the REDE file from FNS. <p>C. ATM/POS Settlement Processing</p> <ul style="list-style-type: none"> Contractor shall accomplish settlement for SNAP benefits for electronic and manual voucher transactions. Terminal settlement must reconcile out of balance situations. Financial reimbursement for transactions performed at participating retailers shall be based on the daily Federal Reserve (FR) deadlines. Transactions that are processed after the deadline for the current business day shall be credited to the following business day's totals. <p>D. Fund Transfer</p> <ol style="list-style-type: none"> After settlement between the terminal and the EBT System, Contractor must transfer funds to the appropriate retailer accounts for the value of the transactions executed for the business day. If a TPP is involved, Contractor 	<p>service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>2nd 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>

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<p>shall not settle to the retailer but must settle the TPP of record.</p> <ol style="list-style-type: none"> All activity must be reflected on daily settlement reports in Excel (unless otherwise specified by DHS) and transmitted to DHS. If retailer's refunds exceed its sales, a debit to the retailer account must be generated and performed through the ACH process. <p>E. Dispute Processing</p> <ol style="list-style-type: none"> Contractor shall process disputes that arise when daily balancing totals at the retailer and financial institution level do not match those in the EBT System. Contractor shall 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. Cardholder-retailer dispute resolutions must meet the adjustment regulations in 7 CFR § 274.2 (g)(2). <p>F. Retailer Account Transaction History</p> <ol style="list-style-type: none"> The EBT System must allow for online inquiry for all retailers account transaction activity for a period of four (4) years. After four (4) years, Contractor must move the transaction history to an off-line storage file for the duration of the contract. Access to the data shall be made available to DHS and authorized government agencies for investigation and audit purposes within forty-eight (48) hours of request. Contractor's history file must 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. The online inquiry shall provide access to daily ACH deposit information for each retailer and financial institution that conducts EBT transactions. <p>G. Retailer Account Management</p> <ol style="list-style-type: none"> Contractor shall be responsible for managing retailer participation in the State of Arkansas EBT program in accordance with USDA/FNS regulations and State requirements. Contractor must establish and maintain all agreements to establish a benefit delivery network. The network shall include relationships with food retailers where cardholders shall be able to use their EBT cards for food purchases. Contractor shall notify in writing all retailers that fees shall not be charged to cardholders for accessing benefits. Contractor shall provide for periodic planned meetings and communications with retailer 		

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<p>associations and user advocacy groups. DHS will facilitate the meetings and communications to evaluate system usage and discuss problems. Contractor shall 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 must be approved by DHS prior to distribution.</p> <p>H. System Settlement and Reconciliation</p> <ol style="list-style-type: none"> 1. Contractor shall ensure that benefits received from DHS are accurately posted to cardholder accounts. 2. Contractor shall accurately debit/credit cardholder's accounts for refunds. 3. Contractor shall accurately credit retailers for benefits disbursed. 4. Contractor shall settle and reconcile accounts every banking business day at a time to be specified in accordance with applicable State and Federal regulations. 5. Contractor must conduct settlements for retailers and TPPs through the existing ACH infrastructure. Contractor shall have an originating and receiving relationship with the ACH, either directly or through one (1) of its subcontractors. Contractor must have access to the appropriate regional network(s) and be capable of settling DHS transactions. 6. For retailers or TPPs, Contractor shall originate an ACH credit for the total balance due for DHS benefits provided during the DHS processing day being settled. The benefit provider credits shall 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 shall settle utilizing the QOR. 7. Contractor shall 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 shall be posted to DHS accounts in the overnight ACH cycle. 8. Contractor must support the following outputs of the settlement and reconciliation processes: <ol style="list-style-type: none"> a. EBT Benefits Extract <ol style="list-style-type: none"> 1) Contractor shall provide a daily file of all transactions processed through the EBT System. This file shall identify daily authorizations received from EBT and applied to the DHS system and must include daily cancels, 		

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<p>withdrawals, refunds, voids, reversals, repayments, and remaining available balance (for each account). The file must summarize, by EBT benefit code (program), total authorizations, cancellations, ending balances, terminal activity, benefit refresh, repayments, and aged benefits.</p> <p>2) Unsettled funds shall be handled the next business day. Contractor must report any unsettled funds to the State. Unsettled funds must be returned to the U.S. Treasury.</p> <p>b. Aged Benefits</p> <p>1) An EBT benefit account shall not close when a case closes. The former recipient shall remain entitled to the account balance. After six (6) months inactivity, the EBT account shall move into a dormant status. The account shall remain dormant until the EBT account becomes active again (usually through the accessing of benefits via the EBT card).</p> <p>2) For SNAP, after two hundred seventy-five (275) continuous days of inactivity, the inactive benefit(s) shall be expunged from the account. The household shall no longer access expunged SNAP benefits, but they may be applied to a SNAP overpayment claim.</p> <p>3) Summer EBT benefits shall 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 shall be expunged from the account.</p> <p>c. Retailer/Merchant Credit Detail</p> <p>1) Contractor must create files of all EBT payments made by retailers and financial institutions via the EBT networks.</p> <p>2) Daily settlement reporting shall 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 shall 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>		

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<ol style="list-style-type: none"> 1) This transfer file shall provide a daily net transaction total by retailer authorization number. Contractor must transmit this file weekly or as required by FNS, to the FNS Minneapolis Computer Support Center (MCSC). 2) Contractor shall comply with the FNS regulations at 7 CFR § 274.4 (a) and the FNS reconciliation requirements to perform reconciliation for all DHS programs. Contractor shall reconcile: <ul style="list-style-type: none"> • Cardholder account daily beginning balances and net draws versus the ending balance. • Cardholder net redemptions versus acquirer settlement values. • Total funds, entering, exiting, and remaining in the system each day. • Total net change in system-wide obligations outstanding to the sum of the net change in obligations outstanding. • The net settlement value of all transactions to the sum of the net settlement values for all benefit programs. 3) Contractor shall determine the total amount of Federal funds by program necessary to reimburse its account for the total credits due to EBT acquirers. 4) Contractor shall use the information generated during the system cut-off and balance processing to prepare the daily settlement files. 5) Contractor shall maintain audit trails throughout the settlement process. 		
<p>CURRENT SETTLEMENT BACKGROUND AND SUMMARY</p> <p>The current EBT settlement process shall be required unless and until it is changed by written agreement with DHS. Contractor shall, at a minimum, use the flow of funds as follows:</p> <ol style="list-style-type: none"> 1. EBT Benefits – Contractor must accumulate the approved EBT transactions each day. 2. Contractor must distribute the transactions to the CB with credits to the merchant banks (accounts) and debits to the settlement (Concentrator) account. 	<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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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</p>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
		standard VPR in the vendor file, and contract termination.
<p>ADJUSTMENT PROCESSING</p> <p>Contractor and/or retailer/TPP shall adjust resolve errors and out-of-balances related to system problems. Contractor shall have the capability to process the adjustment and have this reflected in the cardholder's account. Contractor shall 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 shall cause money to be moved either to or from the cardholder's EBT account and shall impact the daily settlement. Contractor shall provide notification to DHS and the cardholder of pending debit adjustments. Contractor shall provide DHS with a copy of the notification sent to the cardholder. All debit adjustments shall 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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>MAINTENANCE & CHANGE REQUESTS</p> <p>Contractor shall implement a change request process to minimize service downtime. Contractor shall adhere to the following change management process:</p> <ol style="list-style-type: none"> 1. Contractor will perform any testing prior to implementation into the production environment. 2. Contractor must provide DHS adequate documentation demonstrating that testing was performed. 3. Contractor must schedule and coordinate the implementation of the change request to meet the DHS specified implementation date. 4. Contractor shall have a release control process to ensure changes are tested first in a test environment. 5. The controlled release process shall have a contingency plan in place in case the release does not work as planned. 6. Contractor must obtain approval from DHS prior to implementation. 	<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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>PROBLEM MANAGEMENT</p> <p>Contractor must have a Problem Management Process (PMP) with specific strategies for problem management to include the following:</p> <ol style="list-style-type: none"> 1. Incident reporting 2. Logging 3. Tracking 4. Problem escalation 5. Notification 6. Resolution 7. Root Cause Analysis (RCA) 	<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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<p>8. Twenty-four (24) hours a day, seven (7) days a week hardware monitoring</p> <p>9. Online batch and back-ups.</p> <p>Contractor must 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 shall notify DHS and follow the PMP to classify the issue based on the severity levels. Contractor shall maintain communications with DHS until the problem is resolved and provide an RCA.</p> <p>Contractor must report all defects or problems to DHS based on the priority assigned to the defect or problem. Problems or issues with the system shall be reported through an Incident Report and updated per the required notification process.</p> <p>Contractor shall promptly document reported problems upon receipt and report on each problem until resolved and/or corrected. Contractor shall maintain appropriate and timely communications with DHS and affected users on all problems from onset through resolution. Updates must be provided to DHS every twenty (20) minutes for Sev1 and Sev2, and every two (2) hours for Sev3 and Sev4 unless otherwise agreed upon <u>by the State per incident</u>.</p> <p>Contractor shall expedite the handling of problems that are high business priority to DHS. A preliminary RCA shall 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 must be submitted every twenty-four (24) hours with updated information. A final RCA must be submitted no later than seventy-two (72) hours after resolution is approved and completed. The RCA must 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 must correct all problems within the reasonable scope of Contractor's responsibility. A problem shall not be considered corrected until Contractor receives confirmation that the issue is resolved to DHS's satisfaction.</p> <p>Contractor shall proactively provide to DHS appropriate reports on problems, including statistics on total number of problems, outstanding problems, and resolution time. Contractor shall integrate and coordinate problem reporting processes and procedures with DHS.</p> <p>Contractor must 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</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>

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<p>issues. Notification shall 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 shall begin once the problem is reported<u>discovered</u>.</p>		
<p>CONTRACT MONITORING & PROBLEM RESOLUTION</p> <p>Contractor shall comply with all processes and requests made by DHS in conducting monitoring oversight activities during the term of the contract. Contractor shall 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 shall provide support to DHS and technical assistance to support batch execution in all of DHS's key environments (operations). Contractor shall perform all batch processes during non-prime time hours (between 7:00 PM and 7:00 AM). Contractor shall perform all online processing during prime time hours (between 7:00 AM and 7:00 PM).</p> <p>Contractor shall provide twenty-four-seven (24/7), three hundred sixty-five (365) days production support to DHS's staff. Contractor shall document and maintain a problem log of both batch and online issues encountered. Contractor shall describe specific policy and problem resolution procedures related to cardholder notification and service interruptions.</p> <p>Contractor service interruptions shall not be scheduled between 6:00 AM and 11:00 PM CST.</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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>SYSTEM PERFORMANCE</p> <p>System performance factors shall include the system processing speed, availability, reliability, capacity (to absorb volume increases), and ease of use. Contractor shall 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 shall ensure that the EBT System is available and functioning for the processing of transactions.</p> <p><u>Reliability:</u> Contractor shall ensure that the EBT System is reliable and accurate in the processing of transactions.</p> <p>EBT System transactions must include the following:</p> <ul style="list-style-type: none"> • EBT terminal and ATM initiated • System initiated • Manual data-entered • Credits and debits to retailer accounts 	<p>The EBT system's central computer shall 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 shall be available ninety-eight percent (98%) of scheduled up-time, twenty-four (24) hours per day, seven (7) days per week.</p>	<p>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<ul style="list-style-type: none"> Household accounts Financial institutions processed through EBT system central or host computers. <p><u>Performance, Processing Speed, and Response Time:</u> Contractor shall 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 shall 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 shall be in accordance with general industry standards.</p> <p>All EBT transactions shall be processed in accordance with 7 CFR § 274.8(b)(1).</p>		
<p>FRAUD ANALYSIS PREVENTION</p> <p>Contractor shall 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 must include a description of Fraud Analysis techniques intended for fraud prevention of cardholders served through remote banking service systems. Contractor shall 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 shall state specific fraud analysis techniques and tools used to show a full comprehensive approach for the following:</p> <ul style="list-style-type: none"> Detection and Alert Generation Fraud Data management Predictive and Prevention Analysis EBT account alerts Proactive account activity alerts through SMS (text), mobile app and/or email Deposits Purchases Withdrawals Purchase with cashback Returns PIN changes Disallow soft PIN selection. Address, phone number and email updates Daily, Weekly, Ad Hoc and Monthly reports as required by the State Cardholder-initiated card lock and unlock through the mobile app and cardholder portal. Lock card to prevent all transactions. 	<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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<ul style="list-style-type: none"> • Lock card to prevent only out of state transactions. • Social Network Analysis • Drill Down Dashboard • Analysis Reports • Risk Behavior • Data Analytics • Social network monitoring tools for suspicious activity related to EBT cards and cardholders. <p>Standardized and/or ad-hoc reports shall be used by either DHS or Contractor for the purpose of detecting and preventing fraud. For fraud detection and prevention, Contractor must provide DHS access to a web-based reporting mechanism such as a dashboard capable of generating reports on demand. The reporting mechanism must 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 shall include trends in the industry, current fraud detected, if any, counter measures taken to eliminate fraud and types of preventive measures implemented.</p>		
<p>THIRD PARTY PROCESSORS</p> <p>FNS regulations allow retailers to use third-party processors (TPPs) for EBT transactions. Contractor shall ensure TPPs meet the FNS requirements in 7 CFR § 274.3(d). Contractor must provide the following:</p> <ul style="list-style-type: none"> • 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. • A written TPP certification standard to allow TPPs access to the EBT system. All TPP agreements shall be approved by DHS and FNS and include the following requirements: <ul style="list-style-type: none"> ▪ Terminal IDs – TPPs shall give each terminal a unique ID and include those terminal IDs as part of their transaction messages. Contractor shall include those IDs in the ALERT data submitted to FNS. ▪ Transactions – TPPs shall be able to support the entire transaction set included in the EBT regulations. Contractor shall be able to process all of these transactions. ▪ Interoperability – TPPs shall be able to process transactions for cards issued by all States for all EBT equipment they support. 	<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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<ul style="list-style-type: none"> ▪ Balance Information – TPPs shall be able to display remaining balances on the printed receipt for all EBT equipment they support. ▪ State the date, merchant's name and location, transaction type, transaction amount, and remaining balance for the SNAP account. ▪ Comply with the requirements of 12 CFR part 205 (Regulation E) in addition to the requirements of this section; and ▪ 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. • Servicing only EBT-authorized retailers – TPPs shall only route EBT transactions for retailers authorized by FNS to redeem EBT benefits. • A certification test performed for each TPP requesting an interface with the EBT system. <ul style="list-style-type: none"> ▪ This test shall ensure that every TPP function, message, response, and error exception meets the TPP standard set forth by Contractor as well as all applicable QUEST and FNS EBT operating rules. ▪ Contractor shall issue the TPP a test script, test cards, and required instructions prior to a scheduled test. Certification shall include, at a minimum, performance testing (throughput and stress), and a review of system security, PIN encryption, and disaster recovery plans. ▪ <u>Existing TPPs shall be tested during the Arkansas implementation and each new TPP added throughout the duration of the contract shall also be tested.</u> • Settle all transaction disputes between TPPs and DHS cardholders and report the results to DHS. The results must include a description of the dispute, the parties involved, and the outcome. 		
<p>INDEPENDENT AUDIT AND CERTIFICATION</p> <p>Contractor shall submit copies of annual audits of its data processing, operations, disaster recovery, and security functions upon request by DHS.</p> <p>Contractor shall 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</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 shall 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 shall describe in detail the remedial actions that shall be taken by Contractor to resolve the deficiencies and the timeline (begin</p>

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<p>Treasury Financial Management Service (TFMS) Green Book Requirements, and 31 CFR § 210. This certification shall be subject to independent verification and validation.</p> <p>Contractor shall 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 must cover twelve (12) months of EBT System operations, or for the initial report, it must cover the period of time Contractor provided EBT services to the State.</p>		<p>and end dates) for completing each action. The CAP shall 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 shall 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 shall 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> <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>REPORTING</p> <p>Contractor must maintain all information required for reporting and must electronically transfer the data from the EBT system to ARIES. Reports that include county data must be sorted by county and show county totals, as well as State totals.</p> <p>All reports shall be sent to DHS or FNS as applicable, in the agreed upon format. Contractor shall provide reports in different formats if requested by DHS.</p> <p>Daily reports shall 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 (2nd) business day of the week following the reporting week.</p> <p>Monthly reports shall be due no later than the second (2nd) business day of the month following the reporting month.</p> <p>Each report must be submitted separately as a single report. Partial reports shall not be accepted.</p> <p>Reports shall include the following information:</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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>

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<ol style="list-style-type: none"> 1. Bi-weekly Status reports 2. Financial 3. Batch Processing 4. Card 5. Billing 6. System Security 7. Program Management 8. System Performance 9. Service Level Agreement Report 		
<p>SERVICE LEVEL</p> <p>Contractor shall provide quality service at or above that as defined in the Scope of Work.</p> <p>Contractor shall have a comprehensive approach for measuring overall service provision and shall 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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>PAYMENT AND INVOICING</p> <p>All invoices shall be forwarded to the DHS Division of County Operations via email at: SNAPFinancials@dhs.arkansas.gov by the 10th 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>1st Incident: An acceptable CAP shall be due to DHS within ten (10) business days of the request.</p> <p>2nd 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>MANDATED REPORTING</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</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with this service criteria and standards for acceptable</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.</p>

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<p>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"> a. A child has been subjected to child maltreatment; b. A child died as a result of child maltreatment; c. A child died suddenly and unexpectedly; or d. Observe a child being subjected to conditions or circumstances that would reasonably result in child maltreatment. <p>or</p> <ul style="list-style-type: none"> 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. <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 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>performance throughout the contract term as determined by DHS.</p>	<p>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>
<p>PERFORMANCE BONDING</p> <p>Contractor shall obtain performance bonds to protect the State's interest as follows:</p> <ol style="list-style-type: none"> 1. The amount of the performance bonds shall be one hundred percent (100%) of the annual contract price, unless the State determines that a lesser amount would be adequate for its protection. 2. The State shall require additional performance bond protection when a contract price is increased or modified. 3. The additional performance bond must be delivered to the DHS Chief Procurement Officer within fourteen (14) calendar days of request. 4. Contractor shall 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. 	<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>

Service Criteria ⁱ	Acceptable Performance	Damages for Insufficient Performance ⁱⁱ
<p>CONFLICT OF INTEREST MITIGATION</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>ARKANSAS FREEDOM OF INFORMATION ACT (FOIA) (Ark. Code Ann. § 25-19-101 et seq.):</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 timely and accurately respond to FOIA requests made directly to Contractor. See Ark. Code Ann. § 25-19-101 et seq. for specific requirements.</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>DHS shall have sole determination as to the sufficiency of Contractor's response and provision of documents.</p>	<p>For each failure to meet this performance standard, DHS may impose:</p> <ol style="list-style-type: none"> 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 A one percent (1%) penalty will be 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. <p>DHS may elect to calculate penalties and/or damages differently per occurrence.</p> <p>Contractor shall 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.

ⁱ 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.

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