

STATE OF NORTH CAROLINA Department of Health and Human Services Division of Child and Family Well-Being	REQUEST FOR PROPOSAL NO. 30-23129-DCFV	
	Offers will be publicly opened: February 5, 2024, at 2:00 PM ET	
Refer <u>ALL</u> inquiries regarding this RFP to: Jillian Kennedy Jillian.kennedy@dhhs.nc.gov	Issue Date: November 1, 2023	
	Commodity Number: 432315	
	Description: Business Function Specific Software	
	Purchasing Agency: Division of Child and Family Well-Being	
Requisition No.: N/A		

OFFER

The Purchasing Agency solicits offers for Services described in this solicitation. All offers and responses received shall be treated as Offers to contract as defined in 9 NCAC 06A.0102(12).

EXECUTION

In compliance with this Request for Proposal, and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all Services upon which prices are offered, at the price(s) offered herein, within the time specified herein.

Failure to execute/sign offer prior to submittal shall render offer invalid. Late offers are not acceptable.

OFFEROR:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY, STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO
PRINT NAME & TITLE OF PERSON SIGNING:	FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:

Offer valid for 365 days from date of offer opening unless otherwise stated here: ____ days

ACCEPTANCE OF OFFER

If any or all parts of this offer are accepted, an authorized representative of the Department of Health and Human Services (DHHS) shall affix its signature hereto and any subsequent Request for Best and Final Offer, if issued. Acceptance shall create a contract having an order of precedence as follows: Best and Final Offers, if any, Special terms and conditions specific to this RFP, Specifications of the RFP, the Department of Information Technology Terms and Conditions, DHHS Terms and Conditions, and the agreed portion of the awarded Vendor's Offer. A copy of this acceptance will be forwarded to the awarded Vendor(s).

<u>FOR PURCHASING AGENCY USE ONLY</u>	
Offer accepted and contract awarded this date _____,	as indicated on attached certification,
by _____	(Authorized representative of DHHS).

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1.0 ANTICIPATED PROCUREMENT SCHEDULE

The Agency Procurement Agent will make every effort to adhere to the following schedule:

Action	Responsibility	Estimated Date
RFP Issued	Agency	November 1, 2023
Pre-Offer Conference (<i>Optional</i>)	n/a	
Written Questions Deadline	Potential Vendors	November 15, 2023
Agency's Response to Written Questions/ RFP Addendum Issued	Agency	December 18, 2023
Offer Opening Deadline	Vendor(s)	February 5, 2024
Offer Evaluation Begins	Agency	February 12, 2024
Anticipated Contract Award	Agency	February 19, 2025
Anticipated Effective Date of Contract		February 24, 2025
Period of Performance Begins		March 26, 2025

2.0 PURPOSE OF RFP

2.1 INTRODUCTION

The purpose of this RFP is to solicit offers from Vendors to provide an Electronic Benefit Transfer (EBT) system and services to:

- a) Process and disburse benefits for several of North Carolina's (NC) social service programs, such as the Supplemental Nutrition Assistance Program (SNAP), the Temporary Assistance for Needy Families (TANF) Program, the State/County Special Assistance (SC/SA) Program, the Subsidized Child Care Assistance (SCCA) Program, the Energy (UTL) Program, the Refugee Assistance (RA) Program, and the Child Welfare Program (CW);
- b) Process and dispense these program benefits to North Carolina's customers by EBT card or direct deposit;
- c) Perform EBT card processing services for the SNAP Program;
- d) Perform direct deposit processing services for the SCCA, Energy (UTL) and CW Programs; and
- e) Perform EBT card or direct deposit processing services for the TANF, SC/SA, and RA Programs.

There are over 1,000,000 households currently receiving SNAP, TANF, SC/SA, RA, Energy (UTL), and SCCA benefits in North Carolina (NC).

In response to this RFP, the Vendor is required to propose an EBT System ("System") that is capable of disbursing SNAP benefits and Cash Benefits via EBT or direct deposit processing, that meet the requirements of applicable federal (7 CFR 274, <https://www.fns.usda.gov/sites/default/files/041210.pdf>) and State laws and regulations, and that meet the requirements of the Quest Operating Rules (https://quest.nacha.org/operating_rules). These state and federal specifications for EBT processing shall be considered the minimum standards for the System.

2.2 CONTRACT TERM

A contract awarded pursuant to this RFP shall have an effective date as provided in the Notice of Award. The term shall be seven (7) years, and will expire upon the anniversary date of the effective date unless otherwise stated in the Notice of Award, or unless terminated earlier. The State retains the option to renew the Agreement for three (3) optional one (1) year periods at its sole discretion.

2.2.1 EFFECTIVE DATE

This solicitation, including any Exhibits, or any resulting contract or amendment shall not become effective nor bind the State until the appropriate State purchasing authority/official or Agency official has signed the document(s), contract or amendment; the effective award date has been completed on the document(s), by the State purchasing official, and that date has arrived or passed. The State shall not be responsible for reimbursing the Vendor for Services rendered prior to the appropriate signatures and the arrival of the effective date of the Agreement. No contract shall be binding on the State until an encumbrance of funds has been made for payment of the sums due under the Agreement.

2.3 CONTRACT TYPE

Indefinite Quantity Agency Specific Contract – Pursuant to 9 NCAC 6B.0701, this solicitation will establish an indefinite quantity agency specific contract between a Vendor and the State. The quantity of Services that may be used by the State is undetermined. An estimated quantity based on history or other means may be used as a guide but shall not be a representation by the State of any anticipated purchase volume under any contract made pursuant to this solicitation.

The State reserves the right to make partial, progressive or multiple awards: where it is advantageous to award separately by items; or where more than one supplier is needed to provide the contemplated specifications as to quantity, quality, delivery, service, geographical areas; and where other factors are deemed to be necessary or proper to the purchase in question.

2.4 AGENCY BACKGROUND(S)

The Division of Child and Family Well-Being (DCFV) is responsible for administering SNAP Program. The Division of Social Services (DSS) is responsible for administering the TANF, RA, Energy (UTL), and CW Programs. The Division of Aging and Adult Services (DAAS) is responsible for administering the SC/SA Program. The Division of Child Development and Early Education (DCDEE) is responsible for administering the SCCA Program. These four (4) divisions are agencies within the NC Department of Health and Human Services (DHHS).

2.5 PROBLEM STATEMENT

EBT benefit processing is federally mandated for the SNAP program. The other programs included in this solicitation are required by DHHS to provide program benefits either through the EBT process or direct deposit. The current EBT contract expires June 30, 2024, and this solicitation is required to ensure there is no lapse in benefit delivery to North Carolina recipients.

3.0 RFP REQUIREMENTS AND SPECIFICATIONS

3.1 GENERAL REQUIREMENTS AND SPECIFICATIONS

3.1.1 REQUIREMENTS

Means, as used herein, a function, feature, or performance that the system must provide.

3.1.2 SPECIFICATIONS

Means, as used herein, a specification that documents the function and performance of a system or system component.

The apparent silence of the specifications as to any detail, or the apparent omission of detailed description concerning any point, shall be regarded as meaning that only the best commercial practice is to prevail and that only processes, configurations, materials and workmanship of the first quality may be used. Upon any notice of noncompliance provided by the State, Vendor shall supply proof of compliance with the specifications. Vendor must provide written notice of its intent to deliver alternate or substitute Services, or other Deliverables. Alternate or substitute Services, or Deliverables may be accepted or rejected in the sole discretion of the State; and any such alternates or substitutes must be accompanied by Vendor's certification and evidence satisfactory to the State that the function, characteristics, performance and endurance will be equal or superior to the original Deliverables specified.

3.1.3 SITE AND SYSTEM PREPARATION

Vendors shall provide the Purchasing State Agency complete site requirement specifications for the Deliverables, if any. These specifications shall ensure that the Deliverables to be installed or implemented shall operate properly and efficiently within the site and system environment. Any alterations or modification in site preparation, which are directly attributable to incomplete or erroneous specifications provided by the Vendor and which would involve additional expenses to the State, shall be made at the expense of the Vendor.

3.1.4 EQUIVALENT ITEMS

Whenever a material, article or piece of equipment is identified in the specification(s) by reference to a manufacturer's or Vendor's name, trade name, catalog number or similar identifier, it is intended to establish a standard for determining substantial conformity during evaluation, unless otherwise specifically stated as a brand specific requirement (no substitute items will be allowed). Any material, article or piece of equipment of other manufacturers or Vendors shall perform to the standard of the item named. Equivalent offers must be accompanied by sufficient descriptive literature and/or specifications to provide for detailed comparison.

3.1.5 ENTERPRISE LICENSING

In offering the best value to the State, Vendors are encouraged to leverage the State's existing resources and license agreements, which can be viewed here:

<https://it.nc.gov/resources/statewide-it-procurement/statewide-it-contracts>

- a) Identify components or products that are needed for your solution that may not be available with the State's existing license agreement.
- b) Identify and explain any components that are missing from the State's existing license agreement.
- c) If the Vendor can provide a more cost effective licensing agreement, please explain in detail the agreement and how it would benefit the State.

3.2 SECURITY SPECIFICATIONS

3.2.1 SOLUTIONS HOSTED ON STATE INFRASTRUCTURE – RESERVED

3.2.2 SOLUTIONS NOT HOSTED ON STATE INFRASTRUCTURE

The EBT System will be required to receive and securely manage data that is classified as *High Risk*. Refer to the North Carolina Statewide Data Classification and Handling policy for more information regarding this data classification. The policy is located at the following website: <https://it.nc.gov/document/statewide-data-classification-and-handling-policy>.

To comply with the State's Security Standards and Policies, State agencies are required to perform annual security/risk assessments on their information systems using NIST 800-53 controls Rev 5. This requirement additionally applies to all vendor provided, agency managed Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS) solutions which will handle data classified as Medium Risk (Restricted) or High Risk (Highly Restricted) data.

- (a) Vendors shall provide a completed Vendor Readiness Assessment Report Non-State Hosted Solutions ("VRAR") at offer submission. This report is located at the following website: <https://it.nc.gov/documents/vendor-readiness-assessment-report>
- (b) Upon request, Vendors shall provide a current independent 3rd party assessment report in accordance with the following subparagraphs (i)-(iii) prior to contract award. However, Vendors are encouraged to provide a current independent 3rd party assessment report in accordance with subparagraphs (i)-(iii) at the time of offer submission.
 - (i) Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type 2, ISO 27001, or HITRUST are the preferred assessment reports for any Vendor solutions which will handle data classified as Medium Risk (Restricted) or High Risk (Highly Restricted).
 - (ii) A Vendor that cannot provide a preferred independent 3rd party assessment report as described above may submit an alternative assessment, such as a SOC 2 Type 1 assessment report. The Vendor shall provide an explanation for submitting the alternative assessment report. If awarded this contract, a Vendor who submits an alternative

assessment report shall submit one of the preferred assessment reports no later than 365 days of the Effective Date of the contract. Timely submission of this preferred assessment report shall be a material requirement of the contract.

(iii) An IaaS vendor cannot provide a certification or assessment report for a SaaS provider UNLESS permitted by the terms of a written agreement between the two vendors and the scope of the IaaS certification or assessment report clearly includes the SaaS solution.

(c) Additional Security Documentation. Prior to contract award, the State may in its discretion require the Vendor to provide additional security documentation, including but not limited to vulnerability assessment reports and penetration test reports. The awarded Vendor shall provide such additional security documentation upon request by the State during the term of the contract.

(d) The Vendor's most recent assessment report must be submitted with their proposal. A current assessment report will be required prior to contract award for the selected vendor and annually thereafter.

3.3 ENTERPRISE SPECIFICATIONS

3.3.1 ENTERPRISE STRATEGIES, SERVICES, AND STANDARDS

Agencies and vendors should refer to the Vendor Resources Page for information on North Carolina Information Technology enterprise services, security policies and practices, architectural requirements, and enterprise contracts. The Vendor Resources Page can be found at the following link: <https://it.nc.gov/vendor-engagement-resources>. This site provides vendors with statewide information and links referenced throughout the RFP document. Agencies may request additional information.

3.3.2 ARCHITECTURE DIAGRAMS DEFINED

The State utilizes architectural diagrams to better understand the design and technologies of a proposed solution. These diagrams, required at offer submission, can be found at the following link: <https://it.nc.gov/architectural-artifacts>.

There may be additional architectural diagrams requested of the vendor after contract award. This will be communicated to the vendor by the agency as needed during the project.

3.3.3 VIRTUALIZATION

The State currently utilizes server virtualization technologies including VMware, Solaris and zLinux. The Vendor should state whether its solution operates in a virtualized environment. Vendor also should identify and describe all differences, restrictions or limitations of its proposed solution with respect to operation, licensing, support, certification, warranties, and any other details that may impact its proposed solution when hosted in a virtualized environment.

3.3.4 IDENTITY AND ACCESS MANAGEMENT (IAM)

The proposed solution must externalize identity and access management. The protocols describing the State's Identity and Access Management can be found at the following link:

<https://it.nc.gov/services/vendor-engagement-resources#identity-access-management>

3.3.5 Describe how your solution supports the above protocols as well as making them available for application integration/consumption.

3.3.6 NC FAST MIGRATION

NC DHHS is in the process of migrating the NC FAST application to cloud. The Vendor should state whether its solution operates in a cloud. Vendor also should identify and describe all differences, restrictions or limitations of its proposed solution with respect to operation, licensing, support, certification, warranties, and any other details that may impact its proposed solution when hosted in a cloud. When DHHS migrates the NC FAST system from its state-hosted infrastructure on premises

to Amazon Web Services cloud, the Vendor is expected to continue to be able to exchange files with NC FAST and comply with required functional testing, regression testing, user acceptance testing and any other required testing, as well as network configuration changes determined by DHHS.

3.4 BUSINESS AND TECHNICAL SPECIFICATIONS

The *operational* Electronic Benefit Transfer System will be subject to and must comply with the statutory and regulatory laws or rules set forth in this Section 3.4. Compliance with these laws/rules is mandatory for the system during the term of the contract. NCDHHS has set forth salient features of these laws/rules in this Section 3.4.

For each of the categories in Section 3.4, (i.e., 3.4.1 through 3.4.9), state whether the Vendor’s proposed solution conforms with the laws/rules and describe how the Vendor’s proposed solution will be designed to operate in accordance with the laws/rules.

DHHS is seeking proposed Vendor solutions:

- a. Propose an EBT System (“System”) that is capable of disbursing SNAP benefits (including regular SNAP benefits, Disaster-SNAP benefits, and Summer EBT benefits and Cash Benefits via EBT or direct deposit processing, that meet the requirements of applicable federal (7 CFR 274, <https://www.fns.usda.gov/snap/leghistory/part-274-issuance-and-use>) and State laws and regulations, and that meet the requirements of the Quest Operating Rules (https://quest.nacha.org/operating_rules).
- b. Propose a System that is designed and operates in accordance with the state and federal specifications for EBT processing outlined in Section 3.4, which will be considered the minimum standards for the System.
- c. Propose a System that is designed to interface with the North Carolina Families Accessing Services through Technology (NC FAST) Case Management System – <https://ncfast.nc.gov>, the NC DHHS eligibility system that processes and transmits all EBT benefits the EBT Vendor disburses. NC FAST passes program data through a secure two-way interface to the current vendor’s EBT system on a daily and monthly basis.
- d. Propose a System that is designed to utilize NC FAST’s existing interface records and file formats currently in production to write its specifications (for SNAP/Cash file specifications, see *Attachment K: NCFast/USDA Interface/File Specifications*). DHHS will not allow the Vendors to change NC FAST’s existing records and file formats.

3.4.1 EBT Vendor System Compliance

The Vendor’s proposed System will meet or exceed the Federal EBT System Availability and Performance Standards outlined in Table 1.

Table 1: Federal EBT System Availability and Performance Standards

Federal EBT System Availability and Performance Standards
<p>Benefit Availability</p> <p>Daily benefits received by 1:00 am EST will be in the Customers’ accounts by 6:00 am EST the same morning.</p> <p>Monthly benefits will be in the Customers’ accounts by 6:00 am EST on the scheduled day of benefit availability.</p> <p>The Vendor will not miss these deadlines more than two times in any single Calendar Month.</p>

<p>EBT Switching Services Debit Switch services will be available 99.8% in any Calendar Month after deducting for scheduled downtime or failure of communication lines or telecommunications equipment out of the control of the Vendor.</p>
<p>Transaction Response Time 95% of Customer EBT-only POS transactions will be completed in 20 seconds measured monthly.</p>
<p>Inaccurate Transactions No more than two (2) inaccurate transactions per 10,000 transactions will occur measured monthly.</p>
<p>Customer Service Help Desks</p> <p>85% of all Customer calls answered within twenty-five (25) seconds measured over a three-month period.</p> <p>97% of all calls for Customer Service Representatives (CSR) answered within two (2) minutes measured over a three-month period.</p>
<p>Host Response Time for Administrative Terminal Transactions Host response time for administrative terminal transactions for on line data will not exceed two (2) seconds 98% of the time measured monthly.</p>
<p>Equipment Installation for EBT Only Retailers 95% of POS terminals will be installed and operational within fourteen (14) days of the Vendor receiving the Retailer's completed contract measured over a three-month period. Retailer initiated delays will not be counted.</p>
<p>Card Issuance For card issuance requests received by the Vendor by 1:00 am ET, 90% of the requested cards will be mailed the same Business Day.</p>

3.4.2 Federal and State Governing Rules and Regulations:

Vendor will comply with each of the following federal and state governing rules and regulations for the EBT Program during the term of the contract. In Vendor's proposal, describe the proposed solution's compliance with each of the following items 3.4.2.1 through 3.4.2.5 and include the title of each paragraph (i.e., "Quest Rules"), and the numerical citation to each item (i.e., 3.4.2.1.a; 3.4.2.1.b., etc.) for easier identification of its responses.

3.4.2.1 Quest Rules

- a. The Vendor will comply with the Quest Operating Rules, Version 2.2, dated September 2014, plus all subsequent revisions and amendments to these rules. The latest Quest Operating Rules can be found at <https://www.nacha.org/content/quest>.
- b. The awarded Vendor may be required to exceed federal requirements to meet State or Quest requirements. Unless expressly noted as an exception herein, Quest Operating Rules will apply to all applicable aspects of System development and operation. DHHS may seek variances from portions of the Quest Operating Rules if deemed necessary to meet DHHS requirements. As Federal and State regulations, and/or the Quest Operating Rules are changed, the System will be modified by the Vendor to meet the new requirements at no additional cost.
- c. The Vendor will ensure that the EBT card designed and produced for the North Carolina System complies with the specifications prescribed in the Quest Operating Rules, and the International Standards Organization (ISO –

<http://www.iso.org/iso/home/standards.htm>) and American National Standards Institute (ANSI – <https://www.ansi.org>) standards relating to cards used for financial transactions.

3.4.2.2 Federal Regulations

The Vendor will comply with United States Department of Agriculture (USDA), Food and Nutrition Service Federal Regulations regarding the SNAP Program and other Federal Regulations pertaining to EBT specifically:

- a. FCC Order #97-371 as authorized by the Telecommunications Act of 1996; and
- b. IRS Regulations at 26 CFR, Parts 1, 3, and 301 pertaining to creating and distributing IRS-1099 forms to EBT-only Retailers and third party processors (TPPs) that perform more than 200 transactions totaling \$20,000 or more during any Calendar Year; and
- c. FTC 16 CFR Part 681 Identity Theft Red Flags and Address Discrepancies under the Fair and Accurate Credit Transactions Act of 2003, Final Rule; and
- d. Federal Regulation 7 CFR 274.1(i) (ii), which requires that an SOC 2, Type 2 examination of the Vendor regarding issuance, redemption, and settlement be performed annually. The Vendor will furnish DHHS with at least four (4) copies of the annual SOC 2 Audit Report including a list of the States covered in the report findings. The annual SOC 2 Audit will be effective during the Contract Year and will indicate in the final report that the audit covers the respective Contract Year.
- e. Final/Interim Rule re: SNAP Program, Regulatory Review on Standards for Approval and Operation of SNAP Systems, Federal Register, Vol. 70, No. 68, Monday, April 11, 2005; and
- f. Final Rule re: SNAP Program: Electronic Benefit Transfer Benefit Adjustments; Federal Register, Vol. 65, No. 129, Wednesday, July 5, 2000; and
- g. Final Rule re: SNAP Program: Electronic Benefit Transfer (EBT) Systems Interoperability and Portability; Federal Register, Vol. 68, No.122, June 25, 2003; and
- h. Final Rule re: SNAP Program, Regulatory Review: Electronic Benefit Transfer (EBT) Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; Vol. 65, No. 193, Wednesday, October 4, 2000; and
- i. Final Rule re: Agricultural Act of 2014, P.L. 113-79 which reauthorized the SNAP program; and
- j. All changes, updates, revisions, and policy interpretations of the federal regulations as enacted by law or USDA; and
- k. Federal Funding Accountability and Transparency Act (FFATA) Information: The Vendor will maintain an active FFATA record in the federal government's System for Award Management (SAM) which now contains data previously entered in the Central Vendor Registration System (CCR.) To update the record in SAM, the Vendor will log in at the SAM homepage at: <https://www.sam.gov/portal/SAM/#1>; and submit the FFATA form within ten (10) days upon request by the USDA or in its response to this RFP; and
- l. This Contract will be monitored in compliance with the Federal Office of Management and Budget (OMB) CFR Title 2 Part 200 which may be accessed at

[http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl;); and

- m. Trafficking Victims Protection Act of 2000; xiv. This award is subject to the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to <http://www.acf.hhs.gov/grants/award-term-and-condition-for-traffickingin-persons> and;
- n. The use of Federal funds from this award constitutes DHHS's acceptance of these terms and conditions; and
- o. Public Law 112-96, Section 408 of the Social Security Act, 42 U.S.C. 617 requires states to maintain policies and practices to prevent TANF assistance from being used in any EBT transactions in any liquor store; any casino; gambling casino, or gambling establishment; or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

Definitions: Liquor store – any retail establishment which sells exclusively or primarily alcoholic beverages. Casino, gambling casino, or gambling establishment – an establishment with a primary purpose of accommodating the wagering of money.

3.4.2.3 USDA EBT Waivers

The Vendor will comply with any waiver to the federal regulations (7 CFR) granted by the USDA for SNAP EBT purposes including the following waivers granted to North Carolina:

- a. 7 CFR 272.3(c)(1)(ii) – Waiver for not having a hold placed on a Customer's SNAP EBT account balance in the amount of the Retailer initiated debit adjustment.
- b. 7 CFR 272.3(c)(1)(ii) - Waiver to allow DHHS to charge reasonable fees to reinstall or de-install EBT-only POS devices.
- c. 7 CFR 272.3(c)(1)(ii) - Waiver to allow Personal Identification Number (PIN) selection through the Automated Voice Response (AVR) system.

3.4.2.4 USDA SNAP Data File Requirements

The Vendor will comply with the USDA Food and Nutrition Services (FNS) data requirements for the EBT program. The two data files described below will be provided to the federal government on a periodic basis as defined by FNS. (See *Attachment K: NCFAS/USDA Interface/File Specifications* and *Attachment L: Alert System File Data* for USDA file formats.)

- a. The Vendor will provide detailed daily FNS redemption data by Retailer identification number to STARS, the USDA redemption database, through the Benefit Redemption Systems Branch (BRSB) in Minneapolis. The data format and requirements of this file are specified by FNS.
- b. The USDA FNS's Anti-Fraud Locator of EBT Retailer Transactions (ALERT) Subsystem utilizes a file of Retailer EBT transactions provided by the states' EBT Vendors. The Vendor will provide this transaction data, starting at implementation, monthly to FNS. This file should be submitted once a month to FNS so that it is received by the fifteenth day of the Calendar Month by secure delivery. The monthly file should contain all Retailer FNS Program EBT transactions for the prior Calendar Month.
- c. The file should be submitted on one of the following media types:

- i. Compact Disk (CD) – preferred
- ii. 4mm DAT tape (DDS-1 @ 2GB uncompressed)

3.4.2.5 State Rules

The Vendor will:

- a. Comply with all applicable State law, rules, or policies relating to the SNAP and Cash Benefit EBT Programs as outlined in state policy manuals (<https://policies.ncdhhs.gov/divisional/social-services/food-and-nutrition-services/policy-manuals> and <https://policies.ncdhhs.gov/divisional/social-services/work-first/policy-manuals>).
- b. Ensure their cash access approach encourages a maximum number of bank automated teller machines (ATMs), non-bank ATMs, point of sale machines (POS's), and Point of Banking (POB) cash access locations participate in this Contract;
- c. Propose a method for reporting the POS terminal, and ATM identification number and location associated with any EBT cash transaction; and
- d. Meet P.L. 112-96. DHHS will work with the Vendor to define procedures and processes to identify, monitor, and maintain a current list of prohibited locations. Specific control methods and/or System Changes may include, but not be limited to:
 - i. Identifying locations where EBT cash transactions are prohibited;
 - ii. Blocking ATM cash transactions at specified locations; and
 - iii. Blocking EBT cash purchase transactions at specified locations.
- e. Recommend new and innovative technologies that will provide a solution that meets program needs when formulating a response.

3.4.3 EBT Vendor Responsibilities and Liabilities

The Vendor will be responsible for the following:

- a. Disbursement or authorization of funds. The Vendor will be liable for authorizations of State administered program benefits into a Customer account as described in OMB Circular A-87, 45 CFR § 200, 45 CFR § 74, and 7 CFR § 276.
- b. Transaction Processing and Settlement. The Vendor will bear all liability for any losses resulting from errors or omissions including fraud and abuse on the part of the Vendor or its representatives or subcontractors. These liabilities will include, but are not limited to:
 - i. Any duplicate or erroneous postings to a Customer account made by the Vendor and/or its subcontractors.
 - ii. Any losses from funds drawn from an account after the Customer notified the Vendor that the card had been lost or stolen.
 - iii. Any losses from transactions performed with cards issued but not activated by the Customer.

- iv. Any damages or losses suffered by a Federal or State Agency due to negligence on the part of the Vendor.

3.4.4 USDA SNAP Retailer Validation

- a. For all SNAP transactions, the Vendor will validate that the transactions originated at a USDA authorized retail location. The Vendor will maintain a database of authorization numbers for all USDA authorized Retailers in accordance with the Retailer Validation Requirements specified in § 7 CFR 274.3.
- b. The Vendor will access the USDA Retailer Electronic Data Exchange (REDE) system daily to obtain updates of the national and/or State REDE files used to validate authorized FNS Retailer numbers. The Vendor will verify the Retailer identification number is that of an FNS-authorized Retailer prior to completing its processing of a transaction. *Attachment M: Valid Codes and File Formats* provides more information regarding the REDE file.

3.4.5 SNAP Investigative Accounts

- a. SNAP investigative accounts are set up in the current vendor's administrative terminal application. To support Federal and State fraud investigators, the Vendor will provide the capability to create and maintain investigative accounts, add or remove SNAP and cash benefits to the investigative accounts, reconcile transactions, close accounts, issue cards, and provide transaction reporting for investigative accounts and benefits for the purpose of investigating fraudulent use of SNAP and cash benefits. Investigative accounts will only contain a primary cardholder and no authorized representatives. Investigative accounts should have unique identifiers that are readily distinguishable from "normal" case identifiers or numbers. Benefit authorizations for the investigative accounts will only be added through the EBT Administrative Terminal application. Investigative accounts and all transactions related to such accounts will be maintained in a secure and confidential manner. Only authorized personnel will have access to investigative accounts. Consequently, the EBT administrative terminal application will need to support the creation of investigative accounts as well as the adding of benefits.
- b. For ongoing investigations, the United States Department of Agriculture (USDA) and USDA Office of Inspector General (OIG) is required to have access to the Vendor's administrative terminal application for the State for selected field office, regional office, and investigative staff. The Vendor is required to provide USDA and OIG on-line inquiry-only administrative terminal access to the Vendor's administrative terminal application through secured web-based Internet access. This access enables inquiry on specific card and/or Retailer details, including case, benefit, and transaction activity for investigative accounts. The Vendor will provide EBT and retailer system information, such as bank account and Automated Clearing House (ACH) payment details, to the State, USDA, and/or USDA OIG, as needed for evidentiary purposes, within 24 hours of request.

3.4.6 Fraud Prevention, Detection, and Investigation Plan

- a. The Vendor will provide for fraud prevention (both internal and external fraud) and identity verification.
- b. The State recognizes that the EBT warehouse has great potential to be useful in combating fraud and abuse of funds. Vendors are encouraged to offer solutions that meet this need through the use of the data warehouse. Further, the Vendor's reporting and data warehouse solutions will support DHHS initiatives for card replacement monitoring, follow-up, and reporting.

- c. The Vendor will utilize innovative methods or the application of technologies that would support the deterrence and detection of fraud, including, but not limited to, fraud committed by cardholders, retailers/merchants, external parties, and employees. The Vendor will provide their experience and success in the use of their proposed technology to combat fraud and abuse in EBT, including state-to-state collaboration and informing other State customers of fraud activity taking place in a particular State.
- d. The Vendor will implement procedures to use data from the mobile application, cardholder portal, and the interactive voice response (IVR) to monitor and detect potential fraud (e.g., same Internet Protocol (IP) address accessing multiple EBT accounts through the cardholder portal).
- e. The Vendor will advise, assist and appropriately act to aid DHHS in detection and investigations of abuses by stores, Customers or workers, including but not limited to, reporting unusual activity. This may entail cooperation with various authorities of the State and Federal agencies that are responsible for compliance with laws and regulations surrounding the SNAP program. Stores authorized by the USDA Food and Nutrition Services (FNS) to accept SNAP benefits may become subject to monitoring and investigations by the State, USDA Retailer Investigations Branch, USDA Office of Inspector General, Internal Revenue Service, Secret Service, or local police departments. Recipients are subject to investigation by the State program authorities and occasionally others. Since DHHS is required to cooperate with Federal agencies in creating cases, providing cards, and providing information, it will also impact the Vendor. DHHS and the Vendor will determine an orderly process for these responsibilities to be conveyed to the Vendor. Access to information concerning these matters will be restricted both at DHHS and the Vendor so that the investigations are not compromised. These needs will be addressed in the design phase, tested as necessary in user acceptance testing and will be made available at implementation.
- f. Due to ongoing issues with card skimming and fraudulent cardholder transactions, the Vendor will provide the ability for NCDHHS to restrict cardholder transactions in portions of specified foreign States or the whole State. The Contract Administrator will inform the Vendor which area of the foreign States by zip code or county, or the whole State, that should not be allowed to accept transactions from cardholders of the respective State.

3.4.7 SNAP Interoperability

The Vendor will propose a solution that provides interoperability in accordance with federal law and regulation so that Customers can access SNAP benefits throughout the United States.

3.4.8 SNAP Manual Voucher Authorization/Clearing

- a. The Vendor will process manual vouchers in accordance with the SNAP Provisions of the Agricultural Act of 2014.
- b. An EBT Retailer is required to complete the manual voucher and receive a voice authorization from the EBT Vendor System prior to completing the sale. The Customer is required to sign the paper voucher. The Vendor will require the Customer's signature be on the voucher as a condition for processing. A toll free telephone number will be provided to Retailers to obtain authorizations for the manual vouchers. The authorization process should be automated as part of the Retailer help desk Automated Response Unit (ARU) functionality.
- c. Vouchers submitted for payment without prior telephone authorization can be accepted by the Vendor, but only "at the Retailer's risk" and paid only if the remaining balance in the account is sufficient to cover the amount indicated on the face of the voucher. The Retailer will be liable

for declined transactions in the event the Retailer fails to obtain prior authorization and the EBT account has insufficient funds to cover the purchase.

- d. Upon providing a telephone authorization for a manual transaction, the Vendor will place a “hold” on the amount of benefits necessary to fund the transaction. The Vendor will maintain the hold on benefits until the voucher transaction is “cleared”, up to a maximum of thirty (30) Calendar Days. A Retailer has thirty (30) Calendar Days to submit the voucher, either electronically or by paper copy, to complete the transaction.
- e. If the Retailer fails to submit the voucher within the thirty (30) Calendar Days, the hold will be released and the use of these funds will revert to the Customer. The Retailer or acquirer bears the liability for the transaction if the voucher is not cleared in a timely basis. Re-presentation of a manual voucher is not allowed. The Vendor’s System will be designed to prevent merchants from representing vouchers in subsequent months.
- f. There are two methods by which a manual voucher can be cleared. If the authorized Retailer has a POS device, the Retailer will convert the manual transaction to an electronic transaction for transmission to the Vendor when the POS device is again able to communicate with the EBT Host. If the Retailer is a non-traditional or low-volume (per USDA waiver) USDA authorized Retailer who does not have a POS device, the voucher will be mailed directly to the Vendor for the clearing and settlement of the manual voucher.

3.4.9 EBT Online Purchasing Pilot (OPP)

- a. North Carolina is currently participating in the [SNAP Online Purchasing Pilot \(https://www.fns.usda.gov/snap/online-purchasing-pilot\)](https://www.fns.usda.gov/snap/online-purchasing-pilot) which allows SNAP benefits (and Cash EBT benefits) to be used to pay for online food purchases.
- b. Vendor will:
 - i. Program the EBT system to recognize, accept and permanently store codes and data elements related to online transactions (as specified in X9.58-2013) including delivery street address and ZIP code;
 - iii. Accept online SNAP [and cash EBT] transactions only through FNS approved secure online PIN-entry service providers; reject all online transaction requests coming from any other TPPs;
 - iv. Enable retailers follow the refund process and not issue refunds using cash or gift cards;
 - v. Display/include cash refunds with other transaction types where appropriate for existing screens, reports and files;
 - vi. Provide a transaction method code/description to identify that the transaction was performed through an online website, rather than by swiping the card or key-entry of the card number;
 - vii. Display the method code or description on all screens that would normally indicate the transaction was swiped or keyed;
 - viii. Include the method code in all reports and State data files that normally indicate the transaction was swiped or keyed;
 - ix. Ensure the process that allows online retailers to submit SNAP [and cash EBT] refunds that do not contain a PIN value; and
 - x. Examine each incoming transaction to determine if it is coded as an online transaction and take appropriate actions as follows:

1. Compare all SNAP [and cash EBT] online transactions to the REDE file to validate that the retailer's FNS number is classified as an Internet Retailer (IR) store type; if not then deny the transaction;
 2. Validate that retailers classified as IR only perform authorized online transactions (no voucher, [cash back, cash withdrawal,] store and forward or in-store/wireless POS) or deny PIN-less transactions from retailers not classified as IR;
 3. For online refund transactions from retailers classified as IR, validate card and FNS numbers against the original purchase transaction and ignore State-designated refund limits;
 4. Include all required data elements for online transactions in the ALERT file transmitted to FNS, utilizing version 2.00 of the ALERT specification;
- xi. Provide the standard [daily and monthly] online transaction summary totals report that was required to be developed for the pilot; and
 - xii. Display delivery street address and ZIP code on transaction detail screens; and include delivery street address and ZIP code in the daily activity file.

3.5 BUSINESS AND TECHNICAL SPECIFICATIONS

The Vendor is to describe in detail how their solution will conform with all System, program, and payment specifications outlined in this Section 3.5. The specifications can vary based upon the type of program involved (i.e., SNAP, TANF, RA, SC/SA, SCCA, UTL or CW) and whether benefits are disbursed via an EBT card or via direct deposit.

3.5.1 EBT Vendor Administrative Terminal System

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. The Vendor will support administrative transactions from an EBT administrative terminal system. The Vendor will also provide county, DHHS, and federal staff access to its EBT administrative terminal system through Web-based Internet access while the North Carolina EBT Call Center staff shall require PC based access to the Vendor's administrative terminal system. Customers and FNS authorized Retailers will also be able to access the EBT administrative terminal system through web-based Internet access.
- b. The Vendor's administrative terminal system functionality will include multi-level access controls to ensure that only authorized individuals can process administrative transactions or access Customer account information.

3.5.2 EBT Administrative Terminal System Security

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. The Vendor will provide a security system for the EBT administrative terminal system that allows permits user profiles to be established based upon the specific administrative terminal system functions required by the user to perform their respective job. Each administrative terminal system user will need to be assigned a specific user profile based upon the requirements for their job. The State will define the user profiles with the assistance of the Vendor.
- b. Administrative terminal security system control will be the responsibility of the State EBT Administrative Security Officer. The Vendor shall be responsible for training the State EBT Security Officer.

3.5.3 EBT Administrative Terminal System Functionality

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Vendor will administrative terminal system will function in terms of navigation and data presentation. Access to update screens will be limited to the appropriate personnel within the State.
- b. Explain how each transaction set that will be supported by the EBT administrative terminal system will include the following:
 - i. EBT Investigative Account Set-up/Benefit Authorization;
 - ii. EBT Account Maintenance;
 - iii. Card Status Change;
 - iv. Card Inquiry, Issuance and Replacement;
 - v. Customer Search (by name, PAN, SUI, SSN);
 - vi. Customer Account Information Inquiry (Customer demographics, Benefit data);
 - vii. Transaction History Inquiry (by PAN and FNS Retailer number); and
 - viii. Repayment Functionality.
- c. Describe how the Vendor will provide access to the EBT administrative terminal system for the State EBT Customer Support Call Center to process on-line adjustment claims.

3.5.4 Summer Electronic Benefit Transfer

Describe how the Vendor's proposed solution will conform with the specifications below:

The Consolidated Appropriations Act, 2023 (PL 117-328) authorized a permanent, nationwide Summer Electronic Benefit Transfer (Summer EBT) program beginning in 2024. States are expected to plan for Summer EBT in advance of summer 2024. The USDA Food and Nutrition Services has provided initial guidance regarding Summer EBT:

<https://www.fns.usda.gov/sebt/state-implementation-of-summer-ebt-2024>.

Summer EBT benefits will be tracked separately from SNAP benefits, or other benefit types, but are subject to the same oversight, restrictions, and requirements as SNAP benefits.

In the event DHHS is approved to implement Summer EBT effective Summer 2024 or later, the Vendor should meet the following specifications:

- a. As requested, maintain adequate EBT card stock inventory to support Summer EBT operations;
- b. Provide Summer benefits to eligible children for the summer months;
- c. Track issuance of Summer EBT benefits;
- d. Meet additional specifications as established by forthcoming federal guidance from the USDA FNS.

3.5.5 SNAP Farmer's Markets

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Provide DHHS with a viable on-line solution to enable any current or future Farmer's Markets the opportunity to actively participate in the System electronically including wireless POS devices;

- b. Describe how this on-line solution functions and how participation outreach can be achieved; and
- c. Work with USDA, state farmer’s groups, and DHHS to encourage Retailer participation.

3.5.6 SNAP Monthly Benefits Availability

Describe how the Vendor’s proposed solution will conform with the specifications below:

- a. The Vendor’s System will post monthly SNAP benefits on a staggered schedule. DHHS will provide an availability date, which is included in the Benefit Authorization record transmitted to the Vendor in the monthly batch file. The staggered schedule will be based on the last digit of the social security number (SSN) of the primary cardholder.

Table 1: Monthly SNAP Benefits Availability Dates

If Last Digit of SSN is:	SNAP Benefits Are Available on This Day of the Month:
1	3rd
2	5th
3	7th
4	9th
5	11 th
6	13 th
7	15 th
8	17 th
9	19 th
0	21 st

- b. On the specified availability date, benefits shall be accessible to Customer no later than 6:00 a.m., EST.
- c. Until the availability date is reached, the Vendor will process SNAP Benefit Authorization Voids sent to the Vendor by DHHS to void the benefit authorization before its availability date.

3.5.7 EBT Benefit Account Specifications

a. Creation and Maintenance of EBT Accounts

DHHS is responsible for:

- i. DHHS operates one eligibility system, the NC FAST system, whose Benefit Authorizations are distributed via EBT. The NC FAST system is utilized by County Department of Social Services (county DSS) offices to perform eligibility determinations for SNAP and Cash Benefit Program benefits.
- ii. NC FAST interfaces with the Vendor’s System.
- iii. NC FAST transmits customer data via batch process to the Vendor’s System daily and monthly.
- iv. NC FAST assigns each Customer a State Unique Identifier (SUI) to new accounts set up by the Vendor using the Vendor’s System.

- v. DHHS transmits a daily account set up/account update file (“Case/Client”) to the Vendor’s System containing demographic data and a daily benefits file to both authorize benefits for new accounts and authorize supplemental benefits for existing accounts. *Attachment N: NC EBT Statistics* provides more information regarding the historical number of SNAP accounts.
- vi. DHHS uses established defined formats with the current vendor to exchange Case/Client and Benefit Authorization records. These records are the Case/Client files and the Benefit files sent to the current vendor daily and monthly.

Describe how the Vendor’s proposed solution will conform with the specifications below:

- i. Vendor will establish and maintain an account for each corresponding SNAP and/or Cash Benefit Program head of household member. Each benefit type (SNAP or Cash Benefits) will be tracked and reported on separately and all benefits are required to be accessible from one EBT card.
- ii. Vendor will process daily and monthly customer data files from NC FAST.
- iii. Vendor will set up new accounts and assigns an EBT account number that is tied to the SUI.
- iv. Vendor will process the daily “Case/Client” file from NC FAST.
- v. Vendor will utilize the existing NC FAST records and file formats for the exchange of this data. (See *Attachment K: NCFast/USDA Interface/File Specifications*).

b. EBT Benefit Authorizations

DHHS is responsible for:

- i. NC FAST transmits benefit files that contain SNAP and Cash Benefit Authorization records by batch to the Vendor by 2:00 a.m. Eastern Standard Time (EST) every Business Day, Saturdays and designated Sundays. The exception to the batch transmission is the Investigative Account Benefits posted through the administrative terminal system.
- ii. NC FAST authorizes the SNAP monthly benefits on a schedule specified by DHHS. NC FAST transmits the benefit file that contains SNAP and Cash Benefit Authorizations on a schedule specified by DHHS.

Describe how the Vendor’s proposed solution will conform with the specifications below:

- i. Vendor will receive and process the daily Benefit file which contains the SNAP and Cash Benefit Authorization records transmitted by NC FAST.
- ii. Vendor will post the authorized benefit amounts to the appropriate EBT accounts, based on the SUI and unique authorization number generated by NC FAST for each benefit authorization.
- iii. Vendor will make available daily Benefit Authorizations to the Customer no later than 6:00 a.m. EST on the day the Vendor receives the batch update file by 2:00 a.m. EST.
- iv. Vendor will process monthly SNAP and Cash Benefit Authorizations per the schedule specified by DHHS.

c. SNAP Authorized Representatives and Cash Benefit Protective Payees

Describe how the Vendor's proposed solution will conform with the specifications below:

- i. Vendor will ensure SNAP Customers has the option to select two (2) authorized representatives to receive an EBT card on his/her behalf.
- ii. Vendor will ensure Cash Benefit Customer has the option to select one (1) protective payee for accessing Cash benefits.
- iii. Vendor will issue a card for the authorized representative/protective payee that has a unique card number and PIN. The card should include the authorized representative/protective payee name embossed on the card. The card will be mailed to the authorized representative/protective payee's address. When the authorized representative/protective payee calls the Customer Service Help Desk, they should use their own name along with their SSN and DOB for verification of identity.
- iv. Vendor will support Alcohol/Drug Rehabilitation centers' EBT accounts with the center's representative as primary cardholder on the EBT account. Customers who receive SNAP benefits while residing in an alcohol/drug rehabilitation center (group home) do not have an individual EBT account set up while residing in the center. All SNAP benefits for residents are posted to the Alcohol/Drug Rehabilitation center's EBT account with the center's representative as the primary cardholder on the EBT account. The Vendor is required to tie unlimited Benefit Authorizations to a center's account.

3.5.8 Vendor Reporting

Describe how the Vendor's proposed solution will conform with the specifications below:

- i. Vendor will accommodate the informational needs of DHHS and USDA FNS in its EBT Reports package, which will meet or exceed the EBT reporting requirements as specified in 7 CFR 274.4.
- ii. Vendor will distribute daily and monthly reports to DHHS and USDA FNS. The distribution of the reports will be in an electronic format, but the method for distribution of reports will be finalized during System design/development activities. The Vendor in its response to this RFP will state its preferred method for distributing reports such as through the administrative terminal system;
- iii. Vendor will retransmit previously produced reports to DHHS as requested. The Vendor will support requests for two previous generations for monthly reports (e.g., last two months), and last seven days for daily reports;
- iv. Vendor will provide reports to DHHS in a file transmission using standard American National Standards Institute (ANSI) carriage control for controlling the formatting of reports being printed;
- v. Vendor will provide a reports manual for DHHS staff; and
- vi. Vendor will produce information at the DHHS and county DSS office summary levels. Settlement and reconciliation reports will be consolidated for DHHS staff only.

a. Reports Package

Describe how the Vendor's proposed solution will conform with the specifications below:

Vendor will provide a reports package with a brief description of the frequency and intended purpose of each report. The EBT Reports package should include the following reports:

- i. Financial reports for accounting, reconciling, balancing and auditing the System processing and operations;
- ii. Statistical reports for assisting with the management of the Vendor System;
- iii. Administrative Terminal System reports that provide information about administrative terminal system access and transactions occurring through the administrative terminal system;
- iv. Support reports to control and account for activity taking place on the or System, such as card issuance;
- v. Monthly Status Report summarizing significant events/accomplishments during the month, status of outstanding issues and problems, and the status of pending enhancement requests and System change authorizations;
- vi. Customer Service Statistics reports that report monthly on the statistics and effectiveness of the Customer service functions for both the Customer service and Retailer help lines. Statistics for both the ARU and Customer Service Representatives (CSR) for Spanish speaking Customers will be reported;
- vii. Monthly Customer Help Desk Statistics Report will provide a monthly summary of the number of calls received on the Customer hotline by reason (lost/stolen card, balance inquiry, transaction history, etc.) for both the ARU and CSRs. *Attachment N: NC EBT Statistics* provides more information regarding the historical number of customer help desk calls. Daily statistics regarding the help desk performance (i.e., number of calls, number of rings before answered, number of abandoned calls, number of busy signals received) will be collected and reported;
- viii. Monthly Retailer Help Desk Statistics Report will provide a summary of the number of calls received on the Retailer hotline by reason (SNAP voice authorization, terminal problems, settlement questions, etc.) for both ARU and CSRs. *Attachment N: NC EBT Statistics* provides more information regarding the historical number of retailer help desk calls. Statistics regarding Retailer help tickets, including number of tickets opened, tickets closed, and reason for ticket, will be provided. Daily statistics regarding the help desk performance (i.e., number of calls, number of rings before answered, number of abandoned calls, number of busy signals received) will be collected and reported. Statistics regarding language selected for both the ARU and CSRs will be provided;
- ix. Billing Reports will be provided to DHHS substantiating the monthly billing for EBT services. The billing reports will include detail information to allow DHHS to validate the bill for EBT services, as well as pass through expenses being charged to DHHS;
- x. Fraud Reports will include reports regarding out of state usage, card issuance tracking, even dollar transactions, full SNAP balance withdrawal, large dollar purchases, large dollar returns, manual card entry, multiple even dollar transactions, multiple transactions, excessive card replacements, denied transactions by retailers, high account balances, invalid card PIN attempts, cards mailed to the same address with multiple households. These reports can be requested by DHHS as needed.
- xi. Processing requests for ad-hoc reports and the expected cost and timeframe in which the request will be satisfied.

- xii. The Vendor will provide DHHS with the appropriate reports to track the transition from the previous vendor to the new Vendor.
- xiii. The Vendor should recommend any other Fraud reports that will help the State manage and detect fraud within SNAP.

3.5.9 Specifications for Direct Deposit of Cash Benefits

DHHS is responsible for:

- a. Providing Cash Benefit Program Customers receiving TANF, RA, or SC/SA benefits with the option of receiving those benefits through direct deposit or EBT card.
- b. Providing TANF, RA, SC/SA customers with the the choice of receiving his/her direct deposit benefits in either a checking or a savings account. County DSS caseworkers will enter the bank account type, bank name, bank routing number, and bank account number for the appropriate Customer account into NC FAST. NC FAST will transmit daily direct deposit benefits to the Vendor on the day the benefits are to be released to the Customer.
- c. DHHS and/or County DSS offices will contract with new energy (UTL) providers contained in the provider maintenance file including accepting provider banking information for new accounts and changes to existing provider banking information. Provider banking information will be entered into NC FAST.
- d. DHHS and/or County DSS offices will contract with new CW providers contained in the provider maintenance file including accepting provider banking information for new accounts and changes to existing provider banking information. Provider banking information will be entered into NC FAST.

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Vendor will meet the following specifications for processing direct deposit payments for TANF, RA, and SC/SA recipients:
 - i. Maintain recipient history of bank account information (current and previous information);
 - ii. Conduct direct deposit payment tracing; and
 - iii. Include an addenda record for each payment to provide recipient information.
- b. Vendor will disburse child care payments (CC) to providers only by direct deposit processing as an ACH pass-through payment which generates a NACHA (National Automated Clearing House Association) format record for transmission to their Clearing House to the CC service provider bank account. Addenda records will be included to provide per child information. (See *Attachment K: NCFast/USDA Interface/File Specifications* for file record details.)

The Vendor will:

- i. Create a SCCA provider maintenance file for the DCDEE to add/modify/delete CC providers participating in the program;
- ii. Accept and process the SCCA provider maintenance file and transmit a file back to DCDEE confirming the status of each SCCA provider daily;
- iii. Support SCCA provider calls to the Merchant Help Desk;
- iv. Create, maintain, and support a provider portal for SCCA providers to review payment/settlement activity; and

- v. Provide provider payment/settlement activity within daily settlement reports.
 - vi. Maintain provider files including accepting provider banking information for new accounts and changes to existing provider banking information.
- c. Vendor will disburse energy payments (UTL) to providers only by direct deposit processing as an ACH pass-through payment which generates a NACHA (National Automated Clearing House Association) format record for transmission to their Clearing House to the UTL service provider bank account. Addenda records will be included to provide per child information. (See *Attachment K: NCFast/USDA Interface/File Specifications* for file record details.)

Vendor will:

- i. Create a UTL provider maintenance file for DHHS to add/modify/delete UTL providers participating in the program;
 - ii. Accept and process the UTL provider maintenance file and transmit a file back to DHHS confirming the status of each UTL provider daily;
 - iii. Support UTL provider calls to the Merchant Help Desk;
 - iv. Create, maintain, and support a provider portal for UTL providers to review payment/settlement activity; and
 - v. Provide provider payment/settlement activity within daily settlement reports.
- d. Vendor will disburse child welfare payments (CW) to providers only by direct deposit processing as an ACH pass-through payment which generates a NACHA (National Automated Clearing House Association) format record for transmission to their Clearing House to the CW service provider bank account. Addenda records will be included to provide per child information. The child welfare providers include Adoption and Foster care providers.

Vendor will:

- i. Create a CW provider maintenance file for DHHS to add/modify/delete CW providers participating in the program;
- ii. Accept and process the CW provider maintenance file and transmit a file back to DHHS confirming the status of each CW provider daily;
- iii. Support CW provider calls to the Merchant Help Desk;
- iv. Create, maintain, and support a provider portal for CW providers to review payment/settlement activity;
- v. Provide provider payment/settlement activity within daily settlement reports; and
- vi. Provide ad-hoc reports as per DHHS requirements.

3.5.10 EBT POS Transaction Specifications

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Vendor will accept EBT transactions from POS devices for SNAP and Cash Benefits. *Attachment N: NC EBT Statistics* provides more information regarding the historical number of POS transactions. To ensure compliance with American National Standards Institute

(ANSI) standards, the Vendor will ensure that unique terminal IDs are used for all POS devices. The Vendor's System will be able to process the following transaction types:

- i. Purchases, including cash purchases with cash back, and cash withdrawal;
- ii. Merchandise Return;
- iii. Manual Voucher Authorization;
- iv. Manual Voucher clear;
- v. Balance Inquiry;
- vi. Voids or Cancellations;
- vii. Reversals; and
- viii. Adjustments.

b. EBT Voids or Cancellations

Vendor will have the capability to accurately and immediately process void or cancellation transactions made by Retailers at POS devices at Customer request, and reflect it in the Customer's EBT account. The void/cancellation message will include the trace number, the exact dollar amount, and other identifying information from the original transaction.

c. EBT Reversals

- i. Vendor will have the capability to accurately process the reversal transaction and have the results reflected immediately and appropriately in the Customer's account.
- ii. A POS transaction will be reversed if for some reason the completion of the transaction cannot take place at the originating POS device (e.g., communication failure with the device and/or a device malfunction, or a late response from the Vendor). The entity (specifically the TPP, authorized Retailer, or the POS device) within the response chain where the transaction error is recognized will generate a reversal message back to the Vendor. As defined within the EBT ISO message specifications, the reversal message will include the trace number, the exact dollar amount, and other identifying information from the original transaction.

d. EBT Adjustment Processing

- i. Vendor and/or Retailer/TPP will initiate an adjustment to resolve errors and out-of-balances related to System problems. The Vendor, on behalf of a Customer complaint, will initiate an adjustment to resolve a transaction error. The Vendor will make no debit adjustment to a Customer's account without prior approval from DHHS.
- ii. The adjustment will reference an original settled transaction, which is partially or completely erroneous. The Vendor will have the capability to process the adjustment and have this reflected in the Customer's account.
- iii. Adjustments made by the Vendor will cause money to be moved either to or from the Customer's Account, and will impact the daily settlement.

3.5.11 Store and Forward of Transactions

Describe how the Vendor's proposed solution will conform with the specifications below:

Retailers, as an option, may store transactions when the Vendor's System is down and forward the stored transaction for processing within twenty-four (24) hours of the Vendor's System becoming available, provided the Retailer's equipment stores a Customer's encrypted PIN. Store and forward transactions will be processed at the Retailer's risk. If funds are unavailable at the time the transaction is forwarded, the Vendor will deny the transaction and the Retailer will not present the amount for payment. However, if funds are available at the time the transaction is forwarded, but not enough to cover the total transaction amount, the Vendor's solution will give the Retailer partial approval for the transaction for the benefit amount available in the Customer's account. The Retailer will still be liable for the difference.

3.5.12 EBT Key-entered Transactions

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Vendor will accept and process EBT transactions where the card number (PAN) has been manually entered (key-entered) into the POS device. Transactions may be key-entered at times when a card presented by a Customer is damaged and/or the POS device is unable to accurately read the magnetic stripe. The validation of the Customer's PIN will be required on key-entered transactions. If a PIN pad is defective or for other reasons a PIN does not accompany the transaction to the EBT host for processing, the Vendor will deny the transaction.
- b. Vendor will adopt other security measures to prevent Customer and Retailer abuse/misuse of the key-entry feature. The Vendor will ensure that the PAN printed on the transaction receipt is truncated. The Vendor will be able to selectively disable or deny the capability of an EBT-only POS device from completing key-entered transactions.
- c. Vendor will track key-entered transactions by card number and by Retailer site. The Vendor will propose procedures for responding to Customer reports of malfunctioning or defective equipment at Retailer sites.

3.5.13 EBT Transaction Fees

USDA regulations prohibit the charging of a fee for any SNAP transactions. Describe how the Vendor will ensure that it will not charge transaction fees on any Cash Benefit transaction performed at a POS.

3.5.14 EBT Retailer Management

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Vendor will be responsible for managing Retailer participation in the State's EBT program. Vendor will perform the duties below:
 - i. Providing every USDA authorized Retailer with the opportunity to participate in the System;
 - ii. Assuring that the North Carolina System is interoperable with other States' Systems as defined in 7 CFR § 274.3;

- iii. Assuring that sufficient number of Retailers, including farmer's markets, agree to participate in the System to allow Customers adequate access to SNAP and Cash EBT Benefits;
 - iv. Assuring that the participating Retailers understand their responsibilities in regards to the policy, operating rules, and operations of the System;
 - v. Providing help desk services to Retailers for resolving issues/problems on settlement and dispute questions and issues;
 - vi. Complying with 7 CFR § 274.3(a)(ii), which requires that newly authorized Retailers will have access to the System within two (2) weeks after the receipt of the USDA authorization notice; and
 - vii. Assuring that USDA authorized EBT Retailers pay for their own EBT equipment and services unless the Retailer is a listed exception in the Agriculture Act of 2014 legislation.
- b. **EBT Retailer Access**
- i. Vendor will provide DHHS with interface specifications that would enable Retailers and third party terminal drivers to interface directly with the Vendor to perform EBT transactions. The Vendor will provide these specifications to Retailers and third party terminal drivers as well. The Vendor will not unduly withhold certification for Retailers and third parties that contract with the Vendor.
 - ii. Vendor will certify and assure that Third Party Processors (TPPs) connected to the System comply with USDA regulations and other State requirements. All TPP agreements between DHHS's Vendor and TPPs or their Retailers will be reviewed and approved by DHHS and the USDA. At DHHS request, the Vendor will attempt to enforce the agreements if problems are discovered in TPP activities.
 - iii. Vendor will provide copies of its Retailer and TPP (Third party processor) agreements for review and approval by DHHS and the USDA after Contract award.
- c. **EBT Retailer/Vendor/Third Party Processor (TPP)**
- i. TPPs (the Vendor is also a TPP) will give each terminal a unique ID, per terminal/per store, and include those terminal IDs as part of their transaction messages. Vendor will include those IDs in the ALERT data submitted to FNS.
 - ii. Vendor will ensure the TPPs will be able to support the System and process:
 1. The entire transaction set included in the USDA regulations. The Vendor will be able to process these transactions;
 2. Transactions for EBT cards issued by all States for all point-of-sale equipment they support;
 3. Display the remaining balance on the printed receipt for all point-of-sale equipment they support; and
 4. Route transactions for Retailers authorized by USDA to redeem SNAP/Cash benefits.

3.5.15 EBT Reconciliation

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Vendor's System will operate on a 24-hour processing cycle. At a designated cutoff-time each day, the Vendor will close out the current processing day and commence the next processing day.
- b. Vendor will designate a standard daily cutoff time for EBT transaction processing. The 24-hour period between the cutoff time on Day 1 and Day 2 constitutes the EBT transaction day. The specified cutoff time will allow the Vendor sufficient time to originate Automated Clearing House (ACH) payments for next day Retailer settlement. It is also preferred that the EBT cutoff coincide as closely as possible with the cutoff time of the prevailing EBT transaction switch and/or regional POS networks as appropriate to minimize the need for carry over or suspense accounting.
- c. The Federal Reserve Bank (FRB) of Richmond serves as the Account Management Agent (AMA) for the SNAP EBT Benefit account. The AMA system interfaces with the Treasury Department's Automated Standard Application for Payment (ASAP), monitors ASAP funding limits based on projected benefit activity established by FNS for each State, and performs reconciliations required by FNS. Vendor will interface with the AMA and provide data necessary for funds projection and reconciliation as needed. *Attachment M: Valid Codes and File Formats* provides more information regarding the AMA file.
- d. Vendor will provide summary information by availability (effective) date on increases in benefit authorizations, on expungements and on other returned benefits. The transmission of issuance and returned benefit data elements will be accomplished through automated batch processing in a file format specified by FRB. This method allows for the automated flow of the State's issuance data, through the Vendor's System, to the AMA. Vendor will process issuance and returned benefit data elements. File specifications may be obtained by contacting the Federal Reserve Bank (FRB) of Richmond on (804) 697-8384. In addition, the Vendor will be responsive to requests from DHHS or FNS to research and resolve discrepancies discovered in reconciliations of DHHS-reported issuance data and the data provided to AMA by the Vendor.
- e. AMA also uses the summary level Retailer credit data provided by the Vendor to the FNS Benefit Redemption Systems Branch in Minneapolis to reconcile funds drawn from the EBT benefit accounts in ASAP. Discrepancies will be brought to the attention of Vendor staff for prompt research and resolution.
- f. Upon implementation of batch processing, States and their Vendors will be certified by FNS, to ensure the accuracy of data transmission. The on-line method of entering AMA issuance should serve as a back-up to batch processing; any manual data entry will require State on-line certification before it will be allowed to update ASAP and requires special equipment and software provided by FRB.
- g. Vendor will maintain ledger accounts at the program and State levels. After the daily settlement cutoff, the System will be balanced and reconciled. The Vendor will compute the end-of-day net position or balance. An audit trail will exist so that reconciliation can be performed at the individual EBT account level up through the program and State levels. For each level, the end of day net position is equal to:

$$\text{Opening balance} + \text{credits} - \text{debits} = \text{End of day balance}$$
- h. Vendor will balance the System daily as a whole so the change in the net position in the sum of Customer accounts equals to the change in the net position of program accounts and that the change in the net position in the sum of the program accounts equals to the change in the net position (obligations outstanding) for the funding agencies. The Vendor will specify procedures for maintaining audit trails throughout the settlement processes.

3.5.15.1 EBT Vendor Reconciliation

Explain how the Vendor will meet reconciliation requirements of 7 CFR 274.4 and the EBT Reconciliation Guidelines. Vendor will propose procedures for reconciling:

- a. Customer account daily beginning balance and net draws versus the ending balance;
- b. Customer net redemptions versus Retailer/acquirer settlement values;
- c. Total funds entering, exiting, and remaining in the EBT System each Calendar Day;
- d. Total net change in System-wide obligations outstanding to the sum of the net change in obligations outstanding for the SNAP and EBT Cash Benefit programs;
- e. Total net change in System-wide obligations outstanding to the sum of the net change in obligations outstanding for all Government agencies;
- f. The net settlement value of all transactions to the sum of the net settlement values for the SNAP and EBT Cash Benefit programs; and
- g. The net settlement value of all transactions to the sum of the net settlement value for DHHS.

3.5.15.2 DHHS EBT Reconciliation

The DHHS Controller's Office has the responsibility for:

- a. Ensuring that benefits authorized by the NC FAST are posted and reconciled by availability date to the Vendor's System or otherwise accounted for;
- b. Ensuring that benefits posted to the Vendor's System are correctly reported to AMA by the Vendor;
- c. Verifying the liability remaining in the Vendor's System at the end of the processing day for benefits. This will be reconciled against the outstanding liability on the Federal Reserve Bank's ASAP system.

3.5.15.3 Vendor EBT Settlement

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Vendor will manage the daily settlement of funds to Retailers, processors, and network banks either directly or through financial intermediaries such as third party processors (TPPs). The Vendor will own and reconcile the clearing bank account used for the daily settlement;
- b. Vendor will manage both credit and debit adjustments to the Customer's EBT account in the manner and timeframe dictated by federal regulations and Quest Operating Rules;
- c. Vendor will perform the draw down from the appropriate federal system for SNAP benefits utilized by Customers. The Vendor will ensure that Federal funds are not drawn down for over-issuances or transactions over an authorized Customer benefit allotment;
- d. Vendor will provide detailed and accurate reports that allow DHHS to reconcile benefit postings to the System, settlement of benefits utilized by Customers, and the outstanding liability remaining on the System at the end of the processing day.
- e. Settlement to EBT Retailers, EBT third party processors (TPPs), ATMs, and banks will be through the existing commercial banking ACH infrastructure. The Vendor will have an originating and receiving relationship with the ACH, either directly or through one of

its subcontractors. For transaction processing and settlement purposes, the Vendor will settle POS transactions and ATM transactions through the appropriate regional network(s).

- f. For Retailers, third parties, or other benefit providers that are directly connected to the Vendor's System, the Vendor will originate an ACH credit for the total balance due for EBT benefits provided during the just closed EBT processing day. The benefit provider credits will process through ACH for settlement on the next banking day.
- g. Credits due EBT benefit providers who are connected to the Vendor through a transaction switch, TPP or banking network will settle utilizing the Quest Operating Rules.
- h. Vendor will research ACH settlements that are rejected due to inaccurate account information or closed accounts, and, when possible, Vendor will correct and re-send to the Retailer, TPP, or bank account. The Vendor will return to the DHHS any funds that could not be settled to the Retailer within a reasonable time of the initial ACH, to be determined during design.
- i. If the responsibility for EBT-only acquiring is sub-contracted, the sub-contractor will return any rejected settlement funds to DHHS within a reasonable time to be determined during design. DHHS Controller's Office will forward any unsettled SNAP funds to USDA.
- j. The Vendor will provide the following information for each unsettled payment returned to DHHS:
 - i. Total FNS amount or cash amount;
 - ii. Settlement date;
 - iii. Attempted transfer date(s) and time(s);
 - iv. Retailer/TPP name;
 - v. USDA Retailer number; and
 - vi. Bank account information including the American Bank Association (ABA) bank number.

3.5.16 EBT Expungements

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. The Vendor will expunge individual SNAP benefit authorizations and individual EBT Cash Benefit EBT authorizations (not the entire account), after the respective benefit authorization has been in the EBT account for 274 consecutive days of inactivity, in accordance with federal requirements effective September 2022. DHHS will send notices to beneficiaries 30 days before the expungement of benefits.
- b. The Vendor will send a monthly report to the State with the number of SNAP households that have had 180 days or more of inactivity for EBT cash benefits. The Vendor will report all expungements to the State agency in a daily account activity file, in a daily/monthly benefit aging report and on a monthly benefit inactive file.
- c. For each benefit authorization expunged, the Vendor will report the name of the Customer, the State Unique Identifier (SUI), the date of expungement, the benefit month of the expungement and the remaining amount of the benefit authorization(s) being expunged. The

Vendor will not reinstate benefit authorizations that have been expunged. North Carolina does not place benefits off-line (aging) prior to expunging benefits off the System at 274 days of inactivity.

3.5.17 EBT Repayments

Describe in the Vendor's proposal how Customers will be given the option to repay Customer overpayment claims with available EBT benefits. System design will outline the actual methodology to be used for conducting these transactions and the subsequent accounting involved.

3.5.18 EBT Transaction Processing.

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Vendor will be responsible for the authorization of Customer initiated transactions. The Vendor will have the capability to receive and process Customer transactions from POS devices and ATMs. The Vendor will ensure that Customers access their benefits only at POS terminals in USDA authorized food Retailer locations and nationwide ATM networks which provide interstate access to cash benefits.
- b. Transaction authorization requires:
 - i. Accepting transactions coming from an authorized transaction acquirer;
 - ii. Authorizing or denying transactions;
 - iii. Sending response messages back to the transaction acquirer authorizing or rejecting Customer transactions; and
 - iv. Logging the authorized/denied transactions for subsequent settlement and reconciliation processing, transaction reporting, and for viewing through transaction history.
- c. Vendor's System will go through a series of checks and processes to determine whether a transaction being initiated by a Customer should be approved. These checks will include determining whether:
 - i. The merchant has a valid FNS authorization number;
 - ii. The card number (PAN) is verified and the card is active;
 - iii. The number of consecutive failed PIN tries has not been exceeded;
 - iv. The PIN is verified as being entered correctly;
 - v. The account is active; and
 - vi. The EBT account holds a sufficient balance to satisfy the transaction request.
- d. If any one of the above conditions is not met, the Vendor will deny the transaction. The Vendor will ensure that Customer benefit accounts are not overdrawn and will assume all liability if an account overdraft does occur. The System will return a message to the Retailer POS or ATM indicating the reason for denial (e.g., invalid PAN, invalid PIN, NSF, etc.).
- e. Households may request credit adjustments within 90 calendar days of an error transaction to correct an auditable, out-of-balance settlement condition that occurs during the redemption process as a result of a system error. The following steps should occur:
 - i. Clients can request a credit adjustment with NCDHHS.

- ii. NCDHHS has 10 business days from the date the household notifies it of the error to investigate and reach a decision on an adjustment and move funds into the account or issue a written denial of the request to the client.
- iii. NCDHHS will confirm whether the client has a valid claim and then create the claim in the Vendor's system.
- iv. The Vendor reviews the claim and sends a request to the merchant to substantiate the transaction. If the merchant submits evidence to the Vendor that the transaction took place then the claim is denied and the Vendor shall send NCDHHS the denial letter/documents.
- v. NCDHHS shall mail the letter to the client.
- vi. If the merchant does not respond to the request in 10 business days or cannot provide proof of the transaction then Vendor will credit the client's account.

3.5.19 EBT Customer Service

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. The Vendor will provide:
 - i. EBT Retailer/Merchant (USDA/FNS EBT authorized food retailers) Customer Service and EBT support and program information via a toll-free, "1-800" number, twenty-four (24) hours a day, seven (7) days per week for Retailers accepting the State EBT card;
 - ii. Automated Response Unit (ARU) Client and Retailer Customer Service to provide current EBT account and benefit access information via a toll-free, "1-800" number, twenty-four (24) hours day, seven (7) days per week. The 1-800 Client and Retailer Customer service numbers will be printed on the back of the EBT card;
 - iii. ARU and Customer Service activity data for reporting purposes;
 - iv. A State Support Help Desk to provide administrative terminal system support for State and local workers during normal business hours (8 a.m. to 5:30 p.m. EST excluding weekends and state holidays, as approved by the North Carolina Office of State Human Resources); and
 - iv. Customer Service Representatives (CSR's) for Spanish, French, Vietnamese, German, Korean, and Arabic speaking Customers via a tollfree "1-800" number, twenty-four (24) hours a day, seven (7) days per week.
 - v. All Vendor help desk functionality will meet or exceed the following service requirements:
 - 1. Federal Performance Standards for EBT Customer Service calls;
 - 2. Capacity and resources to provide assistive technology to deaf, hard of hearing, deaf-blind, and blind recipients; and
 - 3. Access and support to Customers using rotary phones.
- b. The Vendor will provide the following Retailer Help Desk Functions:
 - i. CSR and ARU support for voice authorizations for SNAP transactions
 - ii. EBT-only Retailer Support that supports:

1. Support and problem resolution on EBT-only POS equipment;
 2. Settlement information and reconciliation procedures;
 3. Support on System adjustments and resolution of out-of-balance conditions; and
 4. General information regarding EBT policies and procedures.
- c. The Vendor will provide the following ARU services:
- i. **Lost/Stolen Card:** Callers selecting this option will be transferred to a State or Vendor Customer Service Representative for assistance in ordering a replacement card.
 - ii. **Current Balance Inquiry:** "Current Balance" will provide "real-time" account balance information.
 - iii. **Transaction History:** "Transaction History" will provide information about the last ten (10) financial transactions (credits and debits) by transaction type, amount, and date.
 - iv. **Account History:** "Account History" will enable a caller to request a two (2) month statement of account history to be mailed to the last known address within two (2) Business Days.
 - v. **Benefit Access/Service Points:** Callers will be instructed by a State or Vendor Customer Service Representative about EBT card access at Retailers and ATMs where the Quest logo is displayed.
 - vi. **Report Unauthorized Card Use:** Callers selecting this option will be instructed by a State or Vendor Customer Service Representative to contact their county DSS staff.
 - vii. **Monthly Benefit Availability Date:** Callers selecting this option will be given the date monthly benefits will become available based on the issuance schedule supplied by the State.
 - viii. **Customer Service Representative (CSR):** This option will immediately transfer callers to a State or Vendor Customer Service Representative (CSR) for assistance.

The State reserves the right to review and approve the transaction flow and content of all ARU messages, prompts, and Customer service scripts prior to their implementation. The Vendor will not change ARU messages or menu functions without prior approval of the State.

d. **DHHS Customer Service**

DHHS is responsible for:

- i. Customer Service Representatives (CSRs) for English speaking Customers through its own EBT Customer Support Center located in North Carolina. For Customers calling in languages other than English, CSRs will connect the Customers to interpreter services. The State of North Carolina will own the 1-800 number used to transfer telephone calls from the Vendor's ARU to the State EBT Customer Support Center; and
- ii. Access to Customer Service Representatives (CSRs) to answer all calls from English speaking Customers.

The Vendor will provide:

- iii. The Vendor will answer calls during unexpected outages and/or when requested by the State, and will ensure that Customers can be connected to interpreter services; and
- iv. Security access for all state CSRs to the Vendor's Customer Service administrative terminal application. The Vendor will be responsible for the cost and support of the data circuit connectivity to the administrative terminal application for the State EBT Customer Support Center.

3.5.20 EBT Training

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Vendor will provide updates and revisions of all EBT training materials to DHHS in a timely manner whenever the Vendor modifies functionality of the System. Vendor will provide training material that covers the functionality supported by the EBT administrative terminal application for DHHS, including how to access the administrative terminal functions, security features within the System, and detailed explanation of the screens and functions supported by the Administrative Terminal application.
- b. Vendor will provide training and training materials to Retailers participating in the EBT program. Such training will include the provision of appropriate written materials. The Vendor will propose training deliverables in their bid response. Training material will include:
 - i. Vendor EBT Merchant Help Desk toll-free number, and
- c. Use of the ARU.

3.5.21 EBT Card Requirements

Describe how the Vendor's proposed solution will conform with the specifications below:

- i. Vendor will design, produce and supply magnetic stripe cards to the State's EBT Customers.
- ii. Vendor will issue, replace, and distribute/deliver cards to Customers; and maintain a centralized card issuance management database.
- iii. System will provide online, real time access to Customers' EBT accounts via a benefit access card containing a magnetic stripe that supports electronic transactions.

a. EBT Card Design

The American Flag image being used in North Carolina under the current EBT Contract will be retained for this procurement. All debit card standards apply to the North Carolina EBT card. All cards will have the Customer's name and the 16-digit Primary Account Number (PAN) embossed on the face of the card. The card will clearly state, "Do Not Write PIN on Card". The toll-free numbers for Customer Assistance and Merchant Voice Authorizations will be printed on the card. A signature panel will be provided on the back of the card. To promote national recognition and acceptance, cards manufactured under a Contract pursuant to this RFP will include the Quest™ logo. The USDA abbreviated nondiscrimination statement ("USDA is an equal opportunity provider and employer") will be printed on the back of the EBT card.

b. EBT Card Format

- i. EBT cards will be encoded in accordance with ISO/IEC 7813:2006, which specifies the data structure and data content of magnetic tracks 1 and 2, and are used to initiate financial transactions. The maximum character count in Track 2 will not exceed forty (40) characters, including all control characters. The layout of the current EBT card is as follows:

Table 1: Current EBT Card Layout

Field Number	Field Name	Length
1	Start Sentinel	1
2	Primary Account Number	16
3	Field Separator	1
4	Expiration Date	4
5	Service Code	3
6	Card Verification Value (CVV)	3
7	Discretionary Data	2
8	Longitudinal Redundancy Check	1

- ii. State of North Carolina cards currently have a non-expiring expiration date of “4912” encoded on Track 2. A non-expiring expiration date encoded on Track 2 will also be required for EBT cards issued by the Vendor under this RFP.
- iii. The Service Code field will be encoded with a value of “120”.
- iv. If this Contract is awarded to a new Vendor, the encryption keys utilized by the current vendor will be transferred to the new Vendor.
- v. Vendor will continue to encode the CVV field on Track 2 with a cryptographic value to validate the Track 2 data contents.

3.5.22 EBT Card Number/BIN Number

Describe how the Vendor’s proposed solution will conform with the specifications below:

- i. Vendor will issue EBT cards containing a 16-digit PAN (Personal Account Number) that utilizes the current BIN/IIN. DHHS’s current BIN/IIN (Bank Identification Number/Issuer Identification Number) for EBT cards is 508161.
- ii. Vendor will describe the process by which it will generate the PAN’s for new EBT cards being issued. The process by which the new Vendor calculates the PAN for issued cards will not interfere with the existing card base being utilized by the State’s Customers. The

3.5.23 EBT Card Issuance/Activation

The Customer will:

- a. Customer receives their new or replacement EBT card in the mail,
- b. Customer will select a PIN by accessing a one telephone call PIN selection process through the Vendor Automated Response Unit (ARU).
- c. Customer receives their new or replacement EBT card in the mail.

- d. Customer will select a PIN by accessing a one telephone call PIN selection process through the Vendor Automated Response Unit (ARU).
- e. The Customer will receive card via mail then call the ARU for activation
- f. Customers are required to call the Vendor Customer Service Help Desk 1-800 number to report a lost, stolen or non-functioning card and to request a card replacement. *Attachment N: NC EBT Statistics* provides more information regarding the historical number of card replacements.

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Process Initial card issuance as indicated through the batch interface in the account setup record.
- b. Vendor assigns a PAN to the Customer on the EBT account, and issues an EBT card through the mail when a new EBT account is setup, or a new authorized representative is added to the EBT account.
- c. Upon receipt of a PIN from the ARU, the Vendor will link the selected PIN and/or PIN offset with the PAN on the EBT database. The Customer's selected PIN will not be stored or transmitted in the clear (i.e., non-encrypted). It should be noted that Customers are always required to select a PIN when their card has been replaced, the PIN from the previous card will not be carried over to the new EBT card.
- d. The Vendor will issue a North Carolina EBT card when indicated by the respective flag within each Case/Client record. All cards will be issued through the mail.
- e. Vendor will issue and mail each card to the Customer in an inactive state.
- f. Vendor will process card issuance requests within the batch Case/Client file received by by 1:00 am Eastern Time and a card produced and mailed the same Business Day.
- g. Vendor Customer Service Help Desk handles calls for lost, stolen or non-functioning cards and to requests for card replacement. The old card will be deactivated immediately. Cards returned to the Vendor by the United States Postal Service as undeliverable will be destroyed by the Vendor and an Undeliverable Card Report provided to DHHS.

3.5.24 EBT Card Incorrect PIN Attempts

Describe how the Vendor will disable account access for the cardholder until the next Calendar Day at 12:00 a.m. after four (4) consecutive incorrect PIN attempts.

3.5.25 EBT Card Replacement Fee

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. Vendor will deduct a card replacement fee from a Customer's SNAP/Cash benefits when the previous card was reported as lost or stolen. The current fee charged to Customers for card replacement is \$2.50.
- b. If a Customer has less than \$2.50 in their SNAP/Cash benefits when reporting a lost or stolen card, the Vendor will still issue a replacement card to the Customer and place a code on the Customer's account to deduct the replacement card fee when there are sufficient funds in the Customer's SNAP/Cash benefits.

3.5.26 Overnight Courier Service for EBT Cards

In circumstances where the United States Postal Service is unable to deliver the EBT card, explain how the Vendor will deliver the EBT card via overnight courier service at the request of the county

DSS caseworker. EBT cards are to be shipped overnight will be charged to the appropriate county on the monthly invoice.

3.5.27 EBT Card Carrier

Explain how the Vendor's procedure as how the EBT cards will be mailed to a Customer that will be enclosed in a card carrier, which contains basic EBT training information for the Customer. DHHS will approve the final design and wording of the card carrier.

3.5.28 EBT Benefit Account/EBT Card Deletion

Explain how the Vendor will delete all EBT accounts and EBT cards off their System after the respective account and/or card has had 365 days of inactivity. Inactivity means the account has received no benefits or has had no transaction activity in 365 days. The deleted account information will be sent to the State in an account delete file each month at a time and date designated by the State (See *Attachment K: NCFAS/USDA Interface/File Specifications*).

3.5.29 EBT Transaction History

Describe how the Vendor's proposed solution will conform with the specifications below:

- a. EBT account balances and a rolling 180-day transaction history for each account will be maintained for on-line access through the EBT administrative terminal system. After 180 days, transaction history data will be maintained for three (3) years, or longer if required by FNS or federal legislation.
- b. EBT data within the transaction history inquiries will include:
 - i. EBT Card Number (PAN);
 - ii. State Unique Identifier (SUI);
 - iii. EBT Retailer identification numbers (both FNS and acquirer assigned card acceptor ID);
 - iv. EBT Retailer Terminal identification number;
 - v. Transaction type;
 - vi. Transaction amount;
 - vii. Transaction date; and
 - viii. Transaction results (approval code or denial reason).

3.5.30 EBT Customer Training

Describe how the Vendor's proposed solution will conform with the specifications below:

All new EBT customers will be provided with training materials in the EBT card envelope. The training materials will be written in easy to understand language – at a fifth-grade reading level and in compliance with FNS regulations. Training material will be prepared in both English and Spanish and approved by the State prior to distribution. The training material will include the following topics:

- a. Use of the North Carolina EBT card at the point-of-sale, including benefit transactions that can be processed at POS terminals and ATMs;
- b. Use and safeguarding of the card and PIN;
- c. Card replacement and PIN selection procedures;

- d. Guidance on reporting problems with the card or its use and on reporting a lost or stolen EBT card;
- e. Use of the transaction receipt to track balances;
- f. Use of the ARU, and
- g. Customer service functions, including a prominent display of the toll-free Customer Service Help Desk number.
- h. Vendor may provide sample training material(s) or a pamphlet(s) to assist with Vendor's response to 3.5.30.

3.5.31 Disaster Preparation and Business Continuation Planning for EBT Card Processing

Describe how the Vendor's proposed solution will conform with the specifications below:

The Vendor will comply during the term of the contract with DHHS's disaster preparation and business continuation planning requirements below. In Vendor's response proposal, describe Vendor's disaster recovery plan, including how Vendor's proposed solution will recover the System, support the recovery of NC FAST and its interface, and how Vendor's proposed solution will continue to process EBT transactions and issue EBT cards to the State's population in the event of a disaster.

- a. Vendor will provide an alternate means of the authorization of EBT transactions during short-term outages, when switching over to the back-up site is not considered appropriate. Include an explanation about how the Vendor will notify both DHHS and the Retailer community that an outage is occurring, and that alternate means of authorizations are currently in place;
- b. Vendor will allow for "stand-in" processing of SNAP purchases up to \$40 per cardholder per Retailer per outage for which the Vendor will be liable for insufficient funds. Identify under what circumstances the Vendor would consider its EBT System unavailable. Explain the process by which Retailers would be notified that "stand-in" processing is currently in effect, as well as the processing and settlement of these transactions;
- c. Vendor has available a disaster back-up site for host processing and telecommunications network services when the primary site goes down. Describe how the Vendor will have the EBT back-up site begin processing transactions within one hour of a disaster declaration by DHHS and Vendor. Describe Vendor's annual testing for its disaster backup site, and provision to DHHS of copies of such test results within thirty (30) days of receipt of the test results. Describe Vendor's disaster recovery plan for a DHHS notification process, as well as disaster declaration criteria and timeframes, immediate notification of DHHS upon the Vendor's decision to move to a disaster back-up site to provide EBT services, and how the recovery of the State of North Carolina's EBT System will not be delayed because the Vendor is recovering other States' EBT Systems;
- d. Vendor will support the recovery of NC FAST at a back-up site in the event of a disaster at the North Carolina's primary data center. This support will consist of providing connectivity to the State's back-up site to support the transmission of data files and reports between DHHS and the Vendor. Initial support may consist of only dial-up access until a more robust solution can be implemented. The connectivity during the initial days of a disaster may also consist of passing tape cartridges between the Vendor and DHHS. In either case, the Vendor will provide support to the State in ensuring that benefits are still being provided to Customers through the System during the recovery of DHHS's data processing systems. Following the declaration of a disaster by the State and movement to a back-up data center,

the Vendor will work with State technical staff to provide EBT administrative terminal support;

- e. Vendor will provide back up support for the State EBT Customer Support Call Center in the event Customer telephone access is not available. This back-up process should be in place within two hours of a request from DHHS to the Vendor; and
- f. Vendor will supports the State in implementing a Disaster SNAP (D-SNAP) Program in which EBT cards and benefits are delivered in an emergency as approved by USDA. The Vendor will address this issue in Vendor's Business Continuation Plan. The basic assumption in this scenario is that there is sufficient infrastructure available within the Retailer community to support EBT as a means for benefit payments.
- g. If a D-SNAP Program is initiated in North Carolina, Vendor will:
 - i. Receive from DHHS a Disaster Case/Client add file for immediate processing.
 - ii. Process the Disaster Case/Client add file using normal file process procedures.
 - iii. Ensure 5,000 disaster cards ("D-SNAP cards") are produced every day during the FNS-declared disaster period.
 - iv. Send a disaster manifest card file back to DHHS so the card numbers can be added to the State's system.
 - v. Ensure the 5,000 D-SNAP cards produced every day are packaged in the following manner:
 - 1. D-SNAP card boxes will contain four (4) card liners with each card liner containing 250 cards;
 - 2. D-SNAP card boxes will be labeled by job run on the same end of each box;
 - 3. D-SNAP card box labels will be legible and readable;
 - 4. D-SNAP card liners will be taped securely on the end of each liner opening so the contents are secured against tampering prior to inventorying;
 - 5. D-SNAP card liners will be labelled on the liner opening with the card number (PAN) range and the State Unique Identifier (SUI) range for the 250 cards enclosed in the liner; and
 - 6. The last four digits of the card number (PAN) will be the recipient PIN number, so the cards are active when issued to the recipient. vii. Ensure the 5,000 D-SNAP cards produced every day are shipped to North Carolina via ground shipment or next day shipment at DHHS's request.
 - vii. Add benefits to the disaster EBT account through the batch interface.

3.5.32 Transition EBT Data Conversion and Migration

Describe the strategies that the Vendor's system will use in converting data from an existing system to another hardware or software environment, including the following items:

- a. The purpose and scope of the data conversion effort,
- b. The strategy for converting data and how the data conversion will be validated,
- c. The timing of the data conversion,

- d. Data conversion planning and preparation, including project management staffing and plans.
- e. Security considerations,
- f. Hardware, software or facilities needed to support the conversion,
- g. Any potential risks/mitigation strategies,
- h. The data conversion activities and milestones,
- i. The roles and responsibilities to conduct data conversion, and
- j. Data quality assurance and control, including a description of how the data will be validated, including interface testing, system testing, and user acceptance testing.

3.5.33 Transition Phase

- a. Provide a transition plan in your RFP response; a separately attached draft is acceptable. Describe how the Vendor will transition in the following instances: (1) transition from the existing, incumbent vendor to you, if awarded this Contract; (2) transition from you, if awarded this Contract to a new awarded Vendor; or (3) transition from you, if awarded this Contract to DHHS or its designee in the event of Contract termination or expiration (“Transition Events”).
- b. In its Transition Plan, the Vendor shall discuss the following tasks it will be required to perform during the Transition Phase:

- i. Transferring the toll-free Customer Service telephone number used by Customers;
- ii. Performing the EBT-Only Retailer conversion;
- iii. Coordinating with USDA, the Treasury Department and the Federal Reserve Bank to transfer the NC ASAP account balance to the new Vendor.
- iv. Verifying and ensuring that the value of SNAP and Cash EBT Benefits transferred from the present System is equal to the funds that will be in the U.S. Treasury Department’s Automated Standard Application for Payment (NC ASAP) account.
- v. Completing this validation process for the value of Cash Benefits transferred from the present system. If the value of SNAP or Cash Benefits are not equal to the funds that will be in the U.S. Treasury Department’s Automated Standard Application for Payment (NC ASAP) account, the new Vendor will work with the outgoing vendor to resolve any variance. If the ASAP account is short, the Vendor will immediately inform DHHS about this shortage amount and correct the shortage. If the ASAP account is over, the Vendor will also inform DHHS immediately so DHHS can request that FNS authorize the necessary adjustment and reduce the ASAP account accordingly;
- vi. Providing Administrative Terminal application connectivity/access;
- vii. Performing the Cardholder database conversion, which includes transaction history, Customer card demographic, and benefit data;
- viii. Providing DHHS with copies of its Retailer and TPP agreements for review and approval by DHHS and FNS after Contract execution;

- ix. Transitioning EBT transaction acquirers;
- x. Transitioning the Customer database including the current disaster account set-up; and
- xi. Producing, on a weekly basis, project tracking reports that indicate tasks and time frames, which have been agreed upon by the Vendor and DHHS. Status reports will be prepared and reviewed at regularly scheduled status meetings (determined by DHHS to occur throughout the duration of the Transition Phase if a new Vendor is selected).

3.5.34 Compromised EBT Card User Information

Describe how the Vendor will remediate any instances of compromised EBT card user information resulting in stolen benefits.

3.5.35 Optional Services

Vendors are encouraged to describe means to reduce the costs of EBT services to DHHS or to provide increased service (service that exceeds the minimum service specifications specified in the RFP) to DHHS and/or its EBT Customers. Vendors may describe cost reduction factors and optional service offerings that would produce cost savings and/or improve service.

4.0 COST OF VENDOR'S OFFER

4.1 OFFER COSTS (SEE ATTACHMENT E)

4.1.1

- a. The costs proposed for the core EBT services shall be expressed in terms of a Cost per Case Month (CPCM). The CPCM represents the fixed cost to deliver the mandatory category of services to a single active SNAP and Cash EBT account for one month. The CPCM proposed shall apply for both regular active SNAP and Cash EBT accounts as well as active SNAP and Cash EBT disaster accounts. Price quotations provided on the mandatory component shall include all costs associated with operation of the System for the core services. Pricing for SNAP and Cash EBT benefits will be volume based ("tiered") dependent upon the total actual number of active SNAP and Cash EBT accounts on the System.
- b. If, during the term of the Contract, the total case counts fall outside of the range provided within Cost Table 1, CPCM pricing shall be provided at the price included within the last respective tier within the table (i.e., >800,000). DHHS will not renegotiate CPCM pricing if the caseload falls below the minimum caseload tier or increases above the maximum caseload tier.
- c. The Vendor shall use Cost Table 1: SNAP and Cash Benefit EBT Accounts Cost per Case Month (CPCM) to reflect Cost per Case Month (CPCM) pricing for the Contract. All implementation and on-going costs, including the cost of SNAP Interoperability shall be contained in the CPCM pricing. DHHS will not make separate payments for the Vendor's project implementation costs.
- d. Pricing Assumptions - Vendors shall use the following assumptions in developing its Cost Tables:
 - i. The CPCM cost for SNAP and Cash Benefit EBT cases shall be fixed for the term of the Contract. Vendors shall use the tiers within Cost Table 1 to cover fluctuations in account volumes;

- ii. The cost for the implementation of the System and EBT program services by the Vendor shall be included in the CPCM pricing;
- iii. The annual costs for implementing IRS Regulations at 26 CFR, Parts 1, 3, and 301 shall be included in the SNAP and Cash Benefit EBT CPCM cost for the term of the Contract;
- iv. The cost for providing SNAP Interoperability and any other on-going costs not identified separately shall be included in the CPCM pricing;
- v. The cost of the FCC default rate or the verified actual cost for SNAP customer calls to the Client EBT Help Desk from payphones billed by payphone service providers shall be included in the CPCM pricing;
- vi. If the Vendor implements Changes to its System due to changes in any federal or state legislation pertinent to this procurement, there shall be no additional cost to DHHS; and
- vii. Active accounts are those for which a benefit authorization has been credited and made available during the billing month. DHHS shall not be charged for accounts that have had no benefit authorizations credited during the billing month. Ongoing monthly authorizations transmitted to the awarded Vendor on the last Business Day of the month for the following month's access shall not constitute a billable account until the authorization has been made available to the Customer.

4.1.2 Fee for Services Costs

Cost Table 2 shall contain costs for services that DHHS will pay based upon the utilization of the respective service. Vendors are required to complete this cost table.

4.1.3 Pricing of Optional Services

Vendors are encouraged to identify means to reduce the costs of EBT services to DHHS or to provide increased service (service that exceeds the minimum service requirements specified in the RFP) to DHHS and/or its EBT Customers. As part of Cost Table 3 included in this section, Vendors may identify cost reduction factors and optional service offerings that would produce cost savings and/or improve service. The optional services should be provided in Cost Table 3, Optional Services. All cost savings should be identified in this cost table and expressed in terms of a reduction in the CPCM cost, while service improvements should be identified and reflected in terms of an increase in the CPCM.

The Vendor costs included in Cost Tables 1 and 2 will be compared for the purposes of evaluation. Cost Table 3 shall contain the cost of any optional services, and whether these optional services are utilized is at the discretion of DHHS.

4.2 PAYMENT SCHEDULE

- a. The Vendor shall propose its itemized payment schedule based on the content of its offer. All payments must be based upon acceptance of one or more Deliverables.
- b. Invoices shall be submitted to the following address:
 - NC Department of Health & Human Services
 - Division of Child and Family Well-Being
 - Attention: Cynthia Ervin, Contract Administrator
 - 2416 Mail Service Center
 - Raleigh, NC 27699-2416
- c. Invoices shall be submitted monthly and shall bear the correct purchase order number and Contract number to ensure prompt payment. The Vendor's failure to include the correct purchase order number may cause delay in payment. Invoices must itemize the work for which payment is sought.

- d. Payments to the Vendor will be based on services rendered during the previous Calendar Month. The Vendor shall prepare an invoice for services rendered following the last working day of each Calendar Month being billed. The invoice for services in the previous Calendar Month shall be submitted to DHHS no later than the third week of the following Calendar Month. The invoice must be accompanied by supporting documentation that substantiates each individual line item on the bill.
- e. Monthly invoices shall be itemized by organization (i.e., county, tribal boundary) and by program. There are 101 organizations in North Carolina.
- f. The Vendor shall provide DHHS with one electronic copy and one original paper copy of the monthly invoice. The monthly bill should contain the following:
 - i. Report period (month/year);
 - ii. Total number of active EBT/Cash Benefit accounts and direct deposits being billed;
 - iii. Applicable CPCM for active EBT/Cash Benefit accounts and fees for direct deposits being billed;
 - iv. Total number of active EBT accounts and direct deposits by county;
 - v. Applicable CPCM for active EBT accounts and direct deposit fees by county;
 - vi. Extensions of the CPCM pricing (total of active EBT accounts times the CPCM);
 - vii. A list of the fee for services provided and total cost for the State;
 - viii. List of the fee for services provided and total cost by county; and
 - ix. Replacement Card fees collected per county shall be listed as a credit per county on the invoice.

5.0 EVALUATION

5.1 SOURCE SELECTION

A trade-off/ranking method of source selection will be utilized in this procurement to allow the State to award this RFP to the Vendor providing the Best Value and recognizing that Best Value may result in award other than the lowest price or highest technically qualified offer. By using this method, the overall ranking may be adjusted up or down when considered with or traded-off against other non-price factors.

- a. Evaluation Process Explanation. State Agency employees will review all offers. All offers will be initially classified as being responsive or non-responsive. If an offer is found non-responsive, it will not be considered further. All responsive offers will be evaluated based on stated evaluation criteria. Any references in an answer to another location in the RFP materials or Offer shall have specific page numbers and sections stated in the reference.
- b. To be eligible for consideration, Vendor's offer must substantially conform to the intent of all specifications. Compliance with the intent of all specifications will be determined by the State. Offers that do not meet the full intent of all specifications listed in this RFP may be deemed deficient. Further, a serious deficiency in the offer to any one (1) factor may be grounds for rejection regardless of overall score.
- c. The evaluation committee may request clarifications, an interview with or presentation from any or all Vendors as allowed by 9 NCAC 06B.0307. However, the State may refuse to accept, in full or partially, the response to a clarification request given by any Vendor. Vendors are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable terms. Vendors should be prepared to send qualified personnel to Raleigh, North Carolina, to discuss technical and contractual aspects of the offer.
- d. Vendors are advised that the State is not obligated to ask for, or accept after the closing date for receipt of offer, data that is essential for a complete and thorough evaluation of the offer.

5.2 EVALUATION CRITERIA

Evaluation shall include best value, as the term is defined in N.C.G.S. § 143-135.9(a)(1), compliance with information technology project management policies as defined by N.C.G.S. §143B-1340, compliance with information technology security standards and policies, substantial conformity with the specifications, and other conditions set forth in the solicitation. The following Evaluation Criteria are listed in Order of Importance.

- a. How well the Vendor's offer conforms with the solicitation and with the specifications set forth in Section 3.0 RFP Requirements and Specifications.
- b. How each Vendor's offer compares with other Vendors' offers
- c. Vendor's References and Past Performance (Attachment H: References)
 - i. Strength of references relevant or material to technology area(s) or Specifications
 - ii. Vendor must provide at least three (3) references and must exhibit at least three (3) years of experience providing EBT services that are similar to the current operations in the State of North Carolina or similar to another EBT state agency.
 - iii. The Vendor may be disqualified from any evaluation or award if the Vendor or any key personnel proposed, has previously failed to perform satisfactorily during the performance of any contract with the State, or violated rules or statutes applicable to public bidding in the State.
- d. Risks associated with Vendor's offer
- e. Vendor Schedule / Timeline for completing work
- f. Total Cost of Ownership (Cost Proposal in Attachment E: Cost Form)

5.3 BEST AND FINAL OFFERS (BAFO)

The State may establish a competitive range based upon evaluations of offers, and may request BAFOs from the Vendor(s) within this range; e.g. "Finalist Vendor(s)". If negotiations or subsequent offers are solicited, the Vendor(s) shall provide BAFO(s) in response. Failure to deliver a BAFO when requested shall disqualify the non-responsive Vendor from further consideration. The State will evaluate BAFO(s), oral presentations, and product demonstrations as part of the Vendors' respective offers to determine the final rankings.

5.4 POSSESSION AND REVIEW

During the evaluation period and prior to award, possession of the bids and accompanying information is limited to personnel of the issuing agency, and to the committee responsible for participating in the evaluation. Vendors who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

After award of contract the complete bid file will be available to any interested persons with the exception of trade secrets, test information or similar proprietary information as provided by statute and rule. Any proprietary or confidential information, which conforms to exclusions from public records as provided by N.C.G.S. §132-1.2 must be clearly marked as such in the offer when submitted.

6.0 VENDOR INFORMATION AND INSTRUCTIONS

6.1 GENERAL CONDITIONS OF OFFER

6.1.1 VENDOR RESPONSIBILITY

It shall be the Vendor's responsibility to read this entire document, review all enclosures and attachments, and comply with all specifications, requirements and the State's intent as specified herein. If a Vendor discovers an inconsistency, error or omission in this solicitation, the Vendor should request a clarification from the State's contact person.

The Vendor will be responsible for investigating and recommending the most effective and efficient solution. Consideration shall be given to the stability of the proposed configuration and the future direction of technology, confirming to the best of their ability that the recommended approach is not short lived. Several approaches may exist for hardware configurations, other products and any software. The Vendor must provide a justification for their proposed hardware, product and software solution(s) along with costs thereof. Vendors are encouraged to present explanations of benefits and merits of their proposed solutions together with any accompanying Services, maintenance, warranties, value added Services or other criteria identified herein.

6.1.2 RIGHTS RESERVED

While the State has every intention to award a contract as a result of this RFP, issuance of the RFP in no way constitutes a commitment by the State of North Carolina, or the procuring Agency, to award a contract. Upon determining that any of the following would be in its best interests, the State may:

- a. waive any formality;
- b. amend the solicitation;
- c. cancel or terminate this RFP;
- d. reject any or all offers received in response to this RFP;
- e. waive any undesirable, inconsequential, or inconsistent provisions of this RFP;
- f. if the response to this solicitation demonstrate a lack of competition, negotiate directly with one or more Vendors;
- g. not award, or if awarded, terminate any contract if the State determines adequate State funds are not available; or
- h. if all offers are found non-responsive, determine whether Waiver of Competition criteria may be satisfied, and if so, negotiate with one or more known sources of supply.

6.1.3 SOLICITATION AMENDMENTS OR REVISIONS

Any and all amendments or revisions to this document shall be made by written addendum from the Agency Procurement Office. If either a unit price or extended price is obviously in error and the other is obviously correct, the incorrect price will be disregarded.

6.1.4 ORAL EXPLANATIONS

The State will not be bound by oral explanations or instructions given at any time during the bidding process or after award. Vendor contact regarding this RFP with anyone other than the State's contact person may be grounds for rejection of said Vendor's offer. Agency contact regarding this RFP with any Vendor may be grounds for cancellation of this RFP.

6.1.5 E-PROCUREMENT

This is **not** an E-Procurement solicitation. Attachment B, subparagraphs #38(a) and 38(b) of the attached North Carolina Department of Information Technology Terms and Conditions Services for General Purchases do not apply to this solicitation.

6.1.6 INTERACTIVE PURCHASING SYSTEM (IPS)

The State has implemented links to the Interactive Purchasing System (IPS) that allow the public to retrieve offer award information electronically from our Internet website: <https://www.ips.state.nc.us/ips/>. Click on the IPS BIDS icon, click on Search for BID, enter the Agency prefix-offer number (30), and then search. This information may not be available for several weeks dependent upon the complexity of the acquisition and the length of time to complete the evaluation process.

6.1.7 PROTEST PROCEDURES

Protests of awards exceeding \$25,000 in value must be submitted to the issuing Agency at the address given on the first page of this document. Protests must be received in the purchasing agency's office within fifteen (15) calendar days from the date of this RFP award and provide specific reasons and any supporting documentation for the protest. **All protests are governed by Title 9, Department of Information Technology (formerly Office of Information Technology Services), Subchapter 06B Sections .1101 - .1121.**

6.2 GENERAL INSTRUCTIONS FOR VENDOR

6.2.1 SITE VISIT OR PRE-OFFER CONFERENCE – RESERVED

6.2.2 QUESTIONS CONCERNING THE RFP

All inquiries regarding the solicitation specifications or requirements are to be addressed to the contact person listed on Page One of this solicitation via the Ariba Sourcing Tool's message board. Vendor contact regarding this Solicitation with anyone other than the contact person listed on Page One of this Solicitation may be grounds for rejection of said Vendor's offer.

Written questions concerning this Solicitation will be received until June 15, 2023, at 5:00 p.m. Eastern Time.

They must be submitted to the contact person listed on Page One of this Solicitation via the Ariba Sourcing Tool's message board. Please enter "Questions RFP 30-23129-DCFV" as the subject for the message. Questions should be submitted in the following format:

REFERENCE	VENDOR QUESTION
RFP Section, Page Number	

6.2.3 ADDENDUM TO RFP

If a pre-offer conference is held or written questions are received prior to the submission date, an addendum comprising questions submitted and responses to such questions, or any additional terms deemed necessary by the State will be posted to the Interactive Purchasing System (IPS), <https://www.ips.state.nc.us/ips/>, and shall become an Addendum to this RFP. Vendors' questions posed orally at any pre-offer conference must be reduced to writing by the Vendor and provided to the Purchasing Officer as directed by said Officer. Oral answers are not binding on the State.

Critical updated information may be included in these Addenda. It is important that all Vendors bidding on this RFP periodically check the State website for any and all Addenda that may be issued prior to the offer opening date.

6.2.4 COSTS RELATED TO OFFER SUBMISSION

Costs for developing and delivering responses to this RFP and any subsequent presentations of the offer as requested by the State are entirely the responsibility of the Vendor. The State is not liable for any expense incurred by the Vendors in the preparation and presentation of their offers.

All materials submitted in response to this RFP become the property of the State and are to be appended to any formal documentation, which would further define or expand any contractual relationship between the State and the Vendor resulting from this RFP process.

6.2.5 VENDOR ERRATA AND EXCEPTIONS

Any errata or exceptions to the State's requirements and specifications may be presented on a separate page labeled "Exceptions to Requirements and Specifications". Include references to the corresponding requirements and specifications of the Solicitation. Any deviations shall be explained in detail. **The Vendor shall not construe this paragraph as inviting deviation or implying that any deviation will be acceptable. Offers of alternative or non-equivalent services may be rejected if not found substantially conforming; and if offered, must be supported by independent documentary verification that the offer substantially conforms to the specified services specification.** If a vendor materially deviates from RFP requirements or specifications, its offer may be determined to be non-responsive by the State.

Offers conditioned upon acceptance of Vendor Errata or Exceptions may be determined to be non-responsive by the State.

6.2.6 ALTERNATE OFFERS

The Vendor may submit alternate offers for various levels of service(s) or products meeting specifications. Alternate offers must specifically identify the RFP specifications and advantage(s) addressed by the alternate offer. Any alternate offers must be clearly marked with the legend as shown herein. Each offer must be for a specific set of Services or products and offer at specific pricing. If a Vendor chooses to respond with various service or product offerings, each must be an offer with a different price and a separate RFP offer. Vendors may also provide multiple offers for software or systems coupled with support and maintenance options, provided, however, all offers must satisfy the specifications.

Alternate offers must be submitted in a separate document and clearly marked "Alternate Offer for 'name of Vendor'" and numbered sequentially with the first offer if separate offers are submitted.

6.2.7 MODIFICATIONS TO OFFER

An offer may not be unilaterally modified by the Vendor.

6.2.8 BASIS FOR REJECTION

Pursuant to 9 NCAC 06B.0401, the State reserves the right to reject any and all offers, in whole or in part; by deeming the offer unsatisfactory as to quality or quantity, delivery, price or service offered; non-compliance with the specifications or intent of this solicitation; lack of competitiveness; error(s) in specifications or indications that revision would be advantageous to the State; cancellation or other changes in the intended project, or other determination that the proposed specification is no longer needed; limitation or lack of available funds; circumstances that prevent determination of the best offer; or any other determination that rejection would be in the best interest of the State.

6.2.9 NON-RESPONSIVE OFFERS

Vendor offers will be deemed non-responsive by the State and will be rejected without further consideration or evaluation if statements such as the following are included:

- "This offer does not constitute a binding offer",
- "This offer will be valid only if this offer is selected as a finalist or in the competitive range",
- "The Vendor does not commit or bind itself to any terms and conditions by this submission",

- “This document and all associated documents are non-binding and shall be used for discussion purposes only”,
- “This offer will not be binding on either party until incorporated in a definitive agreement signed by authorized representatives of both parties”, or
- A statement of similar intent

6.2.10 VENDOR REGISTRATION WITH THE SECRETARY OF STATE

Vendors do not have to be registered with the NC Secretary of State to submit an offer; however, in order to receive an award/contract with the State, they must be registered. Registration can be completed at the following website: https://www.sosnc.gov/Guides/launching_a_business

6.2.11 VENDOR REGISTRATION AND SOLICITATION NOTIFICATION SYSTEM

The NC electronic Vendor Portal (eVP) allows Vendors to electronically register with the State to receive electronic notification of current procurement opportunities for Services available on the Interactive Purchasing System at the following website: <https://www.ips.state.nc.us/ips/>.

This RFP is available electronically on the Interactive Purchasing System at <https://www.ips.state.nc.us/ips/>.

6.2.12 VENDOR POINTS OF CONTACT

CONTACTS AFTER CONTRACT AWARD:

Below are the Vendor Points of Contact to be used after award of the contract.

VENDOR CONTRACTUAL POINT OF CONTACT	VENDOR TECHNICAL POINT OF CONTACT
[NAME OF VENDOR] [STREET ADDRESS] [CITY, STATE, ZIP] Attn: Assigned Contract Manager	[NAME OF VENDOR] [STREET ADDRESS] [CITY, STATE, ZIP] Attn: Assigned Technical Lead

6.3 INSTRUCTIONS FOR OFFER SUBMISSION

6.3.1 GENERAL INSTRUCTIONS FOR OFFER

Vendors are strongly encouraged to adhere to the following general instructions in order to bring clarity and order to the offer and subsequent evaluation process:

- Organize the offer in the exact order in which the specifications are presented in the RFP. The Execution page of this RFP must be placed at the front of the Proposal. Each page should be numbered. The offer should contain a table of contents, which cross-references the RFP specification and the specific page of the response in the Vendor's offer.
- Provide complete and comprehensive responses with a corresponding emphasis on being concise and clear. Elaborate offers in the form of brochures or other presentations beyond that necessary to present a complete and effective offer are not desired.
- Clearly state your understanding of the problem(s) presented by this RFP including your proposed solution's ability to meet the specifications, including capabilities, features, and limitations, as described herein, and provide a cost offer.
- Supply all relevant and material information relating to the Vendor's organization, personnel, and experience that substantiates its qualifications and capabilities to perform the Services

described in this RFP. If relevant and material information is not provided, the offer may be rejected from consideration and evaluation.

- e. Furnish all information requested; and if response spaces are provided in this document, the Vendor shall furnish said information in the spaces provided. Further, if required elsewhere in this RFP, each Vendor must submit with its offer sketches, descriptive literature and/or complete specifications covering the products offered. References to literature submitted with a previous offer will not satisfy this provision. Proposals that do not comply with these instructions may be rejected.
- f. Any offer that does not adhere to these instructions may be deemed non-responsive and rejected on that basis.
- g. **Only information that is received in response to this RFP will be evaluated.** Reference to information previously submitted or Internet Website Addresses (URLs) will not suffice as a response to this solicitation.

6.3.2 OFFER ORGANIZATION

Within each section of its offer, Vendor should address the items in the order in which they appear in this RFP. Forms, or attachments or exhibits, if any provided in the RFP, must be completed and included in the appropriate section of the offer. All discussion of offered costs, rates, or expenses must be presented in Section 4.0 Cost of Vendor's Offer.

The offer should be organized and indexed in the following format and should contain, at a minimum, all listed items below.

- a. Signed Execution Page
- b. Table of Contents
- c. Description of Vendor Submitting Offer Form (Attachment D)
- d. Vendor Response to Specifications and Requirements
- e. Security Vendor Readiness Assessment Report (VRAR)
- f. Architecture Diagrams
- g. Cost of Vendor's Offer (Attachment E)
- h. Schedule of Offered Solution
- i. Signed Vendor Certification Form (Attachment F)
- j. Location of Workers Utilized by Vendor Form (Attachment G)
- k. References (Attachment H)
- l. Financial Statements (Attachment I)
- m. Federal Certifications (Attachment J)
- n. Errata and Exceptions, if any
- o. Vendor's License and Maintenance Agreements, if any
- p. Supporting material such as technical system documentation, training examples, etc.
- q. Vendor may attach other supporting materials that it feels may improve the quality of its response. These materials should be included as items in a separate appendix.
- r. All pages of this solicitation document (including Attachments A, B, C, K, L, M and N)

6.3.3 OFFER SUBMITTAL

IMPORTANT NOTE: Vendor shall bear the risk for late submission due to unintended or unanticipated delay—whether submitted electronically, delivered by hand, U.S. Postal Service, courier or other delivery service. **Vendor must include all the pages of this solicitation in their response.** It is the Vendor's sole responsibility to ensure its offer has been delivered to this Office by the specified time and date of opening. Any proposal delivered after the proposal deadline will be rejected.

Sealed offers, subject to the conditions made a part hereof, will be received until 2:00pm Eastern Time on the day of opening and then opened, for furnishing and delivering the commodity as described herein. Offers must be submitted via the Ariba Sourcing Module with the Execution page signed and dated by an official authorized to bind the Vendor's firm. Failure to return a signed offer shall result in disqualification.

Attempts to submit a proposal via facsimile (FAX) machine, telephone or email in response to this Bid shall NOT be accepted.

- a. Submit **one (1) signed, original electronic offer** through the Ariba Sourcing Module.
- b. All File names should start with the Vendor name first, in order to easily determine all the files to be included as part of the vendor's response. For example, files should be named as follows: Vendor Name-your file name.
- c. File contents **SHALL NOT** be password protected, the file formats must be in .PDF, .JPEG, .DOC or .XLS format, and shall be capable of being copied to other sources. Inability by the State to open the Vendor's files may result in the Vendor's offer(s) being rejected.
- d. If the vendor's proposal contains any confidential information (as defined in Attachment B, Section 1, Paragraph #18), then the vendor must provide one (1) signed, original electronic offer and one (1) redacted electronic copy.

For training on how to use the Ariba Sourcing Tool to view solicitations, submit questions, develop responses, upload documents, and submit offers to the State, Vendors should go to the following site: <https://eprocurement.nc.gov/training/vendor-training>

Questions or issues related to using the Ariba Sourcing Tool itself can be directed to the North Carolina eProcurement Help Desk at 888-211-7440, Option 2. Help Desk representatives are available Monday through Friday from 7:30 AM EST to 5:00 PM EST.

7.0 OTHER REQUIREMENTS AND SPECIAL TERMS

7.1 VENDOR UTILIZATION OF WORKERS OUTSIDE OF U.S.

In accordance with N.C.G.S. §143B-1361(b), the Vendor must detail the manner in which it intends to utilize resources or workers in the RFP response. The State of North Carolina will evaluate the additional risks, costs, and other factors associated with such utilization prior to making an award for any such Vendor's offer.

Complete ATTACHMENT G - Location of Workers Utilized by Vendor and submit with your offer.

7.2 FINANCIAL STATEMENTS

The Vendor shall provide evidence of financial stability by returning with its offer 1) completed Financial Review Form (Attachment I), and 2) copies of Financial Statements as further described hereinbelow. As used herein, Financial Statements shall exclude tax returns and compiled statements.

- a. For a publicly traded company, Financial Statements for the past three (3) fiscal years, including at a minimum, income statements, balance sheets, and statement of changes in financial position or cash flows. If three (3) years of financial statements are not available, this information shall be provided to the fullest extent possible, but not less than one year. If less than 3 years, the Vendor must explain the reason why they are not available.
- b. For a privately held company, when certified audited financial statements are not prepared: a written statement from the company's certified public accountant stating the financial condition, debt-to-asset ratio for the past three (3) years and any pending actions that may affect the company's financial condition.
- c. The State may, in its sole discretion, accept evidence of financial stability other than Financial Statements for the purpose of evaluating Vendors' responses to this RFP. The State reserves the right to determine whether the substitute information meets the requirements for Financial Information sufficiently to allow the State to evaluate the sufficiency of financial resources and the ability of the business to sustain performance of this RFP award. Scope Statements issued may require the submission of Financial Statements and specify the number of years to be provided, the information to be provided, and the most recent date required.

7.3 FINANCIAL RESOURCES ASSESSMENT, QUALITY ASSURANCE, PERFORMANCE AND RELIABILITY

- a. Contract Performance Security. The State reserves the right to require performance guaranties pursuant to N.C.G.S. §143B-1340(f) and 09 NCAC 06B.1207 from the Vendor without expense to the State.
- b. Project Assurance, Performance and Reliability Evaluation – Pursuant to N.C.G.S. §143B-1340, the State CIO may require quality assurance reviews of Projects as necessary.

7.4 VENDOR'S LICENSE OR SUPPORT AGREEMENTS

Vendor should present its license or support agreements for review and evaluation. Terms offered for licensing and support of Vendors' proprietary assets will be considered.

The terms and conditions of the Vendor's standard services, license, maintenance or other agreement(s) applicable to Services, Software and other Products acquired under this RFP may apply to the extent such terms and conditions do not materially change the terms and conditions of this RFP. In the event of any conflict between the terms and conditions of this RFP and the Vendor's standard agreement(s), the terms and conditions of this RFP relating to audit and records, jurisdiction, choice of law, the State's electronic procurement application of law or administrative rules, the remedy for intellectual property infringement and the exclusive remedies and limitation of liability in the DIT Terms and Conditions herein shall apply in all cases and supersede any provisions contained in the Vendor's relevant standard agreement or any other agreement. The State shall not be obligated under any standard license and/or

maintenance or other Vendor agreement(s) to indemnify or hold harmless the Vendor, its licensors, successors or assigns, nor arbitrate any dispute, nor pay late fees, penalties, legal fees or other similar costs.

7.5 RESELLERS – RESERVED

7.6 DISCLOSURE OF LITIGATION

The Vendor's failure to fully and timely comply with the terms of this section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of the Agreement.

- a. The Vendor shall notify the State in its offer, if it, or any of its subcontractors, or their officers, directors, or key personnel who may provide Services under any contract awarded pursuant to this solicitation, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. The Vendor shall promptly notify the State of any criminal litigation, investigations or proceeding involving the Vendor or any subcontractor, or any of the foregoing entities' then current officers or directors during the term of the Agreement or any Scope Statement awarded to the Vendor.
- b. The Vendor shall notify the State in its offer, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments against it or its subcontractors during the three (3) years preceding its offer, or which may occur during the term of any awarded to the Vendor pursuant to this solicitation, that involve (1) Services similar to those provided pursuant to any contract and that involve a claim that may affect the viability or financial stability of the Vendor, or (2) a claim or written allegation of fraud by the Vendor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Vendor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Vendor or subcontractor shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Vendor or subcontractor.
- c. All notices under subsection a. and b. herein shall be provided in writing to the State within thirty (30) calendar days after the Vendor learns about any such criminal or civil matters; unless such matters are governed by the DIT Terms and Conditions annexed to the solicitation. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Vendor may rely on good faith certifications of its subcontractors addressing the foregoing, which certifications shall be available for inspection at the option of the State.

7.7 CRIMINAL CONVICTION

In the event the Vendor, an officer of the Vendor, or an owner of a 25% or greater share of the Vendor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of North Carolina employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Vendor's business integrity and such vendor shall be prohibited from entering into a contract for Services with any department, institution or agency of the State.

7.8 SECURITY AND BACKGROUND CHECKS

The Agency reserves the right to conduct a security background check or otherwise approve any employee or agent provided by the Vendor, and to refuse access to or require replacement of any such personnel for cause, including, but not limited to, technical or training qualifications, quality of work or change in security status or non-compliance with the Agency's security or other similar requirements.

All State and Vendor personnel that have access to data restricted by the State Security Manual and Policies must have a security background check performed. The Vendors are responsible for performing all background checks of their workforce and subcontractors. The State reserves the right to check for non-compliance.

7.9 ASSURANCES

In the event that criminal or civil investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of the Agreement, causes the State to be reasonably concerned about:

- a) the ability of the Vendor or its subcontractor to continue to perform the Agreement in accordance with its terms and conditions, or
- b) whether the Vendor or its subcontractor in performing Services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of the Agreement or violation of law, regulation or public policy, then the Vendor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: the Vendor or its subcontractors hereunder will be able to continue to perform the Agreement in accordance with its terms and conditions, and the Vendor or its subcontractors will not engage in conduct in performing Services under the Agreement which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.

7.10 CONFIDENTIALITY OF OFFERS

All offers and any other RFP responses shall be made public as required by the NC Public Records Act and GS 143B-1350. Vendors may mark portions of offers as confidential or proprietary, after determining that such information is excepted from the NC Public Records Act, provided that such marking is clear and unambiguous and preferably at the top and bottom of each page containing confidential information. Standard restrictive legends appearing on every page of an offer are not sufficient and shall not be binding upon the State.

Certain State information is not public under the NC Public Records Act and other laws. Any such information which the State designates as confidential and makes available to the Vendor in order to respond to the RFP or carry out the Agreement, or which becomes available to the Vendor in carrying out the Agreement, shall be protected by the Vendor from unauthorized use and disclosure. The Vendor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Vendor without restriction, (3) information independently developed or acquired by the Vendor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Vendor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

7.11 PROJECT MANAGEMENT

All project management and coordination on behalf of the Agency shall be through a single point of contact designated as the Agency Project Manager. The Vendor shall designate a Vendor Project Manager who will provide a single point of contact for management and coordination of the Vendor's work. All work performed pursuant to the Agreement shall be coordinated between the Agency Project Manager and the Vendor Project Manager.

7.12 MEETINGS

The Vendor is required to meet with Agency personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the Agreement. Meetings will occur as problems arise and will be coordinated by Agency. The Vendor will be given reasonable and sufficient notice of meeting dates, times, and locations. Face to face meetings are desired. However, at the Vendor's option and expense, a conference call meeting may be substituted.

7.13 RECYCLING AND SOURCE REDUCTION

It is the policy of this State to encourage and promote the purchase of products with recycled content to the extent economically practicable, and to purchase items which are reusable, refillable, repairable, more durable, and less toxic to the extent that the purchase or use is practicable and cost-effective. However, no sacrifice in quality of packaging will be acceptable. The Vendor remains responsible for providing packaging that will protect the commodity and contain it for its intended use. Vendors are strongly urged to bring to the attention of the purchasers at the NCDIT Statewide IT Procurement Office those products or packaging they offer which have recycled content and that are recyclable.

7.14 SPECIAL TERMS AND CONDITIONS –

Contract Change Management Process

- a. The Vendor shall not be entitled to compensation for any changes, other than, or in addition to, the services described in this RFP, unless the contract change management process is followed.
- b. The Vendor shall be responsible for future System Changes to improve the operation or functionality of the System, to comply with new Federal regulations or requirements, or to comply with changes in State policy and procedure at no cost to DHHS.
- c. A Change Request (CR) will be made effective through the Parties' execution of an amendment to the Contract if the CR involves: (1) a Change to the System; (2) changes to either the scope of services or dates outlined in the Contract, including the term of the Contract; and (3) changes to the not to exceed cost of the Contract, whether a cost increase or decrease.
- d. A CR can be made effective through the Parties' execution of only a CR if the CR merely involves changes such as those including, but not limited to: (1) Resolution of Defects or (2) clarifications of existing requirements or functional requirements and technical specifications of no price or schedule impact in a particular instance, however, the Parties can agree that it is more appropriate to execute an amendment to the Contract.
- e. At no additional cost to DHHS, the Vendor shall review the CR, request clarifications when needed, and identify associated risks with the CR, when appropriate. The Vendor shall then prepare a CR Response within fifteen (15) Calendar Days of receipt of the CR for Division review and approval. The CR Response will include the Vendor's understanding of the original CR with a higher level of detail than provided in the original CR.
- f. DHHS will review and approve the CR Response, as appropriate, and notify the Vendor to move forward with developing requirements and estimates. The Vendor shall develop functional requirements and technical specifications, prepare a detailed system design document for the proposed CR, and provide an estimate of the effort hours required to implement the proposed CR (CR Estimate) within thirty (30) Calendar Days of receipt of DHHS approval of the CR Response.
- g. DHHS will review the CR Estimate and notify the Vendor within thirty (30) Calendar Days that it is approved, put on hold, or not approved. Approved CR Estimates will be signed by

DHHS and returned to the Vendor. The Vendor shall then sign and return the CR Estimate to DHHS.

- h. The Vendor shall not begin work on a CR until a CR has been formally approved by DHHS as outlined in this contract change management process.
- i. Any approved CR shall be binding upon the Parties when signed by both the Vendor's and DHHS's respective representatives, who have the appropriate level of signature authority. CRs are primarily initiated by DHHS and submitted in writing to the Vendor. The CR will be a high-level description of the desired change.
- j. Changes to the System that are outside the scope of this RFP and resulting Contract will be considered billable and will go through the full contract change management process described above.
- k. Changes to the System resulting from changes related to Federal regulations or requirements shall be implemented by the Vendor at no additional cost to DHHS. Such Changes will be initiated by a CR from DHHS and a corresponding CR Response and CR Estimate from the Vendor, provided however that such CR Estimate shall be at no cost to DHHS.
- l. Corrections/defect fixes to correct deficiencies based on the most recently updated published System design documentation (or implemented CRs/estimates where documentation has not yet been updated) are subject to the contract change management process but are not billable to DHHS.
- m. The Vendor shall provide updates to appropriate System documentation, including but not limited to training materials, reports and operations manuals, user documentation, TASD (if applicable), the codebook and the SRS, in a timely manner to reflect all software changes.
- n. The Vendor shall maintain a process during the term of the Contract to log and track the status of pending CRs by including:
 - i. A Vendor-assigned sequence number based on the fiscal year, (i.e., the first request for FY 2023-24 may be number "CR NC 23-01");
 - ii. A short description of the requested Change;
 - iii. Whether the change is a Change to the System, a change to the scope, cost, time schedule, or to any dates of significant consequence to the performance of the resulting Contract;
 - iv. The date of the original CR from DHHS;
 - v. The date the CR Response was sent to DHHS;
 - vi. The date the CR Response was approved/not approved by DHHS;
 - vii. The date the CR Estimate was submitted to DHHS;
 - viii. The date the CR Estimate was approved/not approved/put on hold by DHHS;
 - ix. The estimated and final cost of the CR;
 - x. The proposed implementation date for the completed CR;
 - xi. A comments section; and

- xii. The current version of any associated documents

- p. For those CRs that are to be paid for by DHHS, the Vendor shall be paid upon completion of the CR and acceptance of the completed CR by DHHS. Payment shall be made. The amount paid for CRs shall be based on the amount contained in the CR Estimate, signed by DHHS and the Vendor, or the actual effort hours it takes the Vendor to complete the approved CR, whichever is less.

ATTACHMENT A: DEFINITIONS

DEFINITIONS: As used herein;

- 1) **24x7:** A statement of availability of systems, communications, and/or supporting resources every hour (24) of each day (7 days weekly) throughout every year for periods specified herein. Where reasonable downtime is accepted, it will be stated herein. Otherwise, 24x7 implies NO loss of availability of systems, communications, and/or supporting resources.
- 2) **Acceptance Criteria:** A description of what is required for a deliverable to meet the business need documented in business requirements, told from the perspective of DHHS, which will use the product or service
- 3) **ACH:** Automated Clearing House
- 4) **ALERT:** Anti-fraud Locator of EBT Retailer Transactions
- 5) **ARU:** Automated Response Unit for EBT vendor Customer Service
- 6) **Benefit Authorization:** Electronic payment of benefits to recipients via an EBT account and EBT card or direct deposit
- 7) **Breach:** An incident that involves the release of Confidential Information or that meets specific legal definitions as per state or federal breach laws
- 8) **Business Day:** Monday through Friday, 8:00 AM through 5:00 PM, EST, except State of North Carolina holidays
- 9) **Case/Client file:** Recipient demographic data sent to the System
- 10) **Cash Benefit:** Benefits paid to recipients of Refugee Assistance (RA), State/County Special Assistance (SC/SA), and Temporary Assistance for Needy Families (TANF)
- 11) **CC:** Child Care Program. Cash Benefit payments are made to the child care provider and not the recipient.
- 12) **Change:** For the purposes of this RFP, the term Change shall mean the process of modifying an application and/or a component of an application, whether by Customization or Configuration for the purpose of increasing or decreasing functionality and capability. The definition of the term Change shall not be based on the time and/or size of the effort required to provide such services. A Change may also include but not be limited to a revision to a document deliverable or a Defect in the System that requires correction.
- 13) **Configurable/Configuration:** In software, refers to business rules and functionality that are administered independent of the application logic, allowing customers the flexibility to tailor an IT solution to meet their unique requirements (for example, screen painting, business rules, workflow, database entity attributes) in a manner that is compatible with future releases of the base product. Configuration is not Customization.
- 14) **Contract Year:** The one-year period from the Contract execution date to the same month and day in the following year and each one-year period thereafter
- 15) **Core:** Business functionality that is required
- 16) **County Department of Social Services:** County agency that is responsible for administering social services benefits.
- 17) **CR:** A change request is the document submitted by DHHS or the Vendor to request:
 - (1) Change to the System;
 - (2) a change to either the scope of services or dates outlined in the Contract, including the term of the Contract;
 - (3) changes to the not to exceed cost of the Contract, whether a cost increase or decrease;
 - (4) resolution of a Defect or other issue with the operation of

the System; or (5) clarifications of existing requirements or functional requirements and technical specifications when there is no cost impact to the Contract.

- 18) **CSR:** Customer Service Representative
- 19) **Customer:** A DHHS benefit recipient
- 20) **Customization:** Development of functionality within the base software requested by DHHS to address the specific needs of DHHS, or development of functionality outside the base software requested by DHHS to address the specific needs of DHHS. A Customization is not a Configuration. Customizations must be maintained by the Vendor to ensure compatibility with all future upgrades and releases of the base software
- 21) **CW:** Child Welfare Program. The Child Welfare Program includes adoption assistance payments and foster care payments.
- 22) **Cybersecurity Incident (GS 143B-1320):** An occurrence that:
 - a. Actually or imminently jeopardizes, without lawful authority, the integrity, confidentiality, or availability of information or an information system; or
 - b. Constitutes a violation or imminent threat of violation of law, security policies, privacy policies, security procedures, or acceptable use policies.
- 23) **DAAS:** Division of Aging and Adult Services
- 24) **Data Conversion/Migration:** For the purposes of this RFP and resulting Contract, this is the process of populating the production System application database with data from the incumbent vendor's existing system.
- 25) **DCDEE:** Division of Child Development and Early Education
- 26) **Defect:** A Defect is defined as a flaw in the System which causes it to fail to function or perform as intended as defined by the technical specifications and current process documentation. As the resolution of a Defect is designed to comply with current technical specifications, these Changes do not include any cost or scope impacts.
- 27) **Deliverables:** Deliverables, as used herein, shall comprise all Hardware, Vendor Services, professional Services, Software and provided modifications to any Software, and incidental materials, including any goods, Software or Services access license, data, reports and documentation provided or created during the performance or provision of Services hereunder. Deliverables include "Work Product" and means any expression of Licensor's findings, analyses, conclusions, opinions, recommendations, ideas, techniques, know-how, designs, programs, enhancements, and other technical information; but not source and object code or software.
- 28) **Department:** Unless otherwise specified, the Department shall mean the NC Department of Health and Human Services or any Division within the NC Department of Health and Human Services.
- 29) **Deployment:** For the purposes of this RFP and resulting Contract, the term Deployment shall mean the period during the Project Phase when the System is implemented into production.
- 30) **DHHS:** DHHS shall mean the NC Department of Health and Human Services or any Division within the Department.
- 31) **DCFV:** Division of Child and Family Well-Being
- 32) **DSS:** Division of Social Services
- 33) **EBT:** Electronic Benefit Transfer
- 34) **EBT System:** North Carolina's statewide EBT program that includes the following individual programs: SNAP, RA, TANF, CW, CC and SC/SA.

- 35) **End User:** An individual who has access to the System and uses the data residing in the systems for his or her business purposes
- 36) **FFY:** Federal fiscal year, specifically from October 1st of one year through September 30th of the following year
- 37) **FNS:** Food and Nutrition Service
- 38) **FRB:** Federal Reserve Bank
- 39) **Goods:** Includes intangibles such as computer software; provided, however that this definition does not modify the definition of “goods” in the context of N.C.G.S. §25-2-105 (UCC definition of goods).
- 40) **Incident:** A violation or imminent threat of violation of privacy/security policies, acceptable use policies, or standard privacy/security practices
- 41) **Merchant:** USDA/FNS authorized food retailer
- 42) **NACHA:** National Automated Clearing House Association
- 43) **NCDIT or DIT:** The NC Department of Information Technology
- 44) **NC FAST:** North Carolina Families Accessing Services through Technology
- 45) **Open Market Contract:** Contract procured through fair and open competition.
- 46) **PAN:** Sixteen-digit number on the front of an EBT card
- 47) **POS:** Point of sale device
- 48) **RA:** Refugee Assistance Program
- 49) **Reasonable, Necessary or Proper:** These terms, as used herein, shall be interpreted solely by the State of North Carolina.
- 50) **REDE:** USDA Retailer Electronic Data Exchange
- 51) **Request for Proposal (RFP):** The RFP is a formal, written solicitation document typically used for seeking competition and obtaining offers for more complex services or a combination of goods and services. The RFP is used when the value is over \$10,000. This document contains specifications of the RFP, instructions to bidders and the standard IT Terms and Conditions for Goods and Related Services. User should add Supplemental Terms and Conditions for Software and Services, when applicable.
- 52) **Retailer:** A USDA/FNS authorized food retailer
- 53) **SC/SA:** State/County Special Assistance are cash program payments to nursing home residents/the elderly.
- 54) **SCCA:** Subsidized Child Care Assistance
- 55) **Security Breach:** As defined in N.C.G.S. §75-61.
- 56) **Significant Security Incident (GS 143B-1320):** A cybersecurity incident that is likely to result in demonstrable harm to the State's security interests, economy, critical infrastructure, or to the public confidence, civil liberties, or public health and safety of the residents of North Carolina. A significant cybersecurity incident is determined by the following factors:
 - a. Incidents that meet thresholds identified by the Department jointly with the Department of Public Safety that involve information:
 - i. That is not releasable to the public and that is restricted or highly restricted according to Statewide Data Classification and Handling Policy; or
 - ii. That involves the exfiltration, modification, deletion, or unauthorized access, or lack of availability to information or systems within certain parameters to include (i) a specific

threshold of number of records or users affected as defined in G.S. 75-65 or (ii) any additional data types with required security controls.

- b. Incidents that involve information that is not recoverable or cannot be recovered within defined time lines required to meet operational commitments defined jointly by the State agency and the Department or can be recovered only through additional measures and has a high or medium functional impact to the mission of an agency.

- 57) **SNAP:** Supplemental Nutrition Assistance Program
- 58) **SUI:** State unique identifier
- 59) **System:** The IT solution the Vendor will provide to perform the tasks outlined in this RFP and resulting Contract.
- 60) **TANF:** Temporary Assistance for Needy Families
- 61) **TPPs:** Third Party Processors
- 62) **USDA:** United States Department of Agriculture
- 63) **UTL:** Energy Program. Cash Benefit payments are made to the utility providers and not the recipient.
- 64) **Vendor:** A company, firm, corporation, partnership, individual, etc., submitting a response to a solicitation and is awarded the resulting Contract,
- 65) **Void:** A transaction voided through a retailer point of sale device

ATTACHMENT B: DEPARTMENT OF INFORMATION TECHNOLOGY TERMS AND CONDITIONS

Section 1. General Terms and Conditions Applicable to All Purchases

1) **DEFINITIONS:** As used herein:

Agreement: means the contract awarded pursuant to this RFP.

Deliverable/Product Warranties shall mean and include the warranties provided for products or deliverables licensed to the State in Section 2, Paragraph 3 of these Terms and Conditions unless superseded by a Vendor's Warranties pursuant to Vendor's License or Support Agreements.

Purchasing State Agency or Agency shall mean the Agency purchasing the goods or Services.

Services shall mean the duties and obligations undertaken by the Vendor under, and to fulfill, the specifications, requirements, terms and conditions of the Agreement, and, for a Software as a Service ("SaaS") Solution, further include, without limitation, providing web browser access by authorized users to certain Vendor online software applications identified herein, and to related services, such as Vendor hosted Computer storage, databases, Support, documentation, and other functionalities.

State shall mean the State of North Carolina, the Department of Information Technology (DIT), or the Purchasing State Agency in its capacity as the Contracting Agency, as appropriate.

- 2) **STANDARDS:** Any Deliverables shall meet all applicable State and federal requirements, such as State or Federal Regulation, and NC State Chief Information Officer's (CIO) policy or regulation. Vendor will provide and maintain a quality assurance system or program that includes any Deliverables and will tender or provide to the State only those Deliverables that have been inspected and found to conform to the RFP specifications. All Deliverables are subject to operation, certification, testing and inspection, and any accessibility specifications.
- 3) **WARRANTIES:** Unless otherwise expressly provided, any goods Deliverables provided by the Vendor shall be warranted for a period of 90 days after acceptance.
- 4) **SUBCONTRACTING:** The Vendor may subcontract the performance of required Services with Resources under the Agreement only with the prior written consent of the State contracting authority. Vendor shall provide the State with complete copies of any agreements made by and between Vendor and all subcontractors. The selected Vendor remains solely responsible for the performance of its subcontractors. Subcontractors, if any, shall adhere to the same standards required of the selected Vendor and the Agreement. Any contracts made by the Vendor with a subcontractor shall include an affirmative statement that the State is an intended third party beneficiary of the Agreement; that the subcontractor has no agreement with the State; and that the State shall be indemnified by the Vendor for any claim presented by the subcontractor. Notwithstanding any other term herein, Vendor shall timely exercise its contractual remedies against any non-performing subcontractor and, when appropriate, substitute another subcontractor.
- 5) **TRAVEL EXPENSES:** **All travel expenses should be included in the Vendor's proposed costs. Separately stated travel expenses will not be reimbursed.** In the event that the Vendor, upon specific request in writing by the State, is deemed eligible to be reimbursed for travel expenses arising under the performance of the Agreement, reimbursement will be at the out-of-state rates set forth in N.C.G.S. §138-6; as amended from time to time. Vendor agrees to use the lowest available airfare not requiring a weekend stay and to use the lowest available rate for rental vehicles. All Vendor incurred travel expenses shall be billed on a monthly basis, shall be supported by receipt and shall be paid by the State within thirty (30) days after invoice approval. Travel expenses exceeding the foregoing rates shall not be paid by the State. The State will reimburse travel allowances only for days on which the Vendor is required to be in North Carolina performing Services under the Agreement.
- 6) **GOVERNMENTAL RESTRICTIONS:** In the event any restrictions are imposed by governmental requirements that necessitate alteration of the material, quality, workmanship, or performance of the Deliverables offered prior to delivery thereof, the Vendor shall provide written notification of the necessary alteration(s) to the Agency Contract Administrator. The State reserves the right to accept any such

alterations, including any price adjustments occasioned thereby, or to cancel the Agreement. The State may advise Vendor of any restrictions or changes in specifications required by North Carolina legislation, rule or regulatory authority that require compliance by the State. In such event, Vendor shall use its best efforts to comply with the required restrictions or changes. If compliance cannot be achieved by the date specified by the State, the State may terminate the Agreement and compensate Vendor for sums then due under the Agreement.

- 7) **PROHIBITION AGAINST CONTINGENT FEES AND GRATUITIES:** Vendor warrants that it has not paid, and agrees not to pay, any bonus, commission, fee, or gratuity to any employee or official of the State for the purpose of obtaining any Contract or award issued by the State. Vendor further warrants that no commission or other payment has been or will be received from or paid to any third party contingent on the award of any Contract by the State, except as shall have been expressly communicated to the State Purchasing Agent in writing prior to acceptance of the Agreement or award in question. Each individual signing below warrants that he or she is duly authorized by their respective Party to sign the Agreement and bind the Party to the terms and conditions of this RFP. Vendor and their authorized signatory further warrant that no officer or employee of the State has any direct or indirect financial or personal beneficial interest, in the subject matter of the Agreement; obligation or Contract for future award of compensation as an inducement or consideration for making the Agreement. Subsequent discovery by the State of non-compliance with these provisions shall constitute sufficient cause for immediate termination of all outstanding contracts. Violations of this provision may result in debarment of the Vendor(s) as permitted by 9 NCAC 06B.1206, or other provision of law.
- 8) **AVAILABILITY OF FUNDS:** Any and all payments to Vendor are expressly contingent upon and subject to the appropriation, allocation and availability of funds to the Agency for the purposes set forth in the Agreement. If the Agreement or any Purchase Order issued hereunder is funded in whole or in part by federal funds, the Agency's performance and payment shall be subject to and contingent upon the continuing availability of said federal funds for the purposes of the Agreement or Purchase Order. If the term of the Agreement extends into fiscal years subsequent to that in which it is approved, such continuation of the Agreement is expressly contingent upon the appropriation, allocation and availability of funds by the N.C. Legislature for the purposes set forth in this RFP. If funds to effect payment are not available, the Agency will provide written notification to Vendor. If the Agreement is terminated under this paragraph, Vendor agrees to take back any affected Deliverables and software not yet delivered under the Agreement, terminate any Services supplied to the Agency under the Agreement, and relieve the Agency of any further obligation thereof. The State shall remit payment for Deliverables and Services accepted prior to the date of the aforesaid notice in conformance with the payment terms.
- 9) **ACCEPTANCE PROCESS:**
- a) The State shall have the obligation to notify Vendor, in writing ten calendar days following provision, performance (under a provided milestone or otherwise as agreed) or delivery of any Services or other Deliverables described in the Agreement that are not acceptable.
 - b) Acceptance testing is required for all Vendor supplied software and software or platform services unless provided otherwise in the solicitation documents or a Statement of Work. The State may define such processes and procedures as may be necessary or proper, in its opinion and discretion, to ensure compliance with the State's specifications, and Vendor's Product Warranties and technical representations. The State shall have the obligation to notify Vendor, in writing and within thirty (30) days following installation of any software deliverable if it is not acceptable.
 - c) Acceptance of Services or other Deliverables including software or platform services may be controlled by an amendment hereto, or additional terms as agreed by the Parties consistent with IT Project management under GS §143B-1340.
 - d) The notice of non-acceptance shall specify in reasonable detail the reason(s) a Service or given Deliverable is unacceptable. Acceptance by the State shall not be unreasonably withheld; but may be conditioned or delayed as required for installation and/or testing of Deliverables. Final acceptance is expressly conditioned upon completion of any applicable inspection and testing procedures. Should a Service or Deliverable fail to meet any specifications or acceptance criteria, the State may exercise any and all rights hereunder. Services or Deliverables discovered to be defective or failing to conform to the specifications may be rejected upon initial inspection or at any later time if the defects or errors

contained in the Services or Deliverables or non-compliance with the specifications were not reasonably ascertainable upon initial inspection. If the Vendor fails to promptly cure or correct the defect or replace or re-perform the Services or Deliverables, the State reserves the right to cancel the Purchase Order, contract with a different Vendor, and to invoice the original Vendor for any differential in price over the original Contract price.

- 10) PAYMENT TERMS:** Monthly Payment terms are Net 30 days after receipt of correct invoice (with completed timesheets for Vendor personnel) and acceptance of one or more of the Deliverables, under milestones or otherwise as may be provided in Paragraph 9 (Acceptance), or elsewhere in this solicitation, unless a period of more than thirty (30) days is required by the Agency. The Purchasing State Agency is responsible for all payments under the Agreement. No additional charges to the Agency will be permitted based upon, or arising from, the Agency's use of a Business Procurement Card. The State may exercise any and all rights of Set Off as permitted in Chapter 105A-1 *et. seq.* of the N.C. General Statutes and applicable Administrative Rules. Upon Vendor's written request of not less than thirty (30) days and approval by the State or Agency, the Agency may:
- a) Forward the Vendor's payment check(s) directly to any person or entity designated by the Vendor, or
 - b) Include any person or entity designated in writing by Vendor as a joint payee on the Vendor's payment check(s), however
 - c) In no event shall such approval and action obligate the State to anyone other than the Vendor and the Vendor shall remain responsible for fulfillment of all Contract obligations.
- 11) EQUAL EMPLOYMENT OPPORTUNITY:** Vendor shall comply with all Federal and State requirements concerning fair employment and employment of the disabled, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin or physical disability.
- 12) ADVERTISING/PRESS RELEASE:** The Vendor absolutely shall not publicly disseminate any information concerning the Agreement without prior written approval from the State or its Agent. For the purpose of this provision of the Agreement, the Agent is the Purchasing Agency Contract Administrator unless otherwise named in the solicitation documents.
- 13) LATE DELIVERY:** Vendor shall advise the Agency contact person or office immediately upon determining that any Deliverable will not, or may not, be delivered or performed at the time or place specified. Together with such notice, Vendor shall state the projected delivery time and date. In the event the delay projected by Vendor is unsatisfactory, the Agency shall so advise Vendor and may proceed to procure the particular substitute Services or other Deliverables.
- 14) ACCESS TO PERSONS AND RECORDS:** Pursuant to N.C.G.S. §147-64.7, the Agency, the State Auditor, appropriate federal officials, and their respective authorized employees or agents are authorized to examine all books, records, and accounts of the Vendor insofar as they relate to transactions with any department, board, officer, commission, institution, or other agency of the State of North Carolina pursuant to the performance of the Agreement or to costs charged to the Agreement. The Vendor shall retain any such books, records, and accounts for a minimum of three (3) years after the completion of the Agreement. Additional audit or reporting requirements may be required by any Agency, if in the Agency's opinion, such requirement is imposed by federal or state law or regulation.
- 15) ASSIGNMENT:** Vendor may not assign the Agreement or its obligations hereunder except as permitted by 09 NCAC 06B.1003 and this Paragraph. Vendor shall provide reasonable notice of not less than thirty (30) days prior to any consolidation, acquisition, or merger. Any assignee shall affirm the Agreement attorning and agreeing to the terms and conditions agreed, and that Vendor shall affirm that the assignee is fully capable of performing all obligations of Vendor under the Agreement. An assignment may be made, if at all, in writing by the Vendor, Assignee and the State setting forth the foregoing obligation of Vendor and Assignee.
- 16) INSURANCE COVERAGE:** During the term of the Agreement, the Vendor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Agreement. As a minimum, the Vendor shall provide and maintain the following coverage and limits:
- a) **Worker's Compensation** - The Vendor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with

minimum limits of \$100,000.00, covering all of Vendor's employees who are engaged in any work under the Agreement. If any work is sublet, the Vendor shall require the subcontractor to provide the same coverage for any of his employees engaged in any work under the Agreement; and

- b) **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$2,000,000.00 Combined Single Limit (Defense cost shall be in excess of the limit of liability); and
- c) **Automobile** - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the Agreement. The minimum combined single limit shall be \$500,000.00 bodily injury and property damage; \$500,000.00 uninsured/under insured motorist; and \$5,000.00 medical payment; and
- d) Providing and maintaining adequate insurance coverage described herein is a material obligation of the Vendor and is of the essence of the Agreement. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Vendor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or the Agreement. The limits of coverage under each insurance policy maintained by the Vendor shall not be interpreted as limiting the Vendor's liability and obligations under the Agreement.

17) DISPUTE RESOLUTION: The parties agree that it is in their mutual interest to resolve disputes informally. A claim by the Vendor shall be submitted in writing to the Agency Contract Administrator for decision. A claim by the State shall be submitted in writing to the Vendor's Contract Administrator for decision. The Parties shall negotiate in good faith and use all reasonable efforts to resolve such dispute(s). During the time the Parties are attempting to resolve any dispute, each shall proceed diligently to perform their respective duties and responsibilities under the Agreement. If a dispute cannot be resolved between the Parties within thirty (30) days after delivery of notice, either Party may elect to exercise any other remedies available under the Agreement, or at law. This term shall not constitute an agreement by either party to mediate or arbitrate any dispute.

18) CONFIDENTIALITY: In accordance with N.C.G.S. §143B-1350(e) and 143B-1375, and 09 NCAC 06B.0103 and 06B.1001, the State may maintain the confidentiality of certain types of information described in N.C.G.S. §132-1 *et seq.* Such information may include trade secrets defined by N.C.G.S. §66-152 and other information exempted from the Public Records Act pursuant to N.C.G.S. §132-1.2. Vendor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by marking the top and bottom of pages containing confidential information with a legend in boldface type "**CONFIDENTIAL**". By so marking any page, the Vendor warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisors that the portions marked confidential meet the requirements of the Rules and Statutes set forth above. **However, under no circumstances shall price information be designated as confidential.** The State may serve as custodian of Vendor's confidential information and not as an arbiter of claims against Vendor's assertion of confidentiality. If an action is brought pursuant to N.C.G.S. §132-9 to compel the State to disclose information marked confidential, the Vendor agrees that it will intervene in the action through its counsel and participate in defending the State, including any public official(s) or public employee(s). The Vendor agrees that it shall hold the State and any official(s) and individual(s) harmless from any and all damages, costs, and attorneys' fees awarded against the State in the action. The State agrees to promptly notify the Vendor in writing of any action seeking to compel the disclosure of Vendor's confidential information. The State shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The State shall have no liability to Vendor with respect to the disclosure of Vendor's confidential information ordered by a court of competent jurisdiction pursuant to N.C.G.S. §132-9 or other applicable law.

- a) Care of Information: Vendor agrees to use commercial best efforts to safeguard and protect any data, documents, files, and other materials received from the State or the Agency during performance of any contractual obligation from loss, destruction or erasure. Vendor agrees to abide by all facilities and security requirements and policies of the agency where work is to be performed. Any Vendor

personnel shall abide by such facilities and security requirements and shall agree to be bound by the terms and conditions of the Agreement.

- b) Vendor warrants that all its employees and any approved third party Vendors or subcontractors are subject to a non-disclosure and confidentiality agreement enforceable in North Carolina. Vendor will, upon request of the State, verify and produce true copies of any such agreements. Production of such agreements by Vendor may be made subject to applicable confidentiality, non-disclosure or privacy laws; provided that Vendor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the N.C. Public Records laws in N.C.G.S. §132-1 *et seq.* The State may, in its sole discretion, provide a non-disclosure and confidentiality agreement satisfactory to the State for Vendor's execution. The State may exercise its rights under this subparagraph as necessary or proper, in its discretion, to comply with applicable security regulations or statutes including, but not limited to 26 USC 6103 and IRS Publication 1075, (Tax Information Security Guidelines for Federal, State, and Local Agencies), HIPAA, 42 USC 1320(d) (Health Insurance Portability and Accountability Act), any implementing regulations in the Code of Federal Regulations, and any future regulations imposed upon the Department of Information Technology or the N.C. Department of Revenue pursuant to future statutory or regulatory requirements.
- c) Nondisclosure: Vendor agrees and specifically warrants that it, its officers, directors, principals and employees, and any subcontractors, shall hold all information received during performance of the Agreement in the strictest confidence and shall not disclose the same to any third party without the express written approval of the State.
- d) The Vendor shall protect the confidentiality of all information, data, instruments, studies, reports, records and other materials provided to it by the Agency or maintained or created in accordance with this Agreement. No such information, data, instruments, studies, reports, records and other materials in the possession of Vendor shall be disclosed in any form without the prior written consent of the State Agency. The Vendor will have written policies governing access to and duplication and dissemination of all such information, data, instruments, studies, reports, records and other materials.
- e) All project materials, including software, data, and documentation created during the performance or provision of Services hereunder that are not licensed to the State or are not proprietary to the Vendor are the property of the State of North Carolina and must be kept confidential or returned to the State, or destroyed. Proprietary Vendor materials shall be identified to the State by Vendor prior to use or provision of Services hereunder and shall remain the property of the Vendor. Derivative works of any Vendor proprietary materials prepared or created during the performance of provision of Services hereunder shall be subject to a perpetual, royalty free, nonexclusive license to the State.

19) DEFAULT: In the event Services or other Deliverable furnished or performed by the Vendor during performance of any Contract term fail to conform to any material requirement(s) of the Contract specifications, notice of the failure is provided by the State and if the failure is not cured within ten (10) days, or Vendor fails to meet the requirements of Paragraph 9) herein, the State may cancel the contract. Default may be cause for debarment as provided in 09 NCAC 06B.1206. The rights and remedies of the State provided above shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

- a) If Vendor fails to deliver or provide correct Services or other Deliverables within the time required by the Agreement, the State shall provide written notice of said failure to Vendor, and by such notice require performance assurance measures pursuant to N.C.G.S. 143B-1340(f). Vendor is responsible for the delays resulting from its failure to deliver or provide services or other Deliverables.
- b) Should the State fail to perform any of its obligations upon which Vendor's performance is conditioned, Vendor shall not be in default for any delay, cost increase or other consequences resulting from the State's failure. Vendor will use reasonable efforts to mitigate delays, costs or expenses arising from assumptions in the Vendor's offer documents that prove erroneous or are otherwise invalid. Any deadline that is affected by any such failure in assumptions or performance by the State shall be extended by an amount of time reasonably necessary to compensate for the effect of such failure.
- c) Vendor shall provide a plan to cure any delay or default if requested by the State. The plan shall state the nature of the delay or default, the time required for cure, any mitigating factors causing or

tending to cause the delay or default, and such other information as the Vendor may deem necessary or proper to provide.

- d) If the prescribed acceptance testing stated in the Solicitation Documents or performed pursuant to Paragraph 9) of the DIT Terms and Conditions is not completed successfully, the State may request substitute Software, cancel the portion of the Contract that relates to the unaccepted Software, or continue the acceptance testing with or without the assistance of Vendor. These options shall remain in effect until such time as the testing is successful or the expiration of any time specified for completion of the testing. If the testing is not completed after exercise of any of the State's options, the State may cancel any portion of the contract related to the failed Software and take action to procure substitute software. If the failed software (or the substituted software) is an integral and critical part of the proper completion of the work for which the Deliverables identified in the solicitation documents or statement of work were acquired, the State may terminate the entire contract.

20) WAIVER OF DEFAULT: Waiver by either party of any default or breach by the other Party shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be a modification or novation of the terms of the Agreement, unless so stated in writing and signed by authorized representatives of the Agency and the Vendor, and made as an amendment to the Agreement pursuant to Paragraph 40) herein below.

21) TERMINATION: Any notice or termination made under the Agreement shall be transmitted via US Mail, Certified Return Receipt Requested. The period of notice for termination shall begin on the day the return receipt is signed and dated.

- a) The parties may mutually terminate the Agreement by written agreement at any time.
- b) The State may terminate the Agreement, in whole or in part, pursuant to Paragraph 19), or pursuant to the Special Terms and Conditions in the Solicitation Documents, if any, or for any of the following:
 - i) Termination for Cause: In the event any goods, software, or service furnished by the Vendor during performance of any Contract term fails to conform to any material requirement of the Contract, and the failure is not cured within the specified time after providing written notice thereof to Vendor, the State may cancel and procure the articles or Services from other sources; holding Vendor liable for any excess costs occasioned thereby, subject only to the limitations provided in Paragraphs 22) and 23) herein. The rights and remedies of the State provided above shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract. Vendor shall not be relieved of liability to the State for damages sustained by the State arising from Vendor's breach of the Agreement; and the State may, in its discretion, withhold any payment due as a setoff until such time as the damages are finally determined or as agreed by the parties. Voluntary or involuntary Bankruptcy or receivership by Vendor shall be cause for termination.
 - ii) Termination For Convenience Without Cause: The State may terminate service and indefinite quantity contracts, in whole or in part by giving thirty (30) days prior notice in writing to the Vendor. Vendor shall be entitled to sums due as compensation for Deliverables provided and Services performed in conformance with the Contract. In the event the Contract is terminated for the convenience of the State the Agency will pay for all work performed and products delivered in conformance with the Contract up to the date of termination.
 - iii) Consistent failure to participate in problem resolution meetings, two (2) consecutive missed or rescheduled meetings, or failure to make a good faith effort to resolve problems, may result in termination of the Agreement.

22) LIMITATION OF VENDOR'S LIABILITY:

- a) Where Deliverables are under the State's exclusive management and control, the Vendor shall not be liable for direct damages caused by the State's failure to fulfill any State responsibilities of assuring the proper use, management and supervision of the Deliverables and programs, audit controls, operating methods, office procedures, or for establishing all proper checkpoints necessary for the State's intended use of the Deliverables. Vendor shall not be responsible for any damages that arise from (i) misuse or modification of Vendor's Software by or on behalf of the State, (ii) the State's failure to use corrections or enhancements made available by Vendor, (iii) the quality or integrity of data from other automated or manual systems with which the Vendor's Software interfaces, (iv) errors in or changes to

third party software or hardware implemented by the State or a third party (including the vendors of such software or hardware) that is not a subcontractor of Vendor or that is not supported by the Deliverables, or (vi) the operation or use of the Vendor's Software not in accordance with the operating procedures developed for the Vendor's Software or otherwise in a manner not contemplated by this Agreement.

- b) The Vendor's liability for damages to the State arising under the contract shall be limited to two times the value of the Contract.
- c) The foregoing limitation of liability shall not apply to claims covered by other specific provisions including but not limited to Service Level Agreement or Deliverable/Product Warranties pursuant, or to claims for injury to persons or damage to tangible personal property, gross negligence or willful or wanton conduct. This limitation of liability does not apply to contributions among joint tortfeasors under N.C.G.S. 1B-1 *et seq.*, the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on the Agreement. For avoidance of doubt, the Parties agree that the Service Level Agreement and Deliverable/Product Warranty Terms in the Contract are intended to provide the sole and exclusive remedies available to the State under the Contract for the Vendor's failure to comply with the requirements stated therein.

23) VENDOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY:

- a) The Vendor shall be liable for damages arising out of personal injuries and/or damage to real or tangible personal property of the State, employees of the State, persons designated by the State for training, or person(s) other than agents or employees of the Vendor, designated by the State for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the Deliverables either at the Vendor's site or at the State's place of business, provided that the injury or damage was caused by the fault or negligence of the Vendor.
- b) The Vendor agrees to indemnify, defend and hold the Agency and the State and its Officers, employees, agents and assigns harmless from any liability relating to personal injury or injury to real or personal property of any kind, accruing or resulting to any other person, firm or corporation furnishing or supplying work, Services, materials or supplies in connection with the performance of the Agreement, whether tangible or intangible, arising out of the ordinary negligence, wilful or wanton negligence, or intentional acts of the Vendor, its officers, employees, agents, assigns or subcontractors.
- c) Vendor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by the Vendor.

24) TIME IS OF THE ESSENCE: Time is of the essence in the performance of the Agreement.

25) DATE AND TIME WARRANTY: The Vendor warrants that any Deliverable, whether Services, hardware, firmware, middleware, custom or commercial software, or internal components, subroutines, and interface therein which performs, modifies or affects any date and/or time data recognition function, calculation, or sequencing, will still enable the modified function to perform accurate date/time data and leap year calculations. This warranty shall survive termination or expiration of the Contract.

26) INDEPENDENT CONTRACTORS: Vendor and its employees, officers and executives, and subcontractors, if any, shall be independent Vendors and not employees or agents of the State. The Agreement shall not operate as a joint venture, partnership, trust, agency or any other similar business relationship.

27) TRANSPORTATION: Transportation of any tangible Deliverables shall be FOB Destination; unless otherwise specified in the solicitation document or purchase order. Freight, handling, hazardous material charges, and distribution and installation charges shall be included in the total price of each item. Any additional charges shall not be honored for payment unless authorized in writing by the Purchasing State Agency. In cases where parties, other than the Vendor ship materials against this order, the shipper must be instructed to show the purchase order number on all packages and shipping manifests to ensure proper identification and payment of invoices. A complete packing list must accompany each shipment.

28) NOTICES: Any notices required under the Agreement should be delivered to the Contract Administrator for each party. Unless otherwise specified in the Solicitation Documents, any notices shall be delivered in writing by U.S. Mail, Commercial Courier or by hand.

- 29) **TITLES AND HEADINGS**: Titles and Headings in the Agreement are used for convenience only and do not define, limit or proscribe the language of terms identified by such Titles and Headings.
- 30) **AMENDMENT**: The Agreement may not be amended orally or by performance. Any amendment must be made in written form and signed by duly authorized representatives of the State and Vendor in conformance with Paragraph 36) herein.
- 31) **TAXES**: The State of North Carolina is exempt from Federal excise taxes and no payment will be made for any personal property taxes levied on the Vendor or for any taxes levied on employee wages. Agencies of the State may have additional exemptions or exclusions for federal or state taxes. Evidence of such additional exemptions or exclusions may be provided to Vendor by Agencies, as applicable, during the term of the Agreement. Applicable State or local sales taxes shall be invoiced as a separate item.
- 32) **GOVERNING LAWS, JURISDICTION, AND VENUE**:
- a) The Agreement is made under and shall be governed and construed in accordance with the laws of the State of North Carolina and applicable Administrative Rules. The place of the Agreement or purchase order, its situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in Contract or in tort, relating to its validity, construction, interpretation and enforcement shall be determined. Vendor agrees and submits, solely for matters relating to the Agreement, to the jurisdiction of the courts of the State of North Carolina, and stipulates that Wake County shall be the proper venue for all matters.
 - b) Except to the extent the provisions of the Contract are clearly inconsistent therewith, the applicable provisions of the Uniform Commercial Code as modified and adopted in North Carolina shall govern the Agreement. To the extent the Contract entails both the supply of "goods" and "Services," such shall be deemed "goods" within the meaning of the Uniform Commercial Code, except when deeming such Services as "goods" would result in a clearly unreasonable interpretation.
- 33) **FORCE MAJEURE**: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations as a result of events beyond its reasonable control, including without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.
- 34) **COMPLIANCE WITH LAWS**: The Vendor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.
- 35) **SEVERABILITY**: In the event that a court of competent jurisdiction holds that a provision or requirement of the Agreement violates any applicable law, each such provision or requirement shall be enforced only to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of the Agreement shall remain in full force and effect. All promises, requirement, terms, conditions, provisions, representations, guarantees and warranties contained herein shall survive the expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or State statute, including statutes of repose or limitation.
- 36) **CHANGES**: The Agreement and subsequent purchase order(s) is awarded subject to the provision of the specified Services and the shipment or provision of other Deliverables as specified herein. Any changes made to the Agreement or purchase order proposed by the Vendor are hereby rejected unless accepted in writing by the Agency or State Award Authority. The State shall not be responsible for Services or other Deliverables delivered without a purchase order from the Agency or State Award Authority.
- 37) **FEDERAL INTELLECTUAL PROPERTY BANKRUPTCY PROTECTION ACT**: The Parties agree that the Agency shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365(n), and any amendments thereto.
- 38) **ELECTRONIC PROCUREMENT** (Applies to all contracts that include E-Procurement and are identified as such in the body of the solicitation document): Purchasing shall be conducted through the Statewide E-Procurement Services. The State's third party agent shall serve as the Supplier Manager for this E-Procurement Services. The Vendor shall register for the Statewide E-Procurement Services within two (2) business days of notification of award in order to receive an electronic purchase order resulting from award of the Agreement.
- a) Reserved.

- b) Reserved.
- c) The Supplier Manager will capture the order from the State approved user, including the shipping and payment information, and submit the order in accordance with the E-Procurement Services. Subsequently, the Supplier Manager will send those orders to the appropriate Vendor on State Contract. The State or State approved user, not the Supplier Manager, shall be responsible for the solicitation, offers received, evaluation of offers received, award of Contract, and the payment for goods delivered.
- d) Vendor agrees at all times to maintain the confidentiality of its user name and password for the Statewide E-Procurement Services. If a Vendor is a corporation, partnership or other legal entity, then the Vendor may authorize its employees to use its password. Vendor shall be responsible for all activity and all charges for such employees. Vendor agrees not to permit a third party to use the Statewide E-Procurement Services through its account. If there is a breach of security through the Vendor's account, Vendor shall immediately change its password and notify the Supplier Manager of the security breach by e-mail. Vendor shall cooperate with the state and the Supplier Manager to mitigate and correct any security breach.

39) PATENT, COPYRIGHT, AND TRADE SECRET PROTECTION:

- a) Vendor has created, acquired or otherwise has rights in, and may, in connection with the performance of Services for the State, employ, provide, create, acquire or otherwise obtain rights in various concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, models, templates and general purpose consulting and software tools, utilities and routines (collectively, the "Vendor technology"). To the extent that any Vendor technology is contained in any of the Services or Deliverables including any derivative works, the Vendor hereby grants the State a royalty-free, fully paid, worldwide, perpetual, non-exclusive license to use such Vendor technology in connection with the Services or Deliverables for the State's purposes.
 - b) Vendor shall not acquire any right, title and interest in and to the copyrights for goods, any and all software, technical information, specifications, drawings, records, documentation, data or derivative works thereof, or other work products provided by the State to Vendor. The State hereby grants Vendor a royalty-free, fully paid, worldwide, perpetual, non-exclusive license for Vendor's internal use to non-confidential deliverables first originated and prepared by the Vendor for delivery to the State.
 - c) The Vendor, at its own expense, shall defend any action brought against the State to the extent that such action is based upon a claim that the Services or other Deliverables supplied by the Vendor, or the operation of such pursuant to a current version of vendor-supplied software, infringes a patent, or copyright or violates a trade secret in the United States. The Vendor shall pay those costs and damages finally awarded against the State in any such action; damages shall be limited as provided in N.C.G.S. 143B-1350(h1). Such defense and payment shall be conditioned on the following:
 - i. That the Vendor shall be notified within a reasonable time in writing by the State of any such claim; and,
 - ii. That the Vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided, however, that the State shall have the option to participate in such action at its own expense.
 - d) Should any Services or other Deliverables supplied by Vendor, or the operation thereof become, or in the Vendor's opinion are likely to become, the subject of a claim of infringement of a patent, copyright, or a trade secret in the United States, the State shall permit the Vendor, at its option and expense, either to procure for the State the right to continue using the Services or Deliverables, or to replace or modify the same to become noninfringing and continue to meet procurement specifications in all material respects. If neither of these options can reasonably be taken, or if the use of such Services or Deliverables by the State shall be prevented by injunction, the Vendor agrees to take back any goods/hardware or software, and refund any sums the State has paid Vendor less any reasonable amount for use or damage and make every reasonable effort to assist the state in procuring substitute Services or Deliverables. If, in the sole opinion of the State, the return of such infringing Services or Deliverables makes the retention of other Services or Deliverables acquired from the Vendor under the agreement impractical, the State

shall then have the option of terminating the contract, or applicable portions thereof, without penalty or termination charge. The Vendor agrees to take back Services or Deliverables and refund any sums the State has paid Vendor less any reasonable amount for use or damage.

- e) Vendor will not be required to defend or indemnify the State if any claim by a third party against the State for infringement or misappropriation (i) results from the State's alteration of any Vendor-branded Service or Deliverable, or (ii) results from the continued use of the good(s) or services and other Services or Deliverables after receiving notice they infringe a trade secret of a third party.
- f) Nothing stated herein, however, shall affect Vendor's ownership in or rights to its preexisting intellectual property and proprietary rights.

40) UNANTICIPATED TASKS In the event that additional work must be performed that was wholly unanticipated, and that is not specified in the Agreement, but which in the opinion of both parties is necessary to the successful accomplishment of the contracted scope of work, the procedures outlined in this article will be followed. For each item of unanticipated work, the Vendor shall prepare a work authorization in accordance with the State's practices and procedures.

- a) It is understood and agreed by both parties that all of the terms and conditions of the Agreement shall remain in force with the inclusion of any work authorization. A work authorization shall not constitute a contract separate from the Agreement, nor in any manner amend or supersede any of the other terms or provisions of the Agreement or any amendment hereto.
- b) Each work authorization shall comprise a detailed statement of the purpose, objective, or goals to be undertaken by the Vendor, the job classification or approximate skill level or sets of the personnel required, an identification of all significant material then known to be developed by the Vendor's personnel as a Deliverable, an identification of all significant materials to be delivered by the State to the Vendor's personnel, an estimated time schedule for the provision of the Services by the Vendor, completion criteria for the work to be performed, the name or identification of Vendor's personnel to be assigned, the Vendor's estimated work hours required to accomplish the purpose, objective or goals, the Vendor's billing rates and units billed, and the Vendor's total estimated cost of the work authorization.
- c) All work authorizations must be submitted for review and approval by the procurement office that approved the original Contract and procurement. This submission and approval must be completed prior to execution of any work authorization documentation or performance thereunder. All work authorizations must be written and signed by the Vendor and the State prior to beginning work.
- d) The State has the right to require the Vendor to stop or suspend performance under the "Stop Work" provision of the North Carolina Department of Information Technology Terms and Conditions.
- e) The Vendor shall not expend Personnel resources at any cost to the State in excess of the estimated work hours unless this procedure is followed: If, during performance of the work, the Vendor determines that a work authorization to be performed under the Agreement cannot be accomplished within the estimated work hours, the Vendor will be required to complete the work authorization in full. Upon receipt of such notification, the State may:
 - a. Authorize the Vendor to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the work authorization, or
 - b. Terminate the work authorization, or
 - c. Alter the scope of the work authorization in order to define tasks that can be accomplished within the remaining estimated work hours.

- d. The State will notify the Vendor in writing of its election within seven (7) calendar days after receipt of the Vendor's notification. If notice of the election is given to proceed, the Vendor may expend the estimated additional work hours or Services.

41) STOP WORK ORDER The State may issue a written Stop Work Order to Vendor for cause at any time requiring Vendor to suspend or stop all, or any part, of the performance due under the Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to the Vendor. The ninety (90) day period may be extended for any further period for which the parties may agree.

- a) The Stop Work Order shall be specifically identified as such and shall indicate that it is issued under this term. Upon receipt of the Stop Work Order, the Vendor shall immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work suspension or stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Vendor, or within any extension of that period to which the parties agree, the State shall either:
 - i) Cancel the Stop Work Order, or
 - ii) Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clause of the Agreement.
- b) If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, the Vendor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the Agreement price, or both, and the Agreement shall be modified, in writing, accordingly, if:
 - i) The Stop Work Order results in an increase in the time required for, or in the Vendor's cost properly allocable to the performance of any part of the Agreement, and
 - ii) The Vendor asserts its right to an equitable adjustment within thirty (30) days after the end of the period of work stoppage; provided that if the State decides the facts justify the action, the State may receive and act upon an offer submitted at any time before final payment under the Agreement.
- c) If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the provision entitled Termination for Convenience of the State, the State shall allow reasonable direct costs resulting from the Stop Work Order in arriving at the termination settlement.
- d) The State shall not be liable to the Vendor for loss of profits because of a Stop Work Order issued under this term.

42) TRANSITION ASSISTANCE

- a) The Transition Phase will begin at the start of the final Contract Year and last until the Contract is terminated, expires, or the EBT Program responsibilities are transitioned from the incumbent vendor to a new awarded vendor. The Vendor shall be required to submit a transition plan, which must document how the Vendor will transition responsibility in the following three (3) instances: (1) transition from the existing, incumbent vendor to the Vendor awarded this Contract; (2) transition from the Vendor awarded this Contract to DHHS or its designee in the event of Contract termination or expiration; and (3) transition from the Vendor awarded this Contract to a new awarded vendor ("Transition Events").
- b) At the initiation of the Transition Phase, the Vendor and DHHS will meet to review the transition plan and update the plan as needed. DHHS shall approve any updates.
- c) If the final Contract Year is extended, the Transition Phase will continue. The Vendor's responsibility to review and update the transition plan, as needed, each subsequent Contract Year will also continue.

- d) In the event a Transition Event occurs and the Contract expires or is terminated, the Vendor shall provide for up to twelve (12) months, all reasonable Transition Assistance requested by DHHS, to allow for services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to DHHS or its designees or a new, awarded Vendor. Such Transition Assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding Contract termination or expiration) except for those Contract terms or conditions that do not reasonably apply to such Transition Assistance.
- e) The Vendor and DHHS will be required to perform the following Transition Assistance tasks:
- i. DHHS will pay the Vendor for any resources utilized in performing such Transition Assistance at the most current rates provided by the Contract for Contract performance. If DHHS terminates this Contract for cause, then DHHS will be entitled to offset the cost of paying the Vendor for the additional resources the Vendor utilized in providing Transition Assistance with any damages DHHS may have otherwise accrued as a result of said termination.
 - ii. As part of Transition Assistance, the Vendor shall deliver to DHHS a backup of all Confidential Information/State Data collected, stored and maintained by the System during the term of this Contract. The Confidential Information/State Data shall be delivered on or before the last day of the Contract period in an agreed upon usable format, unless an alternate date is approved in writing by DHHS. At the request of DHHS, the Vendor shall be required to provide technical support for the purpose of assuring the format and contents of the Confidential Information/State Data delivered meet the needs of DHHS.
 - iii. The Vendor will also be available to DHHS to answer questions following documentation to DHHS, at no cost to DHHS.
 1. Data model diagram of all the System tables and data bases;
 2. Data dictionaries for all tables/data bases; and
 3. Related reference files and coding guides; and
 4. TASD (if applicable)
 - iv. In the event Confidential Information/State Data is returned to DHHS, such Confidential Information/State Data will be provided in a format mutually agreed to by the Parties. The Vendor will also provide DHHS with a full backup of all Confidential Information/State Data that has been entered into the System in the form of a standard back up file (e.g. SQL Server backup file).
 - v. The Vendor acknowledges and agrees that any Confidential Information/State Data provided by or for DHHS remains the property of the State and may not be marketed or sold by the Vendor without the express written consent of DHHS during the term of the Contract, during the retention period, and at any time after the Contract has terminated or expired, while the Vendor stores the Confidential Information/State Data.
 - vi. In the event Transition Assistance becomes necessary, the Vendor will certify its compliance with DHHS, State and federal data retention requirements, which may require that the Vendor retain some Confidential Information/State Data after the Contract is terminated, is not renewed or expires. At the specific request of DHHS, the Vendor will destroy or purge any Confidential Information/State Data provided by or for DHHS during the Contract from all Vendor databases, electronic files, or paper files (including backups) at the end of any data retention period specified by DHHS. This purge should only occur

following DHHS's confirmation that the Confidential Information/State Data has been delivered and received in a usable, archivable format. When DHHS informs the Vendor that it can purge all Confidential Information/State Data within its infrastructure, in electronic or paper media, including a hosting provider (if applicable), the Vendor will be required to certify in writing that all Confidential Information/State Data referenced above has been destroyed or purged.

- vii. Until the Vendor has certified the completion of the data destruction or purge, the Vendor will continue to comply with all data security sections within this Contract, even after the Contract has terminated or expired.
- viii. The State at its option, may purchase additional Transition Services as may be agreed upon in a written amendment or supplemental agreement.

SECTION 2: TERMS AND CONDITIONS APPLICABLE TO SOFTWARE AS A SERVICE (SAAS) SOLUTIONS

1) DEFINITIONS:

- a) "Data" includes and means information, formulae, algorithms, or other content that the State, the State's employees, agents and end users upload, create or modify using the Services pursuant to this Agreement. Data also includes user identification information and metadata which may contain Data or from which the State's Data may be ascertainable.
- b) "Support" includes provision of ongoing updates and maintenance for the Vendor online software applications, and as may be specified herein, consulting, training and other support Services as provided by the Vendor for SaaS tenants receiving similar SaaS Services.

2) ACCESS AND USE OF SAAS SERVICES:

- a) The Vendor grants the State a personal non-transferable and non-exclusive right to use and access, all Services and other functionalities or services provided, furnished or accessible under this Agreement. The State may utilize the Services as agreed herein and in accordance with any mutually agreed Acceptable Use Policy. The State is authorized to access State Data and any Vendor-provided data as specified herein and to transmit revisions, updates, deletions, enhancements, or modifications to the State Data. This shall include the right of the State to, and access to, Support without the Vendor requiring a separate maintenance or support agreement. Subject to an agreed limitation on the number of users, the State may use the Services with any computer, computer system, server, or desktop workstation owned or utilized by the State or other authorized users. User access to the Services shall be routinely provided by the Vendor and may be subject to a more specific Service Level Agreement (SLA) agreed to in writing by the parties. The State shall notify the Vendor of any unauthorized use of any password or account, or any other known or suspected breach of security access. The State also agrees to refrain from taking any steps, such as reverse engineering, reverse assembly or reverse compilation to derive a source code equivalent to the Services or any portion thereof. Use of the Services to perform services for commercial third parties (so-called "service bureau" uses) is not permitted, but the State may utilize the Services to perform its governmental functions. If the Services fees are based upon the number of Users and/or hosted instances, the number of Users/hosted instances available may be adjusted at any time (subject to the restrictions on the maximum number of Users specified in the Furnish and Deliver Table herein above) by mutual agreement and State Procurement approval. All Services and information designated as "confidential" or "proprietary" shall be kept in confidence except as may be required by the North Carolina Public Records Act: N.C.G.S. § 132-1, *et. seq.*
- b) The State's access license for the Services and its associated services neither transfers, vests, nor infers any title or other ownership right in any intellectual property rights of the Vendor or any third party,

nor does this license transfer, vest, or infer any title or other ownership right in any source code associated with the Services unless otherwise agreed to by the parties. The provisions of this paragraph will not be construed as a sale of any ownership rights in the Services. Any Services or technical and business information owned by Vendor or its suppliers or licensors made accessible or furnished to the State shall be and remain the property of the Vendor or such other party, respectively. Vendor has a limited, non-exclusive license to access and use the State Data as provided to Vendor, but solely for performing its obligations under this Agreement and in confidence as provided herein.

c) The Vendor or its suppliers shall at minimum, and except as otherwise agreed, provide telephone assistance to the State for all Services procured hereunder during the State's normal business hours (unless different hours are specified herein). The Vendor warrants that its Support and customer service and assistance will be performed in accordance with generally accepted industry standards. The State has the right to receive the benefit of upgrades, updates, maintenance releases or other enhancements or modifications made generally available to the Vendor's SaaS tenants for similar Services. The Vendor's right to a new use agreement for new version releases of the Services shall not be abridged by the foregoing. The Vendor may, at no additional charge, modify the Services to improve operation and reliability or to meet legal requirements.

- d) The Vendor will provide to the State the same Services for updating, maintaining and continuing optimal performance for the Services as provided to other similarly situated users or tenants of the Services, but minimally as provided for and specified herein. Unless otherwise agreed in writing, Support will also be provided for any other (e.g., third party) software provided by the Vendor in connection with the Vendor's solution herein. The technical and professional activities required for establishing, managing, and maintaining the Services environment are the responsibilities of the Vendor. Any training specified herein will be provided by the Vendor to certain State users for the fees or costs as set forth herein or in an SLA.
- e) Services provided pursuant to this Solicitation may, in some circumstances, be accompanied by a user clickwrap agreement. The term clickwrap agreement refers to an agreement that requires the end user to manifest his or her assent to terms and conditions by clicking an "ok" or "agree" button on a dialog box or pop-up window as part of the process of access to the Services. All terms and conditions of any clickwrap agreement provided with any Services solicited herein shall have no force and effect and shall be non-binding on the State, its employees, agents, and other authorized users of the Services.
- f) The Vendor may utilize partners and/or subcontractors to assist in the provision of the Services, so long as the State Data is not removed from the United States unless the terms of storage of the State Data are clearly disclosed, the security provisions referenced herein can still be complied with, and such removal is done with the prior express written permission of the State. The Vendor shall identify all of its strategic business partners related to Services provided under this contract including, but not limited to, all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the Vendor, who will be involved in any application development and/or operations.
- g) The Vendor warrants that all Services will be performed with professional care and skill, in a workmanlike manner and in accordance with the Services documentation and this Agreement.
- h) An SLA or other agreed writing shall contain provisions for scalability of Services and any variation in fees or costs as a result of any such scaling.
- i) Professional services provided by the Vendor at the request by the State in writing in addition to agreed Services shall be at the then-existing Vendor hourly rates when provided, unless otherwise agreed in writing by the parties.

3) WARRANTY OF NON-INFRINGEMENT:

- a) The Vendor warrants to the best of its knowledge that:
 - i) The Services do not infringe any intellectual property rights of any third party; and
 - ii) There are no actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party.
- b) Reserved.
- c) Reserved.
- d) Reserved.

4) ACCESS AVAILABILITY; REMEDIES:

- a) The Vendor warrants that the Services will be in good working order, and operating in conformance with Vendor's standard specifications and functions as well as any other specifications agreed to by the parties in writing, and shall remain accessible 24/7, with the exception of scheduled outages for maintenance and of other service level provisions agreed in writing, e.g., in an SLA. The Vendor does not warrant that the operation of the Services will be completely uninterrupted or error free, or that the Services functions will meet all the State's requirements unless developed as Customized Services.
- b) The State shall notify the Vendor if the Services are not in good working order or inaccessible during the term of the Agreement. The Vendor shall, at its option, either repair, replace or reperform any Services reported or discovered as not being in good working order and accessible during the applicable contract term without cost to the State. If the Services' monthly availability averages less than 99.9% (excluding agreed-upon maintenance downtime), the State shall be entitled to receive automatic credits as indicated immediately below, or the State may use other contractual remedies such as recovery of damages, as set forth herein in writing, e.g., in Specifications, Special Terms or in an SLA, and as such other contractual damages are limited by N.C.G.S. § 143B-1350(h1) and Paragraph 7) Limitation of Liability, herein below. If not otherwise provided, the automatic remedies for non-availability of the Subscription Services during a month are:
 - 1. A 10% service credit applied against future fees if Vendor does not reach 99.9% availability.
 - 2. A 25% service credit applied against future fees if Vendor does not reach 99% availability.
 - 3. A 50% service credit applied against future fees or eligibility for early termination of the Agreement if Vendor does not reach 95% availability.

If, however, Services meet the 99.9% service availability level for a month but are not available for a consecutive 120 minutes during that month, the Vendor shall grant to the State a credit of a pro-rated one-day of the monthly subscription Services fee against future Services charges. Such credit(s) shall be applied to the bill immediately following the month in which the Vendor failed to meet the performance requirements or other service levels, and the credit will continue to be deducted from the monthly invoice for each prior month that Vendor fails to meet the support response times for the remainder of the duration of the Agreement. If Services monthly availability averages less than 99.9% (excluding agreed-upon maintenance downtime), for three (3) or more months in a rolling twelve-month period, the State may also terminate the contract for material breach in accordance with the Default provisions hereinbelow.

- c) Support Services. If the Vendor fails to meet Support Service response times as set forth herein or in an SLA for a period of three (3) consecutive months, a 10% service credit will be deducted from the invoice in the month immediately following the third month, and the 10% service credit will continue to be deducted from the monthly invoice for each month that the Vendor fails to meet the support response times for the remainder of the duration of the Agreement.

5) EXCLUSIONS:

- a) Except as stated above in Paragraphs 3 and 4, Vendor and its parent, subsidiaries and affiliates, subcontractors and suppliers make no warranties, express or implied, as to the Services.
- b) The warranties provided in Paragraphs 3 and 4 above do not cover repair for damages, malfunctions or service failures substantially caused by:
 - i) Actions of non-Vendor personnel;
 - ii) Failure to follow Vendor's written instructions relating to the Services provided to the State; or
 - iii) Force Majeure conditions set forth hereinbelow.
 - iv) The State's sole misuse of, or its own inability to use, the Services.

6) PERFORMANCE REVIEW AND ACCOUNTABILITY: N.C.G.S. § 143B-1340(f) and 09 NCAC 06B.1207 require provisions for performance review and accountability in State IT contracts. For this procurement, these shall include the holding a retainage of ten percent (10%) of the contract value and withholding the final payment contingent on final acceptance by the State as provided in 09 NCAC 06B.1207(3) and (4), unless waived or otherwise agreed, in writing. The Services herein will be provided consistent with and under these Services performance review and accountability guarantees.

7) LIMITATION OF LIABILITY: Limitation of Vendor's Contract Damages Liability: Reserved.

8) VENDOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY: Reserved.

9) MODIFICATION OF SERVICES: If Vendor modifies or replaces the Services provided to the State and other tenants, and if the State has paid all applicable Subscription Fees, the State shall be entitled to receive, at

no additional charge, access to a newer version of the Services that supports substantially the same functionality as the then accessible version of the Services. Newer versions of the Services containing substantially increased functionality may be made available to the State for an additional subscription fee. In the event of either of such modifications, the then accessible version of the Services shall remain fully available to the State until the newer version is provided to the State and accepted. If a modification materially affects the functionality of the Services as used by the State, the State, at its sole option, may defer such modification.

10) TRANSITION PERIOD: Reserved.

11) TRANSPORTATION: Transportation charges for any Deliverable sent to the State other than electronically or by download shall be FOB Destination unless delivered by internet or file-transfer as agreed by the State, or otherwise specified in the solicitation document or purchase order.

12) TRAVEL EXPENSES: Reserved.

13) PROHIBITION AGAINST CONTINGENT FEES AND GRATUITIES: Reserved.

14) AVAILABILITY OF FUNDS: Reserved.

15) PAYMENT TERMS (Applicable to SaaS only):

- a) Payment may be made by the State in advance of or in anticipation of subscription Services to be actually performed under the Agreement or upon proper invoice for other Services rendered. Payment terms are Net 30 days after receipt of correct invoice. Initial payments are to be made after final acceptance of the Services. Payments are subject to any retainage requirements herein. The Purchasing State Agency is responsible for all payments under the Agreement. Subscription fees for term years after the initial year shall be as quoted under State options herein but shall not increase more than five percent (5%) over the prior term, except as the parties may have agreed to an alternate formula to determine such increases in writing. No additional charges to the State will be permitted based upon, or arising from, the State's use of a Business Procurement Card. The State may exercise any and all rights of Set Off as permitted in Chapter 105A-1 *et seq.* of the N.C. General Statutes and applicable Administrative Rules.
- b) Upon the Vendor's written request of not less than thirty (30) days and approval by the State, the State may:
 - i) Forward the Vendor's payment check(s) directly to any person or entity designated by the Vendor or
 - ii) Include any person or entity designated in writing by Vendor as a joint payee on the Vendor's payment check(s), however,
 - iii) In no event shall such approval and action obligate the State to anyone other than the Vendor and the Vendor shall remain responsible for fulfillment of all Agreement obligations.
- c) For any third party software licensed by the Vendor or its subcontractors for use by the State, a copy of the software license including terms acceptable to the State, an assignment acceptable to the State, and documentation of license fees paid by the Vendor must be provided to the State before any related license fees or costs may be billed to the State.
- d) An undisputed invoice is an invoice for which the State and/or the Purchasing State Agency has not disputed in writing within thirty (30) days from the invoice date, unless the agency requests more time for review of the invoice. Upon the Vendor's receipt of a disputed invoice notice, the Vendor will work to correct the applicable invoice error, provided that such dispute notice shall not relieve the State or the applicable Purchasing State Agency from its payment obligations for the undisputed items on the invoice or for any disputed items that are ultimately corrected. The Purchasing State Agency is not required to pay the Vendor for any Software or Services provided without a written purchase order from the appropriate Purchasing State Agency. In addition, all such Services provided must meet all terms, conditions, and specifications of this Agreement and purchase order and be accepted as satisfactory by the Purchasing State Agency before payment will be issued.
- e) The Purchasing State Agency shall release any amounts held as retainages for Services completed within a reasonable period after the end of the period(s) or term(s) for which the retainage was withheld. Payment retainage shall apply to all invoiced items, excepting only such items as the Vendor obtains from Third Parties and for which costs are chargeable to the State by agreement of the Parties. The Purchasing State Agency, in its sole discretion, may release retainages withheld from any invoice upon acceptance of the Services identified or associated with such invoices.

16) ACCEPTANCE CRITERIA (Applicable to SaaS only):

- a) Initial acceptance testing is required for all Vendor supplied Services before going live, unless provided otherwise in the solicitation documents or a Statement of Work. The State may define such processes and procedures as may be necessary or proper, in its opinion and discretion, to ensure compliance with the State's specifications and Vendor's technical representations. Acceptance of Services may be controlled by additional written terms as agreed by the parties.
- b) After initial acceptance of Services, the State shall have the obligation to notify Vendor, in writing and within ten (10) days following provision of any Deliverable described in the contract if it is not acceptable. The notice shall specify in reasonable detail the reason(s) a Deliverable is unacceptable. Acceptance by the State of any Vendor re-performance or correction shall not be unreasonably withheld but may be conditioned or delayed as required for confirmation by the State that the issue(s) in the notice have been successfully corrected.

17) CONFIDENTIALITY: Reserved.

18) SECURITY OF STATE DATA:

- a) All materials, including software, Data, information and documentation provided by the State to the Vendor (State Data) during the performance or provision of Services hereunder are the property of the State of North Carolina and must be kept secure and returned to the State. The Vendor will protect State Data in its hands from unauthorized disclosure, loss, damage, destruction by natural event, or other eventuality. Proprietary Vendor materials shall be identified to the State by the Vendor prior to use or provision of Services hereunder and shall remain the property of the Vendor. Derivative works of any Vendor proprietary materials prepared or created during the performance of provision of Services hereunder shall be provided to the State as part of the Services. The Vendor shall not access State User accounts, or State Data, except (i) during data center operations; (ii) in response to service or technical issues; (iii) as required by the express terms of this contract; or (iv) at the State's written request. The Vendor shall protect the confidentiality of all information, Data, instruments, studies, reports, records and other materials provided to it by the State or maintained or created in accordance with this Agreement. No such information, Data, instruments, studies, reports, records and other materials in the possession of Vendor shall be disclosed in any form without the prior written agreement with the State. The Vendor will have written policies governing access to and duplication and dissemination of all such information, Data, instruments, studies, reports, records and other materials.
- b) The Vendor shall not store or transfer non-public State data outside of the United States. This includes backup data and Disaster Recovery locations. The Service Provider will permit its personnel and contractors to access State of North Carolina data remotely only as required to provide technical support.
- c) Protection of personal privacy and sensitive data. The Vendor acknowledges its responsibility for securing any restricted or highly restricted data, as defined by the Statewide Data Classification and Handling Policy (<https://it.nc.gov/document/statewide-data-classification-and-handling-policy>) that is collected by the State and stored in any Vendor site or other Vendor housing systems including, but not limited to, computer systems, networks, servers, or databases, maintained by Vendor or its agents or subcontractors in connection with the provision of the Services. The Vendor warrants, at its sole cost and expense, that it shall implement processes and maintain the security of data classified as restricted or highly restricted; provide reasonable care and efforts to detect fraudulent activity involving the data; and promptly notify the State of any breaches of security within twenty-four (24) hours of confirmation as required by N.C.G.S. § 143B-1379.
- d) The Vendor will provide and maintain secure backup of the State Data. The Vendor shall implement and maintain secure passwords for its online system providing the Services, as well as all appropriate administrative, physical, technical and procedural safeguards at all times during the term of this Agreement to secure such Data from Data Breach, protect the Data and the Services from loss, corruption, unauthorized disclosure, and the introduction of viruses, disabling devices, malware and other forms of malicious or inadvertent acts that can disrupt the State's access to its Data and the Services. The Vendor will allow periodic back-up of State Data by the State to the State's infrastructure as the State requires or as may be provided by law.
- e) The Vendor shall certify to the State:
 - i) The sufficiency of its security standards, tools, technologies and procedures in providing Services under this Agreement;

- ii) That the system used to provide the Subscription Services under this Contract has and will maintain a valid third party security certification not to exceed one (1) year and is consistent with the data classification level and a security controls appropriate for low or moderate information system(s) per the National Institute of Standards and Technology NIST 800-53 revision 5. The State reserves the right to independently evaluate, audit, and verify such requirements.
- iii) That the Services will comply with the following:
 - (1) Any DIT security policy regarding Cloud Computing, and the DIT Statewide Information Security Policy Manual; to include encryption requirements as defined below:
 - (a) The Vendor shall encrypt all non-public data in transit regardless of the transit mechanism.
 - (b) For engagements where the Vendor stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are social security number, date of birth, driver's license number, financial data, federal/state tax information, and hashed passwords. The Vendor's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2, Security Requirements. The key location and other key management details will be discussed and negotiated by both parties. When the Service Provider cannot offer encryption at rest, it must maintain, for the duration of the contract, cyber security liability insurance coverage for any loss resulting from a data breach. Additionally, where encryption of data at rest is not possible, the Vendor must describe existing security measures that provide a similar level of protection;
 - (2) Privacy provisions of the Federal Privacy Act of 1974;
 - (3) The North Carolina Identity Theft Protection Act, N.C.G.S. Chapter 75, Article 2A (e.g., N.C.G.S. § 75-65 and -66);
 - (4) The North Carolina Public Records Act, N.C.G.S. Chapter 132;
 - (5) Applicable Federal, State and industry standards and guidelines including, but not limited to, relevant security provisions of the Payment Card Industry (PCI) Data Security Standard (PCIDSS) including the PCIDSS Cloud Computing Guidelines, Criminal Justice Information, The Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPAA); and
 - (6) Any requirements implemented by the State under N.C.G.S. §§ 143B-1376 and -1377.
- f) Security Breach. "Security Breach" under the NC Identity Theft Protection Act (N.C.G.S. § 75-60ff) means (1) any circumstance pursuant to which applicable Law requires notification of such breach to be given to affected parties or other activity in response to such circumstance (e.g., N.C.G.S. § 75-65); or (2) any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance that compromises, or could reasonably be expected to compromise, either Physical Security or Systems Security (as such terms are defined below) in a fashion that either does or could reasonably be expected to permit unauthorized Processing (as defined below), use, disclosure or acquisition of or access to any the State Data or state confidential information. "Physical Security" means physical security at any site or other location housing systems maintained by Vendor or its agents or subcontractors in connection with the Services. "Systems Security" means security of computer, electronic or telecommunications systems of any variety (including data bases, hardware, software, storage, switching and interconnection devices and mechanisms), and networks of which such systems are a part or communicate with, used directly or indirectly by Vendor or its agents or subcontractors in connection with the Services. "Processing" means any operation or set of operations performed upon the State Data or State confidential information, whether by automatic means, such as creating, collecting, procuring, obtaining, accessing, recording, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing or destroying.
- g) Breach Notification. In the event the Vendor becomes aware of any Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Agreement, the Vendor shall, at its own expense, (1) immediately notify the State's Agreement Administrator of such Security Breach and perform a root cause analysis thereon; (2) investigate such Security Breach; (3) provide a remediation plan, acceptable to the State, to address the Security Breach and prevent any further incidents; (4) conduct a forensic investigation to determine what systems, data and information have been affected by such event; and (5) cooperate with the State, and any law enforcement or regulatory officials, credit reporting

companies, and credit card associations investigating such Security Breach. The State shall make the final decision on notifying the State's persons, entities, employees, service providers and/or the public of such Security Breach, and the implementation of the remediation plan. If a notification to a customer is required under any Law or pursuant to any of the State's privacy or security policies, then notifications to all persons and entities who are affected by the same event (as reasonably determined by the State) shall be considered legally required.

- h) Notification Related Costs. The Vendor shall reimburse the State for all Notification Related Costs incurred by the State arising out of or in connection with any such Security Breach due to Vendor acts or omissions other than in accordance with the terms of the Agreement resulting in a requirement for legally required notifications. "Notification Related Costs" shall include the State's internal and external costs associated with addressing and responding to the Security Breach including, but not limited to, (1) preparation and mailing or other transmission of legally required notifications; (2) preparation and mailing or other transmission of such other communications to customers, agents or others as the State deems reasonably appropriate; (3) establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs, talking points and training); (4) public relations and other similar crisis management services; (5) legal and accounting fees and expenses associated with the State's investigation of and response to such event; and (6) costs for credit reporting services that are associated with legally required notifications or are advisable, in the State's opinion, under the circumstances. If the Vendor becomes aware of any Security Breach which is not due to Vendor acts or omissions other than in accordance with the terms of the Agreement, the Vendor shall immediately notify the State of such Security Breach, and the parties shall reasonably cooperate regarding which of the foregoing or other activities may be appropriate under the circumstances, including any applicable Charges for the same.
- i) The Vendor shall allow the State reasonable access to Services security logs, latency statistics, and other related Services security data that affect this Agreement and the State's Data, at no cost to the State.
- j) In the course of normal operations, it may become necessary for the Vendor to copy or move Data to another storage destination on its online system, and delete the Data found in the original location. In any such event, the Vendor shall preserve and maintain the content and integrity of the Data, except by prior written notice to, and prior written approval by, the State.
- k) Remote access to Data from outside the continental United States including, without limitation, remote access to Data by authorized Services support staff in identified support centers, is prohibited unless approved in advance by the State Chief Information Officer or the Using Agency.
- l) In the event of temporary loss of access to Services, the Vendor shall promptly restore continuity of Services, restore Data in accordance with this Agreement and as may be set forth in an SLA, restore accessibility of Data and the Services to meet the performance requirements stated herein or in an SLA. As a result, Service Level remedies will become available to the State as provided herein, in the SLA or other agreed and relevant documents. Failure to promptly remedy any such temporary loss of access may result in the State exercising its options for assessing damages under this Agreement.
- m) In the event of disaster or catastrophic failure that results in significant State Data loss or extended loss of access to Data or Services, the Vendor shall notify the State by the fastest means available and in writing, with additional notification provided to the State Chief Information Officer or designee of the contracting agency. Vendor shall provide such notification within twenty-four (24) hours after Vendor reasonably believes there has been such a disaster or catastrophic failure. In the notification, Vendor shall inform the State of:
 - (1) The scale and quantity of the State Data loss;
 - (2) What Vendor has done or will do to recover the State Data from backups and mitigate any deleterious effect of the State Data and Services loss; and
 - (3) What corrective action Vendor has taken or will take to prevent future State Data and Services loss.
 - (4) If Vendor fails to respond immediately and remedy the failure, the State may exercise its options for assessing damages or other remedies under this Agreement.

The Vendor shall investigate the disaster or catastrophic failure and shall share the report of the investigation with the State. The State and/or its authorized agents shall have the right to lead (if required

by law) or participate in the investigation. The Vendor shall cooperate fully with the State, its agents and law enforcement.

- n) In the event of termination of this contract, cessation of business by the Vendor or other event preventing the Vendor from continuing to provide the Services, the Vendor shall not withhold the State Data or any other State confidential information or refuse, for any reason, to promptly return to the State the State Data and any other State confidential information (including copies thereof) if requested to do so on such media as reasonably requested by the State, even if the State is then or is alleged to be in breach of the Agreement. As a part of the Vendor's obligation to provide the State Data pursuant to this Paragraph 18) n), the Vendor will also provide the State any data maps, documentation, software, or other materials necessary, including, without limitation, handwritten notes, materials, working papers or documentation, for the State to use, translate, interpret, extract and convert the State Data.
- o) Secure Data Disposal. When requested by the State, the Vendor shall destroy all requested data in all of its forms (e.g., disk, CD/DVD, backup tape, and paper). Data shall be permanently deleted and shall not be recoverable, in accordance with National Institute of Standards and Technology (NIST) approved methods, and certificates of destruction shall be provided to the State.

Section 3: Terms and Conditions Applicable to Personnel and Personal Services

- 1) **VENDOR'S REPRESENTATION:** Vendor warrants that qualified personnel will provide Services in a professional manner. "Professional manner" means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the information technology industry. Vendor agrees that it will not enter any agreement with a third party that might abridge any rights of the State under the Agreement. Vendor will serve as the prime Vendor under the Agreement. Should the State approve any subcontractor(s), the Vendor shall be legally responsible for the performance and payment of the subcontractor(s). Names of any third party Vendors or subcontractors of Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor's obligations hereunder. Such third party subcontractors, if approved, may serve as subcontractors to Vendor. Vendor will retain executive representation for functional and technical expertise as needed in order to incorporate any work by third party subcontractor(s).
 - a) Intellectual Property. Vendor represents that it has the right to provide the Services and other Deliverables without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party. Vendor also represents that its Services and other Deliverables are not the subject of any actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party.
 - b) Inherent Services. If any Services or other Deliverables, functions, or responsibilities not specifically described in the Agreement are required for Vendor's proper performance, provision and delivery of the Services and other Deliverables pursuant to the Agreement, or are an inherent part of or necessary sub-task included within the Services, they will be deemed to be implied by and included within the scope of the Contract to the same extent and in the same manner as if specifically described in the Contract.
 - c) Vendor warrants that it has the financial capacity to perform and to continue to perform its obligations under the Contract; that Vendor has no constructive or actual knowledge of an actual or potential legal proceeding being brought against Vendor that could materially adversely affect performance of the Agreement; and that entering into the Agreement is not prohibited by any Contract, or order by any court of competent jurisdiction.
- 2) **SERVICES PROVIDED BY VENDOR:** Vendor shall provide the State with implementation Services as specified in a Statement of Work ("SOW") executed by the parties. This Agreement in combination with each SOW individually comprises a separate and independent contractual obligation from any other SOW. A breach by Vendor under one SOW will not be considered a breach under any other SOW. The Services intended hereunder are related to the State's implementation and/or use of one or more Software Deliverables licensed hereunder or in a separate software license agreement between the parties ("License Agreement"). (Reserve if not needed)

- 3) **PERSONNEL**: Vendor shall not substitute key personnel assigned to the performance of the Agreement without prior written approval by the Agency Contract Administrator. The individuals designated as key personnel for purposes of the Agreement are those specified in the Vendor's offer. Any desired substitution shall be noticed to the Agency's Contract Administrator in writing accompanied by the names and references of Vendor's recommended substitute personnel. The Agency will approve or disapprove the requested substitution in a timely manner. The Agency may, in its sole discretion, terminate the Services of any person providing Services under the Agreement. Upon such termination, the Agency may request acceptable substitute personnel or terminate the Contract Services provided by such personnel.
- a) Unless otherwise expressly provided in the Contract, Vendor will furnish all of its own necessary management, supervision, labor, facilities, furniture, computer and telecommunications equipment, software, supplies and materials necessary for the Vendor to provide and deliver the Services and other Deliverables.
 - b) Vendor personnel shall perform their duties on the premises of the State, during the State's regular work days and normal work hours, except as may be specifically agreed otherwise, established in the specification, or statement of work.
 - c) The Agreement shall not prevent Vendor or any of its personnel supplied under the Agreement from performing similar Services elsewhere or restrict Vendor from using the personnel provided to the State, provided that:
 - i) Such use does not conflict with the terms, specifications or any amendments to the Agreement, or
 - ii) Such use does not conflict with any procurement law, regulation or policy, or
 - iii) Such use does not conflict with any non-disclosure agreement, or term thereof, by and between the State and Vendor or Vendor's personnel.
 - d) Unless otherwise provided by the Agency, the Vendor shall furnish all necessary personnel, Services, and otherwise perform all acts, duties and responsibilities necessary or incidental to the accomplishment of the tasks specified in the Agreement. The Vendor shall be legally and financially responsible for its personnel including, but not limited to, any deductions for social security and other withholding taxes required by state or federal law. The Vendor shall be solely responsible for acquiring any equipment, furniture, and office space not furnished by the State necessary for the Vendor to comply with the Agreement. The Vendor personnel shall comply with any applicable State facilities or other security rules and regulations
- 4) **PERSONAL SERVICES**: The State shall have and retain the right to obtain personal Services of any individuals providing Services under the Agreement. This right may be exercised at the State's discretion in the event of any transfer of the person providing personal Services, termination, default, merger, acquisition, bankruptcy or receivership of the Vendor to ensure continuity of Services provided under the Agreement. Provided, however, that the Agency shall not retain or solicit any Vendor employee for purposes other than completion of personal Services due as all or part of any performance due under the Agreement.
- a. Vendor personnel shall perform any duties on the premises of the State during the State's regular work days and normal work hours, except as may be specifically agreed otherwise, established in the specification, or statement of work.
 - b. The State has and reserves the right to disapprove the continuing assignment of Vendor personnel provided by Vendor under the Agreement. If this right is exercised and the Vendor is not able to replace the disapproved personnel as required by the State, the parties agree to employ best commercial efforts to informally resolve such failure equitably by adjustment of other duties, set-off, or modification to other terms that may be affected by Vendor's failure.
 - c. Vendor will make every reasonable effort consistent with prevailing business practices to honor the specific requests of the State regarding assignment of Vendor's employees. Vendor reserves the sole right to determine the assignment of its employees. If one of Vendor's employees is unable to perform due to illness, resignation, or other factors beyond Vendor's control, Vendor will provide suitable personnel at no additional cost to the State.

- d. The Agreement shall not prevent Vendor or any of its personnel supplied under the Agreement from performing similar Services elsewhere or restrict Vendor from using the personnel provided to the State, provided that:
 - i. Such use does not conflict with the terms, specifications or any amendments to the Agreement, or
 - ii. Such use does not conflict with any procurement law, regulation or policy, or
 - iii. Such use does not conflict with any non-disclosure agreement, or term thereof, by and between the State and Vendor or Vendor's personnel

ATTACHMENT C: DEPARTMENT OF HEALTH AND HUMAN SERVICES TERMS AND CONDITIONS

(a) Compliance with Applicable Laws

The Vendor shall comply with all electronic storage standards concerning privacy, data protection, confidentiality, and security including those of federal, state, and DHHS having jurisdiction where business services are provided for accessing, receiving, or processing all confidential information.

(b) NC State and Department of Health and Human Services Privacy and Security Requirements

The Vendor shall implement internal data security measures, and other industry security best practices utilizing appropriate hardware and software necessary to monitor, maintain, and ensure data integrity in accordance with all applicable federal regulations, state regulations, DHHS privacy and security policies. The Vendor will maintain all Privacy and security safeguards throughout the term of this agreement. In addition, the Vendor agrees to maintain compliance with the following:

NC DHHS Privacy Manual and Security Manual, both located online at:

<https://policies.ncdhhs.gov/departmental/policies-manuals/section-viii-privacy-and-security>

(c) Health Insurance Portability and Accountability Act (HIPAA)

If the DHHS Division or Office determines that some or all the activities within the scope of this contract are subject to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91, as amended (HIPAA), or its implementing regulations, the Vendor agrees to comply with all HIPAA requirements and will execute such agreements and practices as the Division or Office may require ensuring compliance.

(d) Confidentiality

Confidentiality: The Vendor shall adhere to DHHS privacy and security policies, as well as those in the federal regulations including: the Privacy Rule at 45 C.F.R. Parts 160 and 164, subparts A and E, Security Standards at 45 C.F.R. Parts 160, 162 and 164, subparts A and C (“the Security Rule”), and the applicable provisions of the Health Information Technology for Economic and Clinical Health Act (HITECH)..

Encryption and Transmission: The Vendor will implement strong encryption algorithm that meets industry encryption standard criteria as defined by NIST and HIPAA Security Standards to encrypt all confidential information including protected health information (PHI) and personally identifiable information (PII) while in transit and at rest to ensure data confidentiality and security.

Duty to Report: In addition to any DHHS Privacy and Security Office (PSO) notification requirements in a Business Associate Agreement (BAA) with a DHHS Division or Office or in the North Carolina Department of Information Technology Terms and Conditions, the Vendor shall (1) report all suspected and confirmed privacy/security incidents or privacy/security breaches involving unauthorized access, use, disclosure, modification, or data destruction to the DHHS Privacy and Security Office at <https://www.ncdhhs.gov/about/administrative-divisions-offices/office-privacy-security> within twenty-four (24) hours after the incident is first discovered. (2) If the privacy or security incident involves Social Security Administration (SSA) data or Centers for Medicare and Medicaid Services (CMS) data, the Vendor shall report the incident within one (1) hour after the breach is first discovered. At a minimum, such privacy and security incident report will contain to the extent known: the nature of the incident, specific information about the data compromised, the date the privacy or security incident occurred, the date the Vendor was notified, and the identity of affected or potentially affected individual(s). (3) During the performance of this contract, the Vendor

is to notify the DHHS Privacy and Security Office of any contact by the federal Office for Civil Rights (OCR) received by the contractor. In addition, the Vendor will reasonably cooperate with DHHS Divisions and Offices to mitigate the damage or harm of such security incidents.

Cost Borne by Vendor: If any applicable federal regulations, state regulations, local law, or rules requires the DHHS division/office or the Vendor to give affected persons written notice of a privacy or security breach arising out of the Vendor's performance under this contract, the Vendor shall bear the cost of the notice.

(e) Continuous Monitoring

The Vendor shall maintain compliance with the State Chief Information Officer's (CIO) Continuous Monitoring Process mandate, requiring that Vendors hosting state-owned data outside of NC DIT's infrastructure environment work with state agencies to implement a risk management program that continuously monitors risk through the performance of assessments, risk analysis, and data inventory.

Based upon NIST 800-137, "Information Security Continuous Monitoring (ISCM) for Federal Information Systems and Organizations", the Vendor shall perform security/risk assessments on its information systems using the latest NIST 800-53 controls to assess its compliance with enterprise security standards as outlined below.

Security Assessment:

- 1) Vendors providing Infrastructure as a Service, Platform as a Service and/or Software as a Service for the state agency are required to obtain approval from the DHHS Privacy and Security Office to ensure their compliance with statewide security policies.
- 2) To obtain such approval, the Vendor shall annually provide both a written attestation to its compliance and an industry recognized, third party assessment report, such as the Federal Risk and Authorization Management Program (FedRAMP) certification, SOC 2 Type 2, and ISO 27001. State agencies will be required to review these security assessment reports, assess the risk of each vendor, ensure completion of all findings using a Corrective Action Plan (CAP), and provide an annual certification to the Contractor's compliance to the State CIO.

Risk Analysis -

As a part of the continuous monitoring within DHHS process and in lieu of the security assessment requirements above, the following risk analysis compliance is required:

- 1) The Vendor shall perform a risk analysis, either by using a third-party assessor or by performing a self-analysis, on a three-year cycle (with a third-party analysis mandated every third year).
- 2) The Vendor shall provide a risk analysis for its cloud-hosted providers or off-site hosting service providers.
- 3) The Vendor shall provide all findings identified in this risk analysis to NC DHHS Privacy and Security Office within thirty (30) calendar days of analysis completion, also including a corrective action plan documenting how each finding will be remediated.

The Vendor shall review a Privacy Threshold Analysis (PTA) with the NC DHHS Privacy and Security Office annually and assist with updating the PTA when changes to the data being hosted occur.

DHHS Privacy & Security office may perform periodic independent security assessments of Vendor hosted applications on the public/private/hybrid cloud or On-Prem data centers. The Vendor must provide access to their applications' hosting environment and their key resources to DHHS

designated resources and DHHS engaged vendors to perform a privacy & security risk assessment that includes vulnerability analysis, penetration testing, and risk analysis based on the latest NIST 800-53, Federal, State and DHHS requirements.

(f) Oversight

Access to Persons and Records: Reserved.

Record Retention: Records shall not be destroyed, purged, or disposed of without the express written consent of the DHHS Division or Office. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years. Records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. The record retention period for Temporary Assistance for Needy Families (TANF) and MEDICAID and Medical Assistance grants and programs is a minimum of ten years. The record retention period for the Health Insurance Portability and Accountability Act (HIPAA) is six years. For the Internal Revenue Service (IRS) and the Social Security Administration (SSA), the record retention period is seven years.

(g) Flow-down

In addition to the subcontracting requirements in Paragraph 4) of the NCDIT Terms and Conditions, Attachment B, Section 1: (1) if a sub-contractor is used in the performance of this contract, written approval of the NC DHHS PSO (Privacy and Security Office) is also required; and (2) Vendor must include without modification all the security and privacy terms and conditions in this Attachment C, Department of Health and Human Services Terms and Conditions in each sub-contract.

ATTACHMENT D: DESCRIPTION OF OFFEROR

Provide the information about the offeror.

Offeror's full name	
Offeror's address	
Offeror's telephone number	
Ownership	<input type="checkbox"/> Public <input type="checkbox"/> Partnership <input type="checkbox"/> Subsidiary <input type="checkbox"/> Other (specify)
Date established	
If incorporated, State of incorporation.	
North Carolina Secretary of State Registration Number, if currently registered	
Number of full-time employees on January 1 st for the last three years or for the duration that the Vendor has been in business, whichever is less.	
Offeror's Contact for Clarification of offer: Contact's name Title Email address and Telephone Number	
Offeror's Contact for Negotiation of offer: Contact's name Title Email address and Telephone Number	
If Contract is Awarded, Offeror's Contact for Contractual Issues: Contact's name Title Email address and Telephone Number	
If Contract is Awarded, Offeror's Contact for Technical Issues: Contact's name Title Email address and Telephone Number	

HISTORICALLY UNDERUTILIZED BUSINESSES

Historically Underutilized Businesses (HUBs) consist of minority, women and disabled business firms that are at least fifty-one percent owned and operated by an individual(s) of the categories. Also included as HUBs are disabled business enterprises and non-profit work centers for the blind and severely disabled.”

Pursuant to N.C.G.S. §§ 143B-1361(a), 143-48 and 143-128.4, the State invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled. This includes utilizing subcontractors to perform the required functions in this RFP. Contact the North Carolina Office of historically Underutilized Businesses at 919-807-2330 with questions concerning NC HUB certification. <http://ncadmin.nc.gov/businesses/hub>

Respond to the questions below.

1. Is Vendor a Historically Underutilized Business? Yes No
2. Is Vendor Certified with North Carolina as a Historically Underutilized Business? Yes No

If so, state HUB classification:

ATTACHMENT E: COST FORM

**COST TABLE 1: SNAP, DISASTER-SNAP, PANDEMIC-EBT, AND CASH EBT ACCOUNTS
COST PER CASE MONTH (CPCM)**

Total Active Accounts for Billing Month	CPCM
< 680,000	\$
680,001-685,000	\$
685,001-690,000	\$
690,001-695,000	\$
695,001-700,000	\$
700,001-705,000	\$
705,001-710,000	\$
710,001-715,000	\$
715,001-720,000	\$
720,001-725,000	\$
725,001-730,000	\$
730,001-735,000	\$
735,001-740,000	\$
740,001-745,000	\$
745,001-750,000	\$
750,001-755,000	\$
755,001-760,000	\$
760,001-765,000	\$
765,001-770,000	\$
770,001-775,000	\$
775,001-780,000	\$
780,001-785,000	\$
785,001-790,000	\$
790,001-795,000	\$
795,001-800,000	\$
>800,000	\$

COST TABLE 2: FEES FOR SERVICE COSTS

No.	Service Description	Unit of Measure	Unit Cost
1	Cost for Disaster Cards	Per 5,000	\$
2	Overnight Card Delivery Fees	Per card	\$
3	Calls taken by the Vendor when the State Call Center is Down	Per call	\$
4	Wireless POS Devices for Farmer's Markets	Per POS	\$
5	Direct Deposit of Cash Benefits (including addenda records, as well as child care providers and energy providers)	Per deposit	\$
6	ACH Return and Notice of Change (NOC) Fees	Per return or NOC	\$
7	Change (Phases II and III) *	Hour	\$

*The first 100 hours of EBT System Change costs shall be provided at no cost.

COST TABLE 3: OPTIONAL SERVICES

No.	Optional Service Description	Cost
1		\$
2		\$
3		\$

ATTACHMENT F: VENDOR CERTIFICATION FORM

1) ELIGIBLE VENDOR

The Vendor certifies that in accordance with N.C.G.S. §143-59.1(b), Vendor is not an ineligible vendor as set forth in N.C.G.S. §143-59.1 (a).

The Vendor acknowledges that, to the extent the awarded contract involves the creation, research, investigation or generation of a future RFP or other solicitation; the Vendor will be precluded from bidding on the subsequent RFP or other solicitation and from serving as a subcontractor to an awarded vendor.

The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Vendor, or as a subcontractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP or other solicitation.

2) CONFLICT OF INTEREST

Applicable standards may include: N.C.G.S. §§143B-1352 and 143B-1353, 14-234, and 133-32. The Vendor shall not knowingly employ, during the period of the Agreement, nor in the preparation of any response to this solicitation, any personnel who are, or have been, employed by a Vendor also in the employ of the State and who are providing Services involving, or similar to, the scope and nature of this solicitation or the resulting contract.

3) E-VERIFY

Pursuant to N.C.G.S. § 143B-1350(k), the State shall not enter into a contract unless the awarded Vendor and each of its subcontractors comply with the E-Verify requirements of N.C.G.S. Chapter 64, Article 2. Vendors are directed to review the foregoing laws. Vendors claiming exceptions or exclusions under Chapter 64 must identify the legal basis for such claims and certify compliance with federal law regarding registration of aliens including 8 USC 1373 and 8 USC 1324a. Any awarded Vendor must submit a certification of compliance with E-Verify to the awarding agency, and on a periodic basis thereafter as may be required by the State.

4) CERTIFICATE TO TRANSACT BUSINESS IN NORTH CAROLINA

As a condition of contract award, awarded Vendor shall have registered its business with the North Carolina Secretary of State and shall maintain such registration throughout the term of the Contract.

Signature: _____ Date:

Printed Name: _____ Title:

ATTACHMENT G: LOCATION OF WORKERS UTILIZED BY VENDOR

In accordance with N.C.G.S. §143B-1361(b), Vendor must identify how it intends to utilize resources or workers located outside the U.S., and the countries or cities where such are located. The State will evaluate additional risks, costs, and other factors associated with the Vendor's utilization of resources or workers prior to making an award for any such Vendor's offer. The Vendor shall provide the following:

- a) The location of work to be performed by the Vendor's employees, subcontractors, or other persons, and whether any work will be performed outside the United States. The Vendor shall provide notice of any changes in such work locations if the changes result in performing work outside of the United States.
- b) Any Vendor or subcontractor providing support or maintenance Services for software, call or contact center Services shall disclose the location from which the call or contact center Services are being provided upon request.

Will Vendor perform any work outside of the United States?

YES NO

ATTACHMENT H: REFERENCES

REFERENCES:

The Vendor shall provide three (3) references of customers utilizing the proposed solution fully implemented in a setting similar to this solicitation's scope of work. References within like North Carolina communities / industries are encouraged.

The Vendor should have provided the respective proposed service within the last three (3) years. Customer references whose business processes and data needs are similar to those performed by the Agency needing this solution in terms of functionality, complexity, and transaction volume are encouraged.

For each reference, the Vendor shall provide the following information:

- a. Customer name of a manager in the client organization that is most familiar with the Vendor's performance under the contract.
- b. Customer address.
- c. Current telephone number.
- d. Customer email address.
- e. Time period over which each offered solution implementation was completed.
- f. Brief summary of the offered solution implementation.
- g. List of offered solution products installed and operational.
- h. Number of vendor or technical staff supporting, maintaining and managing the offered solution
- i. Number of end users supported by the offered solution.
- j. Number of sites supported by the offered solution.

The information obtained *will* be considered in the evaluation of the proposal.

ATTACHMENT I: FINANCIAL REVIEW FORM

Vendor shall review the Financial Review Form, provide responses in the gray-shaded boxes, and submit the completed Form as an Excel file with its offer. Vendor shall not add or delete rows or columns in the Form, or change the order of the rows or column in the file.

1. Vendor Name:
2. Company structure for tax purposes (C Corp, S Corp, LLC, LLP, etc.):
3. Have you been in business for more than three years? Yes No
4. Have you filed for bankruptcy in the past three years? Yes No
5. In the past three years, has your auditor issued any notification letters addressing significant issues? If yes, please explain and provide a copy of the notification letters. Yes No
6. Are the financial figures below based on audited financial statements? Yes No
7. Start Date of financial statements:
End Date of financial statements:
8. Provide a link to annual reports with financial statements and management discussion for the past three complete fiscal years:
9. Provide the following information for the past three complete fiscal years:

ATTACHMENT J: FEDERAL CERTIFICATIONS

The undersigned states that:

He or she is the duly authorized representative of the Contractor named below;

He or she is authorized to make, and does hereby make, the following certifications on behalf of the Contractor, as set out herein:

- The Certification Regarding Nondiscrimination;
- The Certification Regarding Drug-Free Workplace Requirements;
- The Certification Regarding Environmental Tobacco Smoke;
- The Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions;
- and
- The Certification Regarding Lobbying;

He or she has completed the Certification Regarding Drug-Free Workplace Requirements by providing the addresses at which the contract work will be performed;

[Check the applicable statement]

He or she **has completed** the attached **Disclosure Of Lobbying Activities** because the Contractor **has made, or has an agreement to make**, a payment to a lobbying entity for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action;

OR

He or she **has not completed** the attached **Disclosure Of Lobbying Activities** because the Contractor **has not made, and has no agreement to make**, any payment to any lobbying entity for influencing or attempting to influence any officer or employee of any agency, any Member of Congress, any officer or employee of Congress, or any employee of a Member of Congress in connection with a covered Federal action.

The Contractor shall require its subcontractors, if any, to make the same certifications and disclosure.

Signature

Title

Contractor Name

Date

[This Certification Must be Signed by the Same Individual Who Signed the Proposal Execution Page]

I. Certification Regarding Nondiscrimination

The Contractor certifies that it will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (h) the Food Stamp Act and USDA policy, which prohibit discrimination on the basis of religion and political beliefs; and (i) the requirements of any other nondiscrimination statutes which may apply to this Agreement.

II. Certification Regarding Drug-Free Workplace Requirements

1. The Contractor certifies that it will provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - b. Establishing a drug-free awareness program to inform employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The Contractor's policy of maintaining a drug-free workplace;
 - iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - c. Making it a requirement that each employee be engaged in the performance of the agreement be given a copy of the statement required by paragraph (a);
 - d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the agreement, the employee will:
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
 - e. Notifying the Department within ten days after receiving notice under subparagraph (d)(ii) from an employee or otherwise receiving actual notice of such conviction;

- f. Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted:
 - i. Taking appropriate personnel action against such an employee, up to and including termination; or
 - ii. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
 - g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).
2. The sites for the performance of work done in connection with the specific agreement are listed below (list all sites; add additional pages if necessary):

Address

Street

City, State, Zip Code

Street

City, State, Zip Code

- 3. Contractor will inform the Department of any additional sites for performance of work under this agreement.
- 4. False certification or violation of the certification may be grounds for suspension of payment, suspension or termination of grants, or government-wide Federal suspension or debarment. 45 C.F.R. 82.510.

III. Certification Regarding Environmental Tobacco Smoke

Public Law 103-227, Part C-Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol

treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000.00 per day and/or the imposition of an administrative compliance order on the responsible entity.

The Contractor certifies that it will comply with the requirements of the Act. The Contractor further agrees that it will require the language of this certification be included in any subawards that contain provisions for children's services and that all subgrantees shall certify accordingly.

IV. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions

Instructions

[The phrase "prospective lower tier participant" means the Contractor.]

1. By signing and submitting this document, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of the fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originate may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant will provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549, 45 CFR Part 76. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter any lower tier covered transaction with a person who is debarred, suspended, determined ineligible or voluntarily excluded from participation in this covered transaction unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this document that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded

from covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized in paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension, and/or debarment.

Certification

1. **The prospective lower tier participant certifies**, by submission of this document, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

V. Certification Regarding Lobbying

The Contractor certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federally funded contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form SF-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award document for subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) who receive federal funds of \$100,000.00 or more and that all subrecipients shall certify and disclose accordingly.

4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00 and not more than \$100,000.00 for each such failure.

VI. Disclosure Of Lobbying Activities

Instructions

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Use the SF-LLL-A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or sub-award recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee", then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

8. Enter the most appropriate Federal Identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant, or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate boxes. Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate boxes. Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of any services rendered. Include all preparatory and related activity, not just time spent in actual contact with Federal officials. Identify the Federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D. C. 20503

<p>16. Information requested through this form is authorized by title 31 U. S. C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U. S. C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	<p>Signature: _____</p> <p>Print Name: _____</p> <p>Title: _____</p> <p>Telephone No: _____ Date: _____</p>
<p>Federal Use Only</p>	<p>Authorized for Local Reproduction Standard Form - LLL</p>

VII. Equal Employment Opportunity

Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of federally assisted construction contract in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." (2 CFR 200, Subpart F, Appendix II)

VIII. Clean Air and Federal Water Pollution Control Act

Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended. Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). (2 CFR 200, Subpart F, Appendix II)

IX. Americans with Disabilities Act

This Act (28 CFR Part 35, Title II, Subtitle A) prohibits discrimination on the basis of disability in all services, programs, and activities provided to the public and State and local governments, except public transportation services.

X. Royalty-Free Rights to Use Software or Documentation Developed

2 CFR 200.315 Intangible property.
 (a) Title to intangible property (see §200.59 Intangible property) acquired under a Federal award vests upon acquisition in the non-Federal entity. The non-Federal entity must use that property for the originally-authorized purpose, and must not encumber the property without approval of the Federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property must occur in accordance with the provisions in §200.313 Equipment paragraph (e).
 (b) The non-Federal entity may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a Federal award. The Federal awarding agency reserves a royalty-

free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

(c) The non-Federal entity is subject to applicable regulations governing patents and inventions, including government wide regulations issued by the Department of Commerce at 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements."

(d) The Federal Government has the right to:

(1) Obtain, reproduce, publish, or otherwise use the data produced under a Federal award; and

(2) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

ATTACHMENT K: NCFAST/USDA INTERFACE/FILE SPECIFICATIONS

Case/Client File: The NCFAST Case/Client file transmitted to the Vendor drives the EBT account demographic setup/demographic maintenance processing, along with card issuance.

Case/Client Header Record

'Case/Client Header Record'				
<i>Field Description</i>	<i>Field Name</i>	<i>Type</i>	<i>Length</i>	<i>Comment</i>
Record Type		Alpha-Numeric	2	"HD"
Transaction Type		Alpha-Numeric	8	"NCCCUPDT"
Date		Numeric	8	CCYYMMDD
Time		Numeric	8	HHMMSSSS
Control Number		Numeric	6	Incremented by 1 each time sent
State ID		Alpha-Numeric	2	"NC"
Reserved for State		Alpha-Numeric	25	
Filler		Alpha-Numeric	219	
Reserved for Vendor		Alpha-Numeric	4	
Response Code		Alpha-Numeric	4	"0000" - no errors

Note: All batch transmissions are one logical file per physical file.

Case/Client Detail Record

'Case/Client Detail Record'							
<i>Field Description</i>	<i>Field Name</i>	<i>Type</i>	<i>Length</i>	<i>Comment</i>	<i>1</i>	<i>2</i>	<i>5</i>
Record Type		Alpha-Numeric	2	"DT" (batch mode)	r	r	r
Action Code		Alpha-Numeric	2	"01" - Primary Demographic Setup "02" - Demographic Change "05" - Alternate Cardholder Add	r	r	r
State Unique Identifier		Alpha-Numeric	10	Left Justified	r	r	r
Primary / Alternate Indicator		Numeric	2	"01" - primary "02-99" - alternates	r	r	r
Cardholder Access		Alpha-Numeric	1	"1" - Food Stamps "2" - Cash, "3" - both "0" - No Access (valid only for existing cards)	r	r	r
Social Security Number		Alpha-Numeric	9	Optional	o	o	o
Phone Number		Numeric	10	Optional	o	o	o
First Name		Alpha-Numeric	15		r	o	r
Middle Initial		Alpha-Numeric	1	Optional	o	o	o

Last Name		Alpha-Numeric	25	Note: Field length is 25, but the State never sends more than 15.	r	r	r
Address-1 (Street Address)		Alpha-Numeric	30		r	r	r
Address-2 (APT #. Other)		Alpha-Numeric	30	Optional	o	o	O

City		Alpha-Numeric	20		r	r	r
State		Alpha-Numeric	2		r	r	r
ZIP		Numeric	9		r	r	r
Local Office Code		Alpha-Numeric	3		r	r	r
Date of Birth		Numeric	8	CCYYMMDD (Optional)	o	o	o
Language Indicator		Alpha-Numeric	1	"E" – English "S" – Spanish	r	r	r
Card Issuance Code		Alpha-Numeric	1	1 - Issue Card 9 - Don't Issue Card	r	r	r
County Office Address Code		Alpha-Numeric	5	"00000" mail to client	r	r	r
Reserved for State		Alpha-Numeric	25	North Carolina control info for realtime transactions			
Payment Indicator		Alpha-Numeric	1	A= ACH E=EBT	r	r	r
ABA Routing Number		Alpha-Numeric	9	Payment Indicator =A	r	r	r
ACH Account Number		Alpha – Numeric	17	Payment Indicator=A	r	r	r
Account Type		Alpha – Numeric	1	Payment Indicator=A C=Checking S= Savings	r	r	r
ACH Provider Name		Alpha-Numeric	35	Payment Indicator=A	r	r	r
Reserved for Vendor		Alpha-Numeric	4		r	r	r
Response Code		Alpha-Numeric	4		r	r	r

r - Required field o - optional field blank – N/A

Case/Client Trailer Record

'Case/Client Trailer Record'				
Field Description	Field Name	Type	Length	Comment
Record Type		Alpha-Numeric	2	"TR"
Transaction Type		Alpha-Numeric	8	must match header

Date		Numeric	8	must match header
Time		Numeric	8	must match header
Control Number		Numeric	6	must match header
Total Detail Records		Numeric	6	
Reserved for State		Alpha-Numeric	25	
Filler		Alpha-Numeric	215	
Response Code		Alpha-Numeric	4	"0000" - no errors

Benefit File: The NCFASST Benefit file sends benefits to the Vendor for depositing in the EBT accounts. Daily and monthly recurring benefits shall be transmitted to Vendor in batch mode.

Benefit Header Record

'Benefit Header Record'				
<i>Field Description</i>	<i>Field Name</i>	<i>Type</i>	<i>Length</i>	<i>Comment</i>
Record Type		Alpha-Numeric	2	"HD"
Transaction Type		Alpha-Numeric	8	"NCFSEUP" "NCCSEUP"
Date		Numeric	8	CCYYMMDD
Time		Numeric	8	HHMMSSSS
Control Number		Numeric	6	Incremented by 1 each time sent. Unique to transaction type.
State ID		Alpha-Numeric	2	"NC"
Reserved for State		Alpha-Numeric	25	
Profile Number		Numeric	9	"900010001" for Food Stamps "900020001" for Cash
Filler		Alpha-Numeric	42	
Response Code		Alpha-Numeric	4	"0000" - no errors

Benefit Detail Record

'Benefit Detail Record'				
<i>Field Description</i>	<i>Field Name</i>	<i>Type</i>	<i>Length</i>	<i>Comment</i>
Record Type		Alpha-Numeric	2	"DT"
Action Code		Alpha-Numeric	2	"01" - Benefit Update, "02" - Pending Void
State ID		Alpha-Numeric	2	"NC"
Benefit Type		Alpha-Numeric	6	Left Justified with 4 trailing spaces Valid Values: FS=Food stamps TANF=Temporary Assistance for Needy Families SA=State/County Special Assistance RA=Refugee Assistance CC=Child care UTL = Energy

Credit/Debit Indicator		Alpha-Numeric	2	"CR"-Credit, "DB"-Debit (DB only valid for action code 02)
State Unique Identifier		Alpha-Numeric	10	Left Justified
Amount		9(5)V99	7	
Available Date		Numeric	8	CCYYMMDD
Benefit Period Date		Numeric	6	CCYMM (month of benefit payment)
Benefit Warrant Number		Alpha-Numeric	16	Left Justified
Reserved for State		Alpha-Numeric	25	
Payment Field		Alpha-Numeric	1	A=ACH E=EBT
Filler		Alpha-Numeric	19	
Reserved for Vendor		Alpha-Numeric	4	
Response Code		Alpha-Numeric	4	"0000" - no errors
Provider ID#		Alpha-Numeric	7	Designates the provider for the Child care payment (CC) or Energy Program (UTL)

Benefit Trailer Record

'Benefit Trailer Record'				
Field Description	Field Name	Type	Length	Comment
Record Type		Alpha-Numeric	2	"TR"
Transaction Type		Alpha-Numeric	8	must match header
Date		Numeric	8	must match header
'Benefit Trailer Record'				
Field Description	Field Name	Type	Length	Comment
Time		Numeric	8	must match header
Control Number		Numeric	6	must match header
Credit Count		Numeric	9	Total Credit Detail Records
Debit Count		Numeric	9	Total Debit Detail Records
Credit Amount		9(11)V99	11	Total Dollars All Credit Records
Debit Amount		9(11)V99	11	Total Dollars All Debit Records
Total Detail Records		Numeric	9	
Reserved for State		Alpha-Numeric	25	
Filler		Alpha-Numeric	15	
Response Code		Alpha-Numeric	4	"0000" - no errors

Account Activity File: The Account Activity file shall be transmitted to NCFAS from the Vendor on a daily basis. This file contains detailed information on all monetary transactions that took place statewide on a single day. Administrative, batch, ATM, and POS transactions shall be included in this file. **Account Activity Header Record**

'Account Activity Header Record'				
Field Description	Field Name	Type	Length	Comment
Record Type		Alpha-Numeric	2	"HD"
Transaction Type		Alpha-Numeric	8	"NCACTVTY"
Date		Numeric	8	CCYYMMDD

Time		Numeric	8	HHMMSSSS
Control Number		Numeric	6	Incremented by 1 each time sent.
State ID		Alpha-Numeric	2	"NC"
Filler		Alpha-Numeric	144	

Account Activity Detail Record

'Account Activity Detail Record'				
Field Description	Field Name	Type	Length	Comment
Record Type		Alpha-Numeric	2	"DT" (batch mode)
State Unique Identifier		Alpha-Numeric	10	Left Justified
EBT Account Number		Numeric	12	
Card Number		Alpha-Numeric	16	Left justified. "PAN"
Primary/Alternate Indicator		Numeric	2	01-99
Transaction Type		Alpha-Numeric	3	See Following Table
Transaction Date		Numeric	8	CCYYMMDD
Transaction Time		Numeric	8	HHMMSSSS
Transaction Response Code		Alpha-Numeric	2	"00" no errors
Reversal Reason Code		Alpha-Numeric	2	
Benefit Type		Alpha-Numeric	6	See benefit detail record
Credit/Debit Indicator		Alpha-Numeric	2	"CR" - Credit, "DB" - Debit
Requested Amount		9(5)V99	7	
Completed		9(5)V99	7	
Cash back Amount		9(5)V99	7	
Account Balance		9(5)V99	7	
Settled Amount		9(5)V99	7	
Local Office Code		Alpha-Numeric	3	
FCS Number - Retailers		Alpha-Numeric	7	
POS/ATM ID		Alpha-Numeric	15	
Benefit Warrant Number		Alpha-Numeric	16	
Benefit Month		Alpha-Numeric	6	CCYYMM
Filler		Alpha-Numeric	23	

Account Activity Trailer Record

'Account Activity Trailer Record'				
Field Description	Field Name	Type	Length	Comment
Record Type		Alpha-Numeric	2	"TR"
Transaction Type		Alpha-Numeric	8	must match header
Date		Numeric	8	must match header
Time		Numeric	8	must match header
Control Number		Numeric	6	must match header
Total Detail Records		Numeric	6	
Total Credit		9(8)V99	10	Total completed amounts "CR"

Total Debit		9(8)v99	10	Total completed amounts "DB"
Filler		Alpha-Numeric	120	

Transactions (from EBT Vendor Account Activity File)

Transaction	Description	Function
101	Same Day Issuance	Authorize benefits through the administrative terminal
103	Account Adjustment (Admin)	Credit or debit and account balance through an administrative terminal.
104	Food Stamp Manual Authorization	Hold funds in account based on Food Stamp manual authorization.
105	Repayment	Debit account based on repayment/recoupment.
201	Benefit Add (Batch)	Add funds to an account via the batch interface.
203	Food Stamp Expungement	Expunge benefit of Food Stamp account after no debit activity for 365 days.
204	Food Stamp Manual Authorization Release	Credit client account if merchant does not submit voucher within 30 days.
301	Food Stamp Purchase	Purchase food with Food Stamp benefits.
302	Food Stamp Merchandise Return	Credit account when merchandise is returned.
309	Balance Inquiry	Account balance inquiry.
310	Food Stamp Manual Authorization Debit	Follow up to manual authorization. Held funds debited to pay merchant.
311	Reversal / Cancellation	Reverse or cancel all or part of a transaction from a POS.

First character of transaction code:

"1" - Administrative terminal transaction.

"2" - Batch processing action. "3" -

POS transaction. **Data**

Element/Transaction Matrix

Data Element	101	103	104	105	201	203	204	301	302	305	309	310	311
Record Type	R	R	R	R	R	R	R	R	R	R	R	R	R
State Unique ID	R	R	R	R	R	R	R	R	R	R	R	R	R
EBT Account Number	R	R	R	R	R	R	R	R	R	R	R	R	R
Card Number			R					R	R	R	R	R	R
Primary/Alternate Indicator			R					R	R	R	R	R	R
Transaction Type	R	R	R	R	R	R	R	R	R	R	R	R	R
Transaction Date	R1	R1	R1	R1	R2	R3	R3	R1	R1	R1	R1	R1	R1
Transaction Time	R1	R1	R1	R1	R2	R3	R3	R1	R1	R1	R1	R	R1

Transaction Response Code	R	R	R	R	R	R	R	R	R	R	R	R	R
Reversal Reason Code													R
Benefit Type	R	R	R	R	R	R	R	R	R	R		R	R
Credit/Debit Indicator	R	R	R	R	R	R	R	R	R	R		R	R
Requested Amount	R	R	R	R	R	R	R	R	R	R		R	R
Completed Amount	R	R	R	R	R	R	R	R	R	R		R	R
Account Balance	R	R	R	R	R	R	R	R	R	R	R	R	R
Local Office Code	R	R	R	R	R	R	R	R	R	R	R	R	R
FCS Number			R					R	R			R	
Batch Day													
Batch Number													
POS ID								R	R	R	R	R	R
Benefit Warrant Number	R				R	R							
Benefit Month	R				R	R							
Filler													

R - Required O

- Optional

Blank - N/A

1 - Date and Time of on-line transaction

2 - Date and Time on batch interface header record

3 - Date and Time batch job executes

Inactive (Benefit Aging) File:

Inactive Header Record

'Inactive Header Record'				
<i>Field Description</i>	<i>Field Name</i>	<i>Type</i>	<i>Length</i>	<i>Comment</i>
Record Type		Alpha-Numeric	2	"HD"
Transaction Type		Alpha-Numeric	8	"NCINACTV"
Date		Numeric	8	CCYYMMDD
Time		Numeric	8	HHMMSSSS
Control Number		Numeric	6	Incremented by 1 each time sent.
State ID		Alpha-Numeric	2	"NC"
Filler		Alpha-Numeric	90	

Inactive Detail Record

'Inactive Detail Record'				
<i>Field Description</i>	<i>Field Name</i>	<i>Type</i>	<i>Length</i>	<i>Comment</i>
Record Type		Alpha-Numeric	2	"DT"
Local Office Code		Alpha-Numeric	3	
State Unique Identifier		Alpha-Numeric	10	Left Justified

Primary Cardholder First Name		Alpha-Numeric	15	
Primary Cardholder Last Name		Alpha-Numeric	25	
Card Number (primary)		Alpha-Numeric	16	Left justified.
Last Debit Transaction		Numeric	8	CCYYMMD D
Last Benefit Deposit		Numeric	8	CCYYMMD D
Account Number		Numeric	12	
Account Balance		9(5)V99	7	
90 day inactive date		Numeric	8	CCYYMMD D
Expungement Date		Numeric	8	CCYYMMD D
Action Indicator		Alpha-Numeric	1	"W" - 60 day warning "I" - 90 days of inactivity "E" - expunged
Cash/Food Stamp Indicator		Alpha-Numeric	1	1- Food Stamps 2- Cash

Inactive Trailer Record

'Inactive Trailer Record				
Field Description	Field Name	Type	Length	Comment
Record Type		Alpha-Numeric	2	"TR"
Transaction Type		Alpha-Numeric	8	must match header
Date		Numeric	8	must match header
Time		Numeric	8	must match header
Control Number		Numeric	6	must match header
Total Detail Records		Numeric	6	
Filler		Alpha-Numeric	86	

Case/Client Delete File:

Case/Client Delete Header

Field Name	Format	Comments
Record Type	X(02)	Constant = "HC"
Transaction Type	X(8)	NCCASEDL
Agency code	X(06)	Constant = State Agency. (NCDHHS)
File create date	9(08)	Required CCYYMMDD

File create time	9(04)	Required HHMM
Filler	X(52)	Field should be set to blanks.

Record Length = 80 bytes. All alpha-numeric fields shall be left justified and right space filled.

Case/Client Delete Detail Record

Field Name	Format	Comments
Case Number	X(14)	Required, left justified and right space filled
Client Type	X(04)	Required
County Code	X(03)	Required
Client First Name	X(15)	Required
Client Middle Initial	X(01)	Optional
Client Last Name	X(20)	Required
Client Delete date	X(08)	Required CCYYMMDD
Filler	X(15)	Field will contain the "Account" number that resides on the eFunds database. This account number is used by multi-agency states.

Record Length = 80 Bytes. All alpha-numeric fields shall be left justified and right space filled.

Case/Client Delete Trailer

Field Name	Format	Comments
Record type	X(02)	Constant = "TC"
Total Detail Records	9(09)	Required, total number of detail records
Filler	X(69)	Field should be set to blanks.

Record length = 80 bytes. All alpha-numeric fields shall be left justified and right space filled.

Manifest File: The Manifest file shall be used to generate new disaster cards/PIN mailers.

Manifest Batch Header

Field Description	Type	Length	Comment
Record Type	A/N	2	HD
Transaction Type	A/N	8	NCDDXREF
Date	N	8	CCYYMMDD
Time	N	8	HHMMSSSS
Control Number	N	6	Incremented by 1 each time sent
State ID	A/N	2	NC
Filler	A/N	16	

File Record Length = 50

Manifest Batch Detail

Field Description	Type	Length	Comment
State Unique ID (SUI)	A/N	10	Left Justified
Card Number	N	16	
Filler	A/N	24	

File Record Length = 50

Manifest Batch Trailer

Field Description	Type	Length	Comment
Record Type	A/N	2	TR
Transaction Type	A/N	8	Must match header
Date	N	8	CCYYMMDD (must match header)
Time	N	8	HHMMSSSS (must match header)
Control Number	N	6	Must match header
Total Detail Records	N	6	
Filler	A/N	12	

File Record Length = 50 **Disaster**

Case/Client File:

Disaster Case/Client Header Record:

Field Description	Type	Length	Comment
Record Type	X	2	HD
Transaction Type	X	8	NCCCDIST
Date	9	8	CCYYMMDD
Time	9	8	HHMMSSSS
Control Number	9	6	Incremented by 1 each time sent
State ID	X	2	NC
Reserved for State	X	25	
Filler	X	176	
Response Code	X	4	"0000" – no errors

File Record Length = 239

Disaster Case/Client Detail Record

Field Description	Type	Length	Comment
Record Type	X	2	DT (batch mode)
Action Code	X	2	01 = Primary demographic setup
Case Number (SUI)	X	10	Left justified. First character must be "8"
Primary/Alternate Indicator	9	2	Must be "01"
Cardholder access	X	1	"1" – food stamps
Social Security Number	X	9	Space Filled
Phone Number	9	10	
First Name	X	15	"DISASTER"
Middle Initial	X	1	
Last Name	X	25	"FOOD STAMP CARD"
Address 1 street address	X	30	Contains State Unique ID
Address 2 Apt#/other	X	30	Space filled
City	X	20	RALEIGH
State	X	2	NC
Zip	9	9	"123456789"
Local Office Code	X	3	"999"
Date of Birth	9	8	Zero filled
Language Indicator	X	1	E = English S = Spanish
Card Issuance Code	X	1	1 = Issue Card
County Office Address Code	X	5	99999

Reserved for State	X	25		
Filler	X	20		
Reserved for eFunds	X	4		
Response Code	X	4	See Appendix for values	

File Record Length – 239

R – Required

O – Optional

Blank –N/A

Disaster Case/Client Trailer

Description	Length	Type	Comments
Record Type	2	X	“TR”
Transaction Type	8	X	NCCCDIST(Must match header)
Date	8	9	CCYYMMDD(Must match header)
Time	8	9	HHMMSSSS(Must match header)
Control Number	6	9	Must match header
Total Detail Records	6	9	
Reserved for State	25	X	
Filler	172	X	
Response Code	4	X	See Appendix for values

File Record Length = 239

Batch Response Code Chart

Case/Client Header Record Edits

HD01	Invalid Record Type
HD02	Invalid Transaction Type
HD03	Invalid Date (Numeric and reasonability edits)
HD04	Invalid time (Numeric and reasonability edits)
HD05	Invalid Control Number
HD06	Duplicate File
HD07	File out of sequence (control number sequence incorrect)
HD08	Invalid State ID (must be 'NC')

* Reject entire file, return entire file

Case/Client Detail Record Edits

DT01	Invalid Record Type
DT02	Invalid/Missing Action Code
DT04	State Unique Identifier Missing/Invalid
DT06	Invalid/Missing Primary/Alternate indicator (Note: alternate indicator not valid for account set-up)
DT07	Invalid/Missing Cardholder Access
DT08	Invalid Social Security Number
DT09	Missing First or Last Name
DT10	Missing Address
DT11	Missing City
DT12	Missing State
DT13	Missing/Non Numeric Zip Code (acceptable format either 5 numeric +4 spaces or 9 numeric)
DT14	Missing/Invalid Local Office
DT15	Invalid Date of Birth
DT16	Missing/Invalid Language Indicator
DT17	Missing/Invalid Card Issuance Indicator
DT18	Missing/Invalid County Office Address Code
DT20	01 Action Code – Account already exists
DT21	02 Action Code – No Account/Cardholder found
DT22	02 Action Code – Update of existing cardholder access “0” to 1, 2, or 3 not allowed
DT25	05 Action Code – No Account Found
DT26	05 Action Code – Cardholder already exists
DT 27	Missing/Invalid EFT payment indicator
DT28	Missing ACH account
DT29	Missing Routing Number
DT30	Missing/Invalid EFT Account
DT31	Missing ACH Provider name
DT32	Program Level maximum exceeded
DT33	Client benefit maximum exceeded
DT34	Client benefit class maximum exceeded

Case/Client Trailer Record Edits

TR01	Missing Trailer Record
TR02	Mismatch on transaction type

TR03	Mismatch on date
TR04	Mismatch on time
TR05	Mismatch on control number
TR06	Mismatch on detail records

Note: Trailer error codes are also returned in the header record

Benefit Header Record Edits

HD01	Invalid Record Type
HD02	Invalid Transaction Type
HD03	Invalid Date
HD04	Invalid time
HD05	Invalid Control Number
HD06	Duplicate File
HD07	File out of sequence (control number sequence incorrect)
HD08	Invalid Profile Number
HD09	Invalid State ID (must be 'NC')

* Reject entire file, return entire file

Benefit Detail Record Edits

DT01	Invalid Record Type
DT02	Invalid/Missing Action Code
DT03	Invalid State ID
DT04	Invalid/Missing Benefit Type
DT05	Invalid/Missing Credit/Debit Indicator
DT06	Invalid/Missing State Unique Identifier
DT07	Invalid/Missing Amount
DT08	Invalid/Missing Availability Date
DT09	Invalid/Missing Benefit Period Date
DT10	Invalid/Missing Warrant Number
DT11	01 Action Code – Duplicate Benefit
DT12	02 Action Code – No Benefit Found

Benefit Trailer Record Edits

TR01	Missing Trailer Record
TR02	Mismatch on transaction type
TR03	Mismatch on date
TR04	Mismatch on time

TR05	Mismatch on control number
TR06	Mismatch on detail records
TR07	Mismatch on Credit Count
TR08	Mismatch on Debit Count
TR09	Mismatch on Credit Amount
TR10	Mismatch on Debit Amount

Note: Trailer error codes are also returned in the header record

Disaster Case/Client Header Record Edits

	HD01	Invalid Record Type
	HD02	Invalid Transaction Type
	HD03	Invalid Date (Numeric and reasonability edits)
	HD04	Invalid time (Numeric and reasonability edits)
	HD05	Invalid Control Number
	HD06	Duplicate File
	HD07	File out of sequence (control number sequence incorrect)
	HD08	Invalid State ID (must be 'NC')

* Reject entire file, return entire file

Disaster Case/Client Detail Record Edits

	DT01	Invalid Record Type
	DT02	Invalid/Missing Action Code (Must be " 01 ")
	DT04	State Unique Identifier Missing/Invalid (Must begin with ' 8 ')
	DT06	Invalid/Missing Primary/Alternate indicator (Must be " 01 ")
	DT07	Invalid/Missing Cardholder Access (Must be ' 1 ')
	DT08	Invalid Social Security Number
	DT09	Missing First or Last Name
	DT10	Missing Address
	DT11	Missing City
	DT12	Missing State
	DT13	Missing/Non Numeric Zip Code (acceptable format either 5 numeric +4 spaces or 9 numeric)
	DT14	Missing/Invalid Local Office

DT15	Invalid Date of Birth
DT16	Missing/Invalid Language Indicator
DT17	Missing/Invalid Card Issuance Indicator
DT18	Missing/Invalid County Office Address Code
DT20	01 Action Code – Account already exists

Disaster Case/Client Trailer Record Edits

TR01	Missing Trailer Record
TR02	Mismatch on transaction type
TR03	Mismatch on date
TR04	Mismatch on time
TR05	Mismatch on control number
TR06	Mismatch on detail records

Note: Trailer error codes are also returned in the header record

ACH File Formats

Rejected Payment File Header Record

Description	Length	Type	Comments
Record Type	2	X	Constant = HD
Transaction Type	8	X	ACHRETRN
Date	8	X	CCYYMMDD
Time	8	X	HHMMSSSS
Control Number	6	X	Incremented by 1 each time sent
State ID	2	X	NC
Reserved for State	25	X	
Filler	313	X	

Rejected Payment File Detail Record

Description	Length	Type	Comments
Record Type	2	X	Constant = DT
Identification Number	15	X	SUI
County Code	8	X	Currently utilizes 5
SSN	9	X	HHMMSSSS
Secondary ID	15	X	
Amount	9(7)v99	X	
Transaction Code	9	2	21-Credit returns 26-Debit returns

Reject code	3	X	
Bank Name	35	X	Name of bank receiving the deposit
RTN (ABA) Number	9	9	Routing and transit number of bank receiving deposit
Account Number	17	X	Account number of individual receiving deposit
Benefit type	6	X	
Benefit period	8	X	
Program type	2	X	FS-01 CS-02
Provider/Client Flag	1	X	
Last name	30	X	Provider/Client name
First name	20	X	Client name
Middle name	1	X	
Authorization number	20	X	
Processed date	8	X	FIS processed date
Processed time	8	X	FIS processed time
ACH processed date	8	X	ACH processed date
Chg-RTN	9	9	NOC-New ABA
Chg-ACCT-NUM	17	X	NOC-New Account number
Chg-Trans-Code	2	X	NOC-New Trans code
FIS Trace ID	15	X	FIS Original ACH Trace ID
District Trace ID	15	X	District ACH Trace ID
Reserved	25	X	
Filler	28	X	

File Length =347

Rejected Payment File Trailer Record

Description	Length	Type	Comments
Record Type	2	X	Constant = TR
Transaction Type	8	X	ACHRETRN
Date	8	X	CCYYMMDD-must match header
Time	8	X	HHMMSSSS-must match header

Control Number	6	X	Must match header
State ID	2	X	Must match header
Total Detail records	6	X	
Total Payment value	9(9) v99		
Filler	296	X	

File record length =347

ACH Return Codes

Notice of Change (NOC) Error Codes	Description – Non-settling, new info in addenda record
C01	Incorrect DFI (Depository Financial Institution) Account Number
C02	Incorrect routing number
C03	Incorrect routing number & Incorrect DFI Account number
C04	Incorrect Individual name/Receiving Company name
C05	Incorrect Transaction code
C06	Incorrect DFI Account number & Incorrect Transaction code
C07	Incorrect routing number, Incorrect DFI Account number & Incorrect Transaction code
C08	Incorrect Foreign receiving DFI ID (CBR & PBR only)
C09	Incorrect Individual ID
C13	Addenda format error
C61	Misrouted NOC
C62	Incorrect Trace number
C63	Incorrect Company ID
C64	Incorrect Individual ID
C65	Incorrect formatted corrected data
C66	Incorrect discretionary data
C67	Routing Number not from original entry detail record
C68	DFI account number not from original entry detail record
C69	Incorrect transaction code

Return Items- Error Codes	Description – Non-settling, new info in addenda record
R01	Insufficient funds
R02	Account closed
R03	No account/Unable to locate account
R04	Invalid account number
R05	Reserved

R06	Returned per ODFI's request
R07	Authorization revoked by customer (adjustment entries)
R08	Payment stopped or stopped payment on source documentation (payment stopped)
R09	Uncollected funds
R10	Customer advises not authorized, notice not provided, improper source documents or amount of entry not accurately obtained from source document
R11	Check transaction entry return
R12	Branch sold to another DFI
R14	Representative payee deceased or unable to continue in that capacity
R15	Beneficiary or account holder deceased
R16	Account frozen
R17	File record edit criteria
R20	Non-transaction account
R21	Invalid company ID
R22	Invalid individual ID
R23	Credit entry refused by receiver
R24	Duplicate entry
R29	Corporate customer advised not authorized
R31	Permissible return entry
R33	Return of XCK entry
R37	Source document presented for payment
R38	Stop payment on source document
R40	Return of ENR entry by Federal government agency
R41	Invalid transaction code
R42	Routing number/Check digit error
R43	Invalid DFI account number
R44	Invalid individual ID
R45	Invalid individual name/company name
R46	Invalid representative payee indicator
R47	Duplicate enrollment
R50	State law affecting RCK acceptance
R51	Item is ineligible, notice not provided, signature not genuine, item altered or amount of entry not accurately obtained from item
R52	Stop payment on item (adjustment entries)
R53	Item and ACH entry presented for payment (adjustment entries)
R61	Misrouted return
R62	Incorrect trace number
R63	Incorrect dollar amount
R64	Incorrect individual identification
R65	Incorrect transaction code
R66	Incorrect company identification
R67	Duplicate return
R68	Untimely return

R69	Multiple errors
R70	Permissible return entry not accepted
R71	Misrouted dishonored return
R72	Untimely dishonored return
R73	Timely original return
R74	Corrected return
R13	RDFI not qualified to participate
R18	Improper effective entry date
R19	Amount field error
R25	Addenda error
R27	Trace number error
R28	Routing number check digit error
R30	RFDI (Receiving Financial Depository Institution) not participant in check truncation program
R32	RFDI non-settlement DFI
R34	Limited non-settlement
R35	Return of improper debit entry
R36	Return of improper credit entry

ATTACHMENT L: ALERT SYSTEM FILE DATA

1. Introduction

The U.S. Department of Agriculture, Food and Nutrition Service, Supplemental Nutrition Assistance Program (SNAP) Retailer Administration Branch (RAB) is responsible for the management and maintenance of the Anti-fraud Locator using Electronic Benefits Transfer (EBT) Retailer Transactions (ALERT) system. This document details the Version 2.0 data specifications for the EBT daily transaction files submitted by the EBT Processors.

2. Background

2.1. Food Nutrition Services (FNS)

The USDA Food and Nutrition Service (FNS) administers the nutrition assistance programs of the U.S. Department of Agriculture. The mission of FNS is to provide children and needy families better access to food and a more healthful diet through its food assistance

programs and comprehensive nutrition education efforts. In addition to providing access to nutritious food, FNS also works to empower program participants with knowledge of the link between diet and health.

2.2. The ALERT System

The Anti-fraud Locator using Electronic Benefits Transfer (EBT) Retailer Transactions (ALERT) System is a fraud detection, decision support system designed to monitor and track electronically conducted transactions completed by SNAP recipients in authorized meal program and food retailer locations. The ALERT System facilitates management of the program by providing transaction-level information to Federal personnel charged with the responsibility of SNAP retailer management and compliance activities.

3. Compressed Files

For each daily submission, the Processor will submit one compressed file containing all state submission files the processor is responsible for and formatted as follows:

1. File format: ZIP
2. ASCII Encoded
3. File Naming Standards:

<EBT Processor Code>_CCYYMMDD[R#].ZIP

Code Symbol	Code Description	Comments
<EBT Processor Code>	Code of Processor sending submissions (see header record specification for values).	Code used here must match Header/Trailer value of all files in the compressed ZIP file
CCYY	Four digit year	
MM	Two Digit Month with leading zeroes (01 – 12)	
DD	Two digit Day with leading zeroes (01 – 31)	
[R#]	Replacement Indicator, where # = a sequential numeric value for each replacement (1 – 9)	Mandatory when the file is a replacement for a previously provided submission file – Not used for original submission

Examples:

XYZ_20160901.ZIP
 XYZ_20160901R1.ZIP (*Example of replacement compressed file*)

File contents will consist of all recipient state file submissions generated by the EBT processor.

Examples:

ABC_20160109.ZIP would contain the following:
DC20160109v02.00.DAT (*Version 2.00 data format*)
MD20160109v01.00.DAT (*Version 1.00 data format*)
:
:
VA20160109v02.00.DAT (*Version 2.00 data format*)

ABC_20160109R1.ZIP would contain only the state files being re-submitted:
VA20160109v02.00R1.DAT (*Revised submission of VA201600109v02.00.DAT*)

4. State Submission Files

The compressed file will contain the state submission files from the processor.

1. File Format: Fixed Record Length; Fixed Column width; records Delimited by Carriage Return (Hex "0D") Linefeed (Hex "0A") characters
2. ASCII Encoded
3. File Naming Standards:

<Recipient State><CCYYMMDD>v<##,##>[R#].DAT

Code Symbol	Code Description	Comments
<Recipient State>	State Abbreviation of State, Territory, or District of Columbia	
CCYY	Four digit year	
MM	Two Digit Month with leading zeroes (01 – 12)	
DD	Two digit Day with leading zeroes (01 – 31)	
v##.##	Version number of Submission file	
R#	Replacement Indicator, where # = a sequential numeric value for each replacement (1 – 9)	Mandatory when the file is a replacement for a previously provided submission file – Not used for original submission

Examples:

MD20160109v02.00.DAT
PA20160109v01.00.DAT
VA20160109v02.00R1.DAT (*Example of replacement submission file*)
NY20160109v01.00R1.DAT (*Example of replacement submission file*)

4.1. Submission File Record Sequence

Header Record
Detail Transaction Record 1
Detail Transaction Record 2
Detail Transaction Record 3
:
:
:
:
Detail Transaction Record n
Trailer Record

4.2. Submission File Record Content – Benefit Type

The Food and Nutrition Act of 2008 (the Act) provides authority to the Food and Nutrition Service to disqualify retailers for a variety of offenses described therein. However, the only transactions which may be considered in making disqualification decisions are those authorized by the Act, namely those funded through either the Federal or State SNAP Programs. Programs funded by any other sources and/or legislation may not be considered in those decisions. Therefore it is essential to filter out such benefit transactions from the ALERT file, and if that is not possible, identify such transactions so that FNS can filter them. EBT processors should:

1. Include the following benefit transaction types in the ALERT file and code them as 00-Program Type = SNAP:
 - a. All Federal SNAP benefits funded through the federal SNAP LOC, including those issued for disasters and undercover investigators.
 - b. All State SNAP Program benefits, regardless of whether they are funded through the FNS SNAP LOC or a State-owned account.
2. Filter out, or specially code, all other Non-SNAP benefit transaction types, including those funded through other FNS programs (e.g., Child Nutrition Program for Summer Feeding and Childhood Hunger projects) as well as those funded by other government or non-government entities:
 - a. If Non-SNAP benefits are all maintained in separate accounts from SNAP benefits, those accounts should be ignored while when creating the ALERT file.
 - b. If some or all Non-SNAP benefits are maintained in the same accounts as SNAP benefits, code all transactions in accordance with instructions in the [Detail Record specification chart](#).

4.3. Submission File Record Content – Date Range

While the individual records in the submission file shall show the date and time that the reported transaction occurred in the EBT processor’s host system (converted to Greenwich Mean Time), the file for each given reporting day will contain only those records which meet the following conditions:

1. For all settling transactions, the file shall contain those transactions that were credited to or debited from the retailer during the switch settlement day reported in the submission file header record. As a result, the total value of all of the settling transactions, as reported in the Completed Transaction Amount field, should¹ match to the value of both:
 - a. The Daily Total Record (Record Identifier = “C”) reported in the STARS Net Retailer Credit (NRC) file for the same settlement date.
 - b. The amount of funds drawn from the FNS LOC for the same settlement date.
2. For non-settling transactions (i.e., balance inquiries, voucher authorizations and voucher expirations), the file shall contain those transactions for which the host system date and time fall within the switch settlement day period reported in the submission file header record (this will depend on the EBT processor’s switch cutoff time for the State).

5. EBT Submission Header and Trailer Record Specification

Description	Start Pos	Len	Type	Comments	Update Status
Recipient State	1	2	Alpha	Alphabetic Abbreviation (e.g., VA) of state providing benefits to enclosed households	No Change
Settlement Date	3	8	Date	Date that retailer will be paid; CCYYMMDD format	New
Number of transactions included	11	9	Numeric	Number of transaction records included (does not include header/trailer records in count). “Header Record” may contain a value of zero, but Trailer Record MUST contain valid count	No Change
EBT Processor Code	20	3	Alphanumeric	FIS - Fidelity National Information Services JPM - JP Morgan Electronic Financial Services SOL - Solutran CON - Conduent	New – changed from Vendor Name

¹ Variances may result for States where the EBT Food account includes other non-SNAP benefits and/or run a State SNAP program for which funds are drawn directly from a State-owned account rather than the FNS LOC.

File generation date	23	8	Date	Date file generated in CCYYMMDD format	No Change
File Version	31	5	Numeric	Major version of the data file format; should match version number of submission file name value "##.##"; required	New
Record Delimiter	36	2	CrLf	Carriage Return ASCII Hex Value 0D Linefeed ASCII Hex Value 0A	No Change

5.1. Header/Trailer Record Contextual Requirements

1. Header Record must be first record in submission file
2. Trailer Record must be last record in submission file
3. Trailer Record must have the number of transactions enclosed in submission file (count does not include number of Header/Trailer Records)
4. Example (Daily Submission Header and Trailer):

Description	Value
Recipient State	DC
Settlement Date	20160104
Description	Value
Number of transactions included	012345678 ²
EBT Processor Code	XYZ
File generation date	20160105
File Version	02.00
Record Delimiter	Hex 0D0A

² The Header record may have 00000000 for number of transactions included because total may not be known till the end of the routine.

6. Transaction Record Specification

Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
FNS Retailer ID Number	1	7	Numeric	M for all transactions	X9.58 bit 111-3 (EB) pass-through for POS transactions; EBT system for all others	Valid FNS Number identifying retailer	No change
Retailer State Location	8	2	Alpha (fill with spaces if information not available)	M for POS unless X9 message blank C for all others if data is available in transaction record	X9.58 bit 43-3 passthrough for POS transactions;	State Abbreviation for retailer location	No change

POS Terminal ID	10	8	Alphanumeric	M for all transactions unless X9 message blank	X9.58 bit 41 passthrough for all POS transactions, including POS voucher clears; EBT system for all others	POS Terminal ID (unique within retailer) For non-POS transactions: ARU – ARU/IVR (e.g. most Voucher Authorizations) BATCH – Transactions entered or created in EBT system by a batch operation, (e.g. Direct Debit, Voucher Expires, some Adjustments) PORTAL – Retailer portal (e.g. voucher clear) ADMIN – for all other transaction types Left justify and pad with trailing spaces	Definition change; new codes
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Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
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Stateassigned Client/ Household Number	18	20	Alphanumeric	M for all transactions	State certification/ EBT system	Unique, consistent, single identifier (preferably client number of head of HH if available, otherwise the case number) assigned by the State's certification system that identifies the household owning the account ³ .	Increase d field size; Name and definition change
EBT Card Number	38	19	Alphanumeric	M for all transactions	X9.58 bit 2 passthrough for POS transactions; EBT system for all others; for adjustments use card number of original transaction; for card replacement fees use new replacement card number	Card number used in transaction. Left justify and pad with trailing spaces	Name and definition change
Host Transaction Date	57	8	Date	M for all transactions	EBT system host value	Host system date transaction completed in CCYYMMDD format (converted by EBT processor to GMT)	Name change

³ During conversions, the new contractor must use the same identifier for each case as the previous contractor. Left justify and pad with trailing spaces

Host Transaction Time	65	6	Time	M for all transactions	EBT system host value	Host system time in HHMMSS 24 hour format (converted by EBT processor to GMT)	Name change
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Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
Requested Transaction Amount	71	7	Numeric	M for all transactions	X9.58 bit 4 inbound value for POS transactions; Amount keyed by retailer or CSR for manual voucher authorization; EBT system for all others	Requested transaction amount in 99999V99 (assumed 2 decimal places) [i.e., 1234567 to represent \$12,345.67]; right justify and pad with leading spaces.	Increase d field size; name and definition change.
Transaction Amount Sign	78	1	+ or -	M for all transactions	X9.58 bit 3-1 for POS transaction; EBT system for all others	+ to designate credit to recipient - to designate debit to recipient Ignored (blank space) for balance inquiry type transactions	Name change

EBT Program	79	2	Numeric	M for all transactions	State certification/ EBT system - If multiple benefit types (both SNAP and non-SNAP) used for approved transaction, ALERT should contain two transaction records, one coded "03" and the other "04"; all data elements will be the same except EBT Program and Completed Transaction Amount	00 – SNAP 01 – [Reserved] 02 – Non-SNAP* 03 – Partial SNAP 04 – Partial Non-SNAP* Codes 02-04 to be used only for States that mix SNAP and other - NonSNAP benefits in the same account. NOTE: See Completed Transaction Amount for additional	FSP changed to SNAP, and existing NonSNAP EBT codes and definitions added
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Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
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						instructions on splitting the value between the two transaction records. * Non-SNAP currently includes Summer Feeding, Childhood Hunger Demo and/or FINI funded benefits, but may be expanded in the future.	
Transaction Type	81	2	Numeric	M for all transactions	Combination of X9.58 bit 3-1, 111-3 (VN) and EBT system	10 – POS Purchase 20 – POS Refund 30 – System Reversal/Void 40 – Balance Inquiry 51 – Voucher Authorization 52 – Voucher Clear 53 – Voucher Expire/Release 60 – Adjustment 70 – Card Replacement Fee	New codes and definitions added

Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
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Transaction Method	83	1	Numeric	M for all transactions	Combination of X9.58 bit 3-1, 22-1, 22-2, and 111-3 (VN)	0 – Electronic Swipe 1 – Manual/Key Entered 2 – Paper Voucher 3 – RFID/Pay by Touch 4 – Reserved 5 – Internet 6 – Direct Debit Code 2 always used for transaction types 51, 52 and 53	New codes added
Store & Forward Indicator	84	1	Numeric	M for all transactions	Combination of X9.58 bit 39 and 111-3 (SF)	0 – Not a store & forward 1 – Is a store & forward	Codes revised
Response Code	85	2	Alphanumeric	M for all transactions	X9.58 bit 39 outbound value for POS transactions; EBT system others	Indicator for accepted or rejected transactions (see Table 1 for valid entries)	Enhanced for ANSI X9.58 - 2013; decreased field size from 3

Available Balance Prior to Transaction	87	8	Numeric	M for all transactions	EBT system	Balance amount available to client (ledger value minus holds) in 999999V99 (assumed 2 decimal places) [i.e., 12345678 to represent \$123,456.78; right justify and pad with leading spaces	Increase d field size; definition change
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Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
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Completed Transaction Amount	95	7	Numeric	M for all transactions	X9.58 bit 4 outbound value** for approved POS transactions; amount authorized by EBT system for manual voucher authorization; EBT system for other non-POS transactions; \$0 for all denied transactions (i.e., Response Code not "00" or "10")	Completed transaction amount in 99999V99 (assumed 2 decimal places) [i.e., 1234567 to represent \$12,345.67]; right justify and pad with leading spaces. **If both SNAP and non-SNAP benefits are used (see EBT Program) the value is split between the two transaction records; the "03" record should contain the subtotal of funds drawn from SNAP benefits and the "04" record the subtotal drawn from non-SNAP benefits. The sum of this value from the two records equals the amount described in the Source column.	New field
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Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
Settlement Date	102	8	Date	M for all transactions	X9.58 bit 15 outbound value for approved POS transactions; EBT system for all others	Date when the transaction has been included in the ACH and STARS files for all settling transactions; current switch date for all others, in CCYYMMDD format	New field
Terminal Type Code	110	2	Numeric	M for POS unless X9 message blank; C for all others if data is available in transaction record	X9.58 bit 58-4 passthrough for POS transactions; EBT system for all others	Code to identify terminal type Position 9-10 of bit 58 (see Table 2 for valid entries)	New field
Merchant Type	112	4	Alphanumeric (fill with spaces if information not available)	M for POS transactions unless X9 message blank; C for all others if data is available	X9.58 bit 18 passthrough for POS transactions; EBT system for all others	Classification of the merchant's type of business product or service (see Table 3 for most common values)	New field
Card Acceptor Name	116	25	Alphanumeric (fill with spaces if information not available)	M for POS transactions unless X9 message blank; C for all others if data is available	X9.58 bit 48 passthrough for POS transactions; EBT system for all others	Name of the retailer where the POS terminal is located (from the transaction message)	New field

Card Acceptor Address	141	23	Alphanumeric (fill with spaces if information not available)	M for POS transactions unless X9 message blank; C for all others if data is available	X9.58 bit 43-1 passthrough for POstransaction; EBT system for all others	Retailer's street address (from the transaction message)	New field
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Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
Card Acceptor City	164	13	Alphanumeric (fill with spaces if information not available)	M for POS transactions unless X9 message blank; C for all others if data is available	X9.58 bit 43-2 passthrough for POS transactions; EBT system for all others	Retailer's city (from the transaction message)	New field
Card Acceptor ZIP Code	177	9	Numeric (fill with spaces if information not available)	M for POS transactions unless X9 message blank; C for all others if data is available	X9.58 bit 43-5 passthrough for POS transactions; EBT system for all others	Retailer's ZIP code and extended zip code (from the transaction message);	New field
Card Acceptor ID	186	15	Alphanumeric (fill with spaces if information not available)	M for POS transactions unless X9 message blank; C for all others if data is available	X9.58 bit 42 passthrough for POS transactions; EBT system for all others	Code assigned to the retail location by the terminal acquirer	New field
Acquiring Institution Identification Code	201	11	Numeric (fill with spaces if information not available)	M for POS transactions; C for all others if data is available	X9.58 bit 32 passthrough for all original (type 2xx) transactions; X9.58 bit 90-4 passthrough for all reversal (type 4xx) transactions; EBT system for all others	Code assigned to the acquiring financial institution by the American Banking Association	New field

Forwarding Institution Identification Code	212	11	Numeric (fill with spaces if information not available)	M for POS transactions; C for all others if data is available	X9.58 bit 33 passthrough for all original (type 2xx) transactions; X9.58 bit 90-5 passthrough for all reversal (type 4xx) transactions; EBT system for all others	Code assigned by the EBT processor, or its gateway, to the most recent institution before the gateway forwarding the request to the EBT system	New field
System Trace Audit Number	223	6	Numeric (fill with spaces if information not available)	M for POS transactions unless X9 message is blank; C for all others if data is available	X9.58 bit 11 passthrough for all original (type 2xx) transactions; X9.58 bit 90-2 passthrough for all reversal (type 4xx) transactions;	Number assigned by the retailer or acquirer to uniquely	New field

Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
					EBT system for all others	identify a transaction	
Transmission Date/ Time	229	10	Numeric (fill with spaces if information not available)	M for POS transactions; C for all others if data is available	X9.58 bit 7 passthrough for all original (type 2xx) transactions; X9.58 bit 90-3 passthrough for all reversal (type 4xx) transactions; EBT system for all others	Terminal time and date in MMDDHHMMSS format (original value is in GMT)	New field
Local Terminal Date	239	4	Date (fill with spaces if information	M for POS transactions unless X9 message is blank;	X9.58 bit 13 passthrough for all POS transactions; EBT system for all others	Date transaction completed in MMDD format	New field

			not available)	C for all others if data is available		(original value is not in GMT)	
Local Terminal Time	243	6	Time (fill with spaces if information not available)	M for POS transactions unless X9 message is blank; C for all others if data is available	X9.58 bit 12 passthrough for all POS transactions; EBT system for all others	Time in HHMMSS 24 hour (original value not in GMT)	New field
Reversal Reason Code	249	1	Numeric	M for all transactions	If X9.58 bit 60-6 equals "8" code as 2 (Clerk); if bit 60-6 greater than "0" and less than "8" code as 1 (System); code all other POS and nonPOS transactions as 0 (Not reversal).	0 - Not a Reversal 1 - System Reversal 2 - Clerk Initiated Reversal (void) NOTE: If Transaction Type equals "30", this field must be coded as 1 or 2; if Transaction Type equals anything but "30", this field must be coded as 0	New field

Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
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Approval Code	250	6	Alphanumeric (fill with spaces if information not available)	M for approved transactions, Voucher Authorizations, Voucher Clears and their Reversals, and Voucher Expires/Releases; O for other transactions	X9.58 bit 38 outbound value for approved POS transactions except for Voucher Clears and their related Reversals	The code assigned by the EBT processor identifying the approval action; for all Voucher related transactions, the approval code assigned to the original Voucher Authorization	New field
Voucher Number	256	15	Alphanumeric (fill with spaces if information not available)	M for Voucher Authorizations, Voucher Clears and Voucher Releases	X9.58 bit 111-3 (VN) pass-through for POS voucher clears; EBT system for all others	Preprinted number from a manual voucher form	New field
EBT Account Number	271	20	Alphanumeric	M for all transactions	EBT system	Unique account number assigned to the household's SNAP account by the EBT processor. Left justify and pad with trailing spaces	New field

Internet Shipping/Delivery Address	291	28	Alphanumeric (fill with spaces if information not available)	M for all internet transactions	X9.58 bit 111-3 (IT) pass-through for all internet transactions	Street address portion (positions 128) of the cardholder shipping/delivery address required for all internet transactions; left justified	New field
Description	Start Pos.	Len	Type	Required? M-Mandatory C-Conditional O-Optional	Source	Comments	Update Status
Internet Shipping/Delivery ZIP Code	319	9	Numeric (fill with spaces if information not available)	M for all internet transactions	X9.58 bit 111-3 (IT) pass-through for all internet transactions	ZIP code portion (positions 2937) of the cardholder shipping/delivery address required for all internet transactions	New field
Record Delimiter	328	2	CrLf	N/A	N/A	Carriage Return ASCII Value 0D Linefeed ASCII Value 0A	No change

ATTACHMENT M: VALID CODES AND FILE FORMATS

The information in Attachment M is informational and applies for the period of the performance of the contract.

A. Table 1 – Valid Response Code Combinations

X9.58-2013 (bit 039)	Description	Comments (elimination of leading character a given and not repeated)
00	Approved	Description revised to agree with X9.58
02	Bad FNS status for merchant	
03	Invalid merchant	
05	General denial	
06	Invalid transaction	
10	Partial approval	New code added to X9.58-2013 for use with S&F transactions when retailer receives less than the requested amount.
12	Invalid transaction type	
13	Invalid amount field	
14	Invalid card number	
19	Re-enter transaction	
23	Unacceptable transaction fee	
30	Format error	
31	Card has invalid ISO prefix	
40	Function not available	
41	Lost card	
42	No Account	
43	Lost/stolen card	
51	Insufficient funds	
52	No account on file	
54	Expired card	
55	Invalid PIN	Replaces Code S5 (PIN Not Selected) removed from X9.58-2013 as non-applicable.
56	Card number not found	
57	Transaction not permitted to cardholder	
58	Invalid transaction	
59	Fraud (return card)	

61	Return exceeds benefit authorization	
62	Restricted card	
75	PIN tries exceeded	
76	Key synchronization error	
80	Voucher expired	
86	Invalid security code	
X9.58-2013 (bit 039)	Description	Comments (elimination of leading character a given and not repeated)
89	CVV verification failed, no pick up	New code added to X9.58-2013.
90	Processor not logged on	
91	Authorizer not available (time-out)	Description revised to agree with X9.58.
92	Transaction destination cannot be found for routing	
96	System malfunction	
A1	Invalid voucher ID	Description revised to agree with X9.58.
A2	Approval code doesn't match voice approval code	
A3	Amount greater than original voice authorization	
A4	Original voice authorization not found for cardholder	
A5	FNS number does not match original voice authorization	
A6	Item already cleared	
FF	Invalid HIP amount	New code added to X9.58-2013.
S7	Unmatched voucher information	Code added back it to X9.58-2013.

B. Table 2 – Valid Terminal Type Codes

Source	Code	Type Description
X9.58 bit 58	00	Administrative Terminal
Positions 9-10:	01	POS terminal

04	Electronic cash register (ECR)
05	Dial terminal
08	Scrip machine
25	Internet

C. Table 3 – Valid Merchant Type Codes

Class Description	Code	Merchant Type
Agricultural services	0763	Agricultural co-operatives
Retail Outlets	5300	Wholesale clubs
	5310	Discount shops
	5311	Department stores
	5331	Variety stores
	5399	Miscellaneous general merchandise
	5411	Groceries and supermarkets
	5422	Freezer and locker meat provisioners
	5441	Candy, nut and confectionery shops
	5451	Dairies
	5462	Bakeries
5499	Miscellaneous food shops — convenience and specialty retail outlets	
Automobiles and vehicles	5541	Service stations (with or without ancillary services)
Miscellaneous outlets	5812	Eating places and restaurants
	5814	Fast food restaurants
	5912	Drug stores and pharmacies
	5921	Package shops — beer, wine and liquor
	5994	Newsagents and news-stands
	5999	Miscellaneous and specialty retail outlets
Service providers	7278	Buying and shopping services and clubs

AMA File Formats

AMA – Record Format for Batch Issuance File from Processor

File Formats (INCOMING)

Each batch issuance file received by Account Management Agent (AMA) must be in the format specified below in order for data to be successfully processed.

Issuance Files

Processors may send batch files that contain issuance data. Each file is required to have a

File Header Record and a File Trailer Record. If the file contains only a File Header Record and File Trailer Record, then the file trailer's File-Record-Count must be 000002 and the file will be treated as an "empty" file.

If the file is not "empty" it must contain at least one project header record, at least one effective date detail record for each project header record, one to five unique detail transaction records for each effective date record, and a project trailer record for each project header. The records should be sequenced in the following manner:

- Project Header Records should appear in ascending order based on the combination of AgencyLocation-Code, Region-Code, Recipient-Organization-ID, Program-Year-Code, and Letter-Of-CreditCode.
- Detail Effective Date Records should appear in ascending order within each project based on EffectiveDate.
- Detail Transaction Code Records should appear in ascending order within each effective date based on Transaction-Code.

The following depicts the format of this file:

- File is fixed block
- Record size is 80 characters

File Header Record

Field	Length/Type	Value/Description
Record Type	PIC X (02)	'FH'
Processor ID	PIC 9(08)	Number which uniquely identifies a processor; FRB Operations will provide this number to each processor before the processor begins transmitting issuance files
File Number	PIC 9(06)	Begins at 000001 and incremented by 1 for each new file **
File Creation Date	PIC 9(08)	'CCYYMMDD' format
File Creation Time	PIC 9(06)	'HHMMSS' format
Filler	PIC X(50)	SPACES

** If a processor handles more than one state, the beginning file number may vary.

Project Header Record

Field	Length/Type	Value/Description
Record Type	PIC X(02)	'PH'
Agency Location Code	PIC X(08)	'12350001'
Region Code	PIC X(02)	'09'
Recipient Organization ID	PIC 9(07)	Recipient Organization ID for the project
Program Year Code	PIC X(04)	'0080'
Letter of Credit Code	PIC X(04)	Letter of Credit Code for the project
Index Code	PIC X(12)	'9S6008'
Filler	PIC X(41)	SPACES

DetailRecord –

Effective Date

Field	Length/Type	Value/Description
Record Type	PIC X(02)	'PD'
Detail Type	PIC X(02)	'ED'
Effective Date	PIC 9(08)	'CCYYMMDD'
Filler	PIC X(68)	SPACES

Detail Record – Transaction Code

Field	Length/Type	Value/Description
Record Type	PIC X(02)	'PD'
Detail Type	PIC X(02)	'PB'
Transaction Code	PIC X(02)	'IO' (issuance other) 'IS' (issuance) 'RC' (return coupon) 'RE' (return expungement) 'RO' (return other)
Transaction Amount	PIC 9(12 V(02)	
Filler	PIC X(60)	SPACES

Project Trailer Record

Field	Length/Type	Value/Description
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Record Type	PIC X(02)	'PT'
Agency Location Code	PIC X(08)	'12350001'
Region Code	PIC X(02)	'09'
Recipient Organization Code	PIC 9(07)	Must match the Project Header Record
Program Year Code	PIC X(04)	'0080'
Letter of Credit Code	PIC X(04)	Must match the Project Header Record
Index Code	PIC X(12)	'9S6008'
Filler	PIC X(06)	SPACES
Project Total Amount	PIC 9(12) V(02)	Sum of all transaction amounts for current project (will be positive number since each transaction amount is positive)
Project Record Count	PIC 9(06)	Count of all records for current project including Project Header and Project Trailer records
Filler	PIC X(15)	SPACES

File Trailer Record

Field	Length/Type	Value/Description
Record Type	PIC X(02)	'FT'
Processor ID	PIC 9(08)	Must match File Header Record
File Number	PIC 9(06)	Must match File Header Record
File Creation Date	PIC 9(08)	Must match File Header Record
File Creation Time	PIC 9(06)	Must match File Header Record
File Record Count	PIC 9(06)	Count of all records in file including File Header and File Trailer records
Filler	PIC X(44)	SPACES

Sample File

*****Top of Data*****

FHXXXXXXXX00000010000229003710
PH1235000109NNNNNNN0080YYYY9S6008
PDED20000228

PDPBIS00000000255055
 PDED20000229
 PDPBIS00000003006507
 PT1235000109NNNNNNN0080YYYY9S6008 0000000321562000006
 FTXXXXXXXX00000010000229003710000008
 *****Bottom of Data*****
 XXXXXXXX - Processor ID
 NNNNNNN - Recipient Organization (RO)-ID
 YYYY - Letter of Credit Code for the Project

REDE Data Information

In support of Electronic Benefit Transfer (EBT) implementation, the Food and Nutrition Service (FNS) determined that an automated process was required to notify the EBT Processors, contracted by each state (and possibly by each county), of any changes to the data for the Supplemental Nutrition Assistance Program (SNAP) retailers to which they provide service.

FNS has established requirements that the automated process will:

- A. **Provide Detailed State Retailer Data for State EBT Processors.** FNS will provide a file of data for each retailer within a state to EBT processors. An EBT processor may request a file for multiple states. Changes to this retailer file, which contains additions and deletions of retailers, as well as changes to the basic information, will be provided on a daily basis, Monday through Friday. A full file of the retailer data for each state will be provided on a monthly basis. This full file will allow the EBT processor to verify that no retailer changes have been missed.
- B. **Provide National Retailer Data for Interoperability Between States.** FNS will initially provide, to each EBT processor, a file of limited data for each authorized retailer in the SNAP. This file will be used to allow for the inter-operability between states and EBT processors for the EBT redemption process. Changes to this file (additions and deletions of retailers) will be provided on a daily basis, Monday through Friday. A complete file of the limited retailer data for the entire SNAP will be provided on a monthly basis. The complete file will allow the EBT processor to verify that no retailer changes have been missed.

The Retailer Electronic Data Exchange (REDE) interface was developed to facilitate the exchange of retailer data between FNS and the EBT processors. REDE replaced the manual process which required a field office to fax the changes for a store to the EBT processor. It has helped to reduce the EBT processors' submission of incorrect authorization numbers with redemption data which must then be manually researched by FNS staff at the Benefit Redemption Systems Branch (BRSB), and at FNS regional offices and field offices. It can also be made available to Third Party Processors to limit input errors.

The most critical exchange is FNS' notification of EBT processors concerning newly authorized EBT retailers and EBT retailers who have been withdrawn or disqualified as participants in the SNAP. The EBT processor is responsible for promptly setting up a newly authorized EBT retailer to participate in the EBT redemption process, generally within 2 weeks of this notification. The EBT processor is also

responsible for removing a withdrawn or disqualified retailer from the EBT redemption process within 2 days of notification from FNS.

The REDE Subsystem supports interoperability, which allows a SNAP recipient from one state's program to make EBT purchases in another state. Interoperability is supported through the notification of all EBT processors concerning changes in any SNAP retailer's authorization status. The REDE Subsystem provides this data not only to the state and/or county EBT processors, but also to organizations that may provide Gateway services to multiple EBT processors and/or to any other FNS-approved organizations. The data provided on each store authorized to accept SNAP EBT transactions is limited to only that data which allows the basic identification of the store as an authorized retailer.

Operations

REDE processing includes standard (regularly scheduled) nightly and monthly operations and ad hoc operations. Both types of REDE operations are performed at the Benefit Redemption Systems Branch (BRSB) in Minneapolis, MN. The standard nightly operations are performed nightly, Monday through Friday, and create the state and national retailer data update files. The standard monthly operations are performed monthly (on the first Saturday of the Calendar Month) and create the full state and national retailer data files. The state retailer data update files are used to update the Retailer EBT Data Exchange (REDE) database. Ad hoc operations are performed as requested when a State Agency and/or EBT processor requests a start-up copy of a state or national retailer update file.

The REDE Subsystem will create state retailer data update files and a national retailer data update file on a nightly basis, Monday through Friday. The exceptions to this are federal holidays that fall on a weekday. A full state retailer data file and national data file, which contain authorized stores, will be created on a monthly basis during the first full weekend of a Calendar Month. These files will be readied for transmission to authorized recipients of each state's file and the national file who will be given the choice of accessing these files using either a Connect Direct process through the USDA Computer Center in Kansas City or a VPN internet solution.

Creating State Retailer Data Update Files

Each night, the REDE Subsystem will utilize the current and prior night's Retailer Extract File to create the state retailer data update files for those states that the State Agencies and/or EBT processors have included in a file of requested states. The state retailer data update files contain the retailer data update transactions for each state's retailers. These transactions identify when a retailer has been added to, removed from, or re-activated into the Supplemental Nutrition Assistance Program and identify if certain key retailer data has changed. If a state incurs no changes to its retailers' data, a file will still be created for that state and will contain a header record and trailer record which identify that no detail records were included in the file. The creation of a file for each of the requested states will improve security and integrity as the authorized data files recipients from each state will always get a file, even when it does not contain any updates.

Creating National Retailer Data Update Files

The national retailer data update files are also created by REDE on a nightly basis and will be readied for access in the same manner as the state retailer data update files. Each file will identify if a retailer has been removed from, or added to, the set of retailers authorized to perform EBT processing for the SNAP. While additions and deletions are the primary types of transactions, there is also a modify transaction that identifies whether the first ten characters of the retailer name have changed, or whether the state within which the retailer resides, has been changed or whether the business type has been changed. Ideally, the state change should occur only if someone miskeys the information into the primary retailer database and then later corrects it.

The national retailer update file may be sent to entities other than the state EBT processors; for example, it may also be provided to some independent processors that support a national EBT retailer database for the state EBT processors. As with the state file, if there are no changes to any retailers in the nation, a file containing a header record and a trailer record will be created which identify that no detail records were included in the file.

This will ensure that all authorized recipients are aware that there were no changes to the nation's retailers for that period.

Creating Full State and National Retailer Data Files

On a monthly basis, the REDE Subsystem will create a full file of all of the state retailer data files and the national retailer data file using the most current Retailer Extract File. These files will be readied for access in the same manner as the update files. The primary purpose of these files is to ensure that updates have not been missed and that all updates were received by the authorized recipients of each file.

Creation of Start-up State and National Retailer Data Files

When requested by a newly implemented EBT state or that state's EBT processor, the REDE Subsystem will create a set of start-up files consisting of a full state retailer data file and/or full national retailer data file. The files will be created using the most current Retailer Extract File and will be readied for access in the same manner as the standard monthly files. These start-up files are provided for a state and an EBT processor to use when the state's EBT implementation does not coincide with the creation and transmission of the standard monthly Full State Retailer Data Files and National Retailer Data File.

Header Record

FIELD DESCRIPTION	FIELD TYPE	FIELD WIDTH	FIELD POSITION	COMMENTS
Transaction Type Code	Char	1	1	Blank
State Code	Char	2	2 - 3	Alphabetic state code where stores are located
Date Range				Date range for effective dates of retailer update transactions
Beginning Date	Char	8	4 - 11	For the daily update file, the beginning date of date range in CCYYMMDD format. For the monthly file, the date the file is produced.
Ending Date	Char	8	12 - 19	For the daily file, the ending date of date range in CCYYMMDD format. For the monthly file, the date the file is produced
Transaction Count	Num	7	20 - 26	Count of detail records in the file
Filler	Char	395	27 - 421	Blanks (mainframe files only)

Trailer Record

FIELD DESCRIPTION	FIELD TYPE	FIELD WIDTH	FIELD POSITION	COMMENTS
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Transaction Type Code	Char	1	1	'T' - Trailer record
State Code	Char	2	2 - 3	Alphabetic state code where stores are located
Date Range				Date range for effective dates of retailer update transactions
Beginning Date	Char	8	4 - 11	For the daily update file, the beginning date of date range in CCYYMMDD format. For the monthly file, the date the file is produced.
Ending Date	Char	8	12 - 19	For the daily file, the ending date of date range in CCYYMMDD format. For the monthly file, the date the file is produced.
Transaction Count	Num	7	20 - 26	Count of detail records in the file
Add Transaction Record Count	Num	7	27 - 33	Count of "add" transaction records in the file
Delete Transaction Record Count	Num	7	34 - 40	Count of "delete" transaction records in the file
Modify Transaction Record Count	Num	7	41 - 47	Count of "modify" transaction records in the file
Re-activate Transaction Record Count	Num	7	48 - 54	Count of "re-activate" transaction records in the file
Hash Count	Num	8	55 - 62	Numeric hash count for backwards compatibility

Filler	Char	359	63 - 421	Blanks (mainframe files only)
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Detail Records

FIELD DESCRIPTION	FIELD TYPE	FIELD WIDTH	FIELD POSITION	COMMENTS
Transaction Type Code	Char	1	1	'A' if a new store was added; 'R' if a previously authorized store was reinstated (Auth status 01, Reason Code 02); 'M' if an existing store was modified; 'D' if an existing store was removed from the program.
State Abbreviation	Char	2	2-3	Alphabetic State Code
Store Number	Num	7	4-10	STARS Authorization Number
Store Name	Char	50	11-60	Full name of store
Primary Telephone Number	Num	10	61-70	Full telephone number with area code
Alternate Telephone Number	Num	10	71-80	Telephone number to use in case Primary Telephone Number is unavailable.
Open 24 Hours Indicator	Char	1	81	'Y' if open 24 hours; otherwise 'N'
Registers Count	Num	5	82-86	Total number of check-out registers in store
County Code	Char	3	87-89	Code indicating county within state where store resides
Business Type Code	Char	2	90-91	Code indicating type of store - see Figure 1

Address Number	Char	8	92-99	Address number on street where store is located
Street Name	Char	40	100-139	Full name of street where store is located
Additional Address Info	Char	40	140-179	Supplemental address information that is not

FIELD DESCRIPTION	FIELD TYPE	FIELD WIDTH	FIELD POSITION	COMMENTS
				contained in the street name (e.g. Suite Number)
City Name	Char	30	180-209	Full name of city where store is located
State Code	Char	2	210-211	Alphabetic state code where store is located.
Zip Code	Num	5	212-216	5 digit zip code where store is located.
Zip 4 Code	Num	4	217-220	4 digit zip code suffix where store is located
Authorization Status Code	Char	2	221-222	Code indicating current authorization status of store - see Figure 2.
Authorization Status Date	Num	8	223-230	Effective date of current authorization status in CCYYMMDD format.
Authorization Withdrawal Reason Code	Char	2	231-232	Reason for authorization or withdrawal - see Figure 3
Re-certification Status Date	Num	8	233-240	Date in CCYYMMDD format the store was re-certified (reauthorized) as authorized under FNS regulations based on

				updated data supplied by the retailer.
Ownership Type Code	Char	1	241	'1' if sole proprietorship or '2' if partnership or '3' if privately-held corporation or '4' if publicly owned corporation or '5' if cooperative or '6' if government or '7' if limited liability company or '8' if limited liability partnership
Owner's Name Format	Char	1	242	'1' if a person's name or '2' if an organization's name (corporation, company, government, etc.)
FIELD DESCRIPTION	FIELD TYPE	FIELD WIDTH	FIELD POSITION	COMMENTS
Owner's Name	Char	50	243-292	Organization or primary person that owns the retailer (if person's name, the first 15 characters contain the first name, the second 15 characters the middle name or initial, and the last 20 characters contain the last name)
Mailing Address Number	Char	8	293-300	Address number on street on store mailing address.
Mailing Street Name	Char	40	301-340	Full name of street on store mailing address.
Mailing Additional Address Info	Char	40	341-380	Supplemental mailing address information that is not contained in the street name (e.g. Suite Number)

Mailing City Name	Char	30	381-410	Full name of city on store mailing address.
Mailing State Code	Char	2	411-412	Alphabetic state code on store mailing address.
Mailing Zip Code	Num	5	413-417	5 digit zip code on store mailing address.
Mailing Zip 4 Code	Num	4	418-421	4 digit zip code extension on store mailing address.

Header Record

FIELD DESCRIPTION	FIELD TYPE	FIELD WIDTH	FIELD POSITION	COMMENTS
Transaction Type Code	Char	1	1	Blank
Creation Date	Char	8	2 - 9	Date this file was created in CCYYMMDD format.
File Type	Char	1	10 - 10	File type indicator where 'D' = daily change file, 'F' = full replacement file.
Transaction Count	Num	7	11 - 17	Count of detail records in the file
Filler	Char	18	18 - 35	Blanks

Trailer Record

FIELD DESCRIPTION	FIELD TYPE	FIELD WIDTH	FIELD POSITION	COMMENTS
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Transaction Type Code	Char	1	1	'T' - Trailer record
Creation Date	Char	8	2 - 9	Date this file was created in CCYYMMDD format.
File Type	Char	1	10 - 10	File type indicator where 'D' = daily change file, 'F' = full replacement file.
Add Transaction Count	Num	7	11 - 17	Count of "add" detail records in the file
Delete Transaction Count	Num	7	18 - 24	Count of "delete" detail records in the file
Modify Transaction Count	Num	7	25 - 31	Count of "modify" detail records in the file
Filler	Char	4	32 - 35	Blanks

Detail Record

FIELD DESCRIPTION	FIELD TYPE	FIELD WIDTH	FIELD POSITION	COMMENTS
Transaction Type Code	Char	1	1	'A' if store was added or 'D' if store was deleted or 'M' if state code, first ten characters of store name or business type code were modified
Store Identification	Num	7	2 - 8	STARS Authorization Number
State Code	Char	2	9 - 10	Alphabetic state code where store is located

Store Name	Char	10	11 - 20	First ten characters of the store name
Business Type Code	Char	2	21 - 22	Code indicating type of store
Filler	Char	13	23 - 35	Blanks

Code Definitions for Business Type, Authorization Status and State Code/Abbreviation

The values for the Business Type; Authorization Status; Status Reason and State Abbreviation codes used in the record layouts are listed in the Figures 1, 2, 3 and 4 below:

Business Type Code	Description	Store or Meal Service
AD	Drug and/or Alcohol Treatment Program	Meal Service
BB	Bakery Specialty	Store
BC	Non-profit Food Buying Co-op	Store
BW	Shelter for Battered Women and Children	Meal Service
CA	Community Supported Agriculture Organization	Store
CD	Communal Dining Facility	Meal Service
CO	Combination Grocery/Other	Store
CS	Convenience Store	Store
DR	Delivery Route	Store
DF	Direct Marketing Farmer	Store
FM	Farmers' Market	Store
FV	Fruits/Vegetable Specialty	Store
GL	Group Living Arrangement	Meal Service
HP	Homeless Meal Provider	Meal Service
IR	Internet Retailer	Store
LG	Large Grocery Store	Store
MC	Military Commissary	Store
MD	Meal Delivery Service	Meal Service
ME	Meat/Poultry Specialty	Store
MG	Medium Grocery Store	Store
RE	Private Restaurant/Meal Delivery	Meal Service
SC	Senior Citizens' Center/Residential Building	Meal Service
SE	Seafood Specialty	Store
SG	Small Grocery Store	Store
SM	Supermarket	Store

SS	Super Store	Store
WH	Wholesaler	Store

Figure 1

Business Type Code List

Authorization Status Codes	
Code	Status
01	Authorized
03	Withdrawn
04	Disqualified
07	Permanent Disqualification
10	Permanently Withdrawn

Figure 2

Authorization Status Codes

Status Reason Codes		
Status (Status Code)	Code	Reason
Authorized (01)	01	Initial Authorization
Authorized (01)	02	Reinstated
Withdrawn (03)	01	Voluntary Withdrawal
Withdrawn (03)	02	Involuntary – Other
Withdrawn (03)	03	Involuntary - Withdrawn
Withdrawn (03)	04	Involuntary – Does not meet Criteria A or Criteria B
Withdrawn (03)	05	Involuntary – Not a Retail Food Store
Withdrawn (03)	06	Involuntary – Failure to Cooperate
Withdrawn (03)	07	Involuntary – Failure to Pay
Withdrawn (03)	08	Involuntary – Business Integrity
Withdrawn (03)	09	Involuntary – Non-Redeemer
Withdrawn (03)	10*	Involuntary – No State Contract*
Withdrawn (03)	11	Involuntary – Failure to Cooperate with Reauthorization Process
Disqualified (04)	01	SNAP Violation
Disqualified (04)	02	WIC Program Violation

Disqualified (04)	03	Failure to Pay
Permanently Disqualified (07)	01	SNAP Violation
Permanently Disqualified (07)	02	WIC Program Violation
Permanently Disqualified (07)	03	Failure to Pay
Permanently Withdrawn (10)	01	Business Integrity

*This code only applies to authorized meal services that are withdrawn from the Program for failure to maintain or renew state certification.

**Figure 3
Status Reason Codes**

State Abbreviation Codes	
State/Possession	Code
ALABAMA	AL
ALASKA	AK
AMERICAN SAMOA	AS
ARIZONA	AZ
ARKANSAS	AR
CALIFORNIA	CA
COLORADO	CO
CONNECTICUT	CT
DELEWARE	DE
DISTRICT OF COLUMBIA	DC
FEDERATED STATES OF MICRONESIA	FM
FLORIDA	FL
GEORGIA	GA
GUAM	GU
HAWAII	HI
IDAHO	ID
ILLINOIS	IL
INDIANA	IN
IOWA	IA
KANSAS	KS
KENTUCKY	KY
LOUISIANA	LA
MAINE	ME

MARSHALL ISLANDS	MH
MARYLAND	MD
MASSACHUSETTS	MA
MICHIGAN	MI
MINNESOTA	MN
MISSISSIPPI	MS
MISSOURI	MO
MONTANA	MT
NEBRASKA	NE
NEVADA	NV
NEW HAMPSHIRE	NH
NEW JERSEY	NJ
NEW MEXICO	NM
NEW YORK	NY
NORTH CAROLINA	NC
NORTH DAKOTA	ND
NORTHERN MARIANA ISLANDS	MP
OHIO	OH
OKLAHOMA	OK
OREGON	OR
PALAU	PW
PENNSYLVANIA	PA
State/Possession	Code
PUERTO RICO	PR
RHODE ISLAND	RI
SOUTH CAROLINA	SC
SOUTH DAKOTA	SD
TENNESSEE	TN
TEXAS	TX
UTAH	UT
VERMONT	VT
VIRGIN ISLANDS	VI
VIRGINIA	VA
WASHINGTON	WA
WEST VIRGINIA	WV
WISCONSIN	WI
WYOMING	WY

Figure 4

State Abbreviation Codes

Additional Information

1. A modify transaction will contain all of the current data for a retailer. It does not **just** identify the elements that have changed.
2. The Zip 4 Code field will contain zeroes if the zip code is unknown.
3. If the retailer's mailing address is the same as the location address, the mailing address's character type fields will contain spaces and its numeric type fields will contain zeros. There are some retailers in the file, however, where the same information is reflected in both fields.
4. The monthly file will contain one add transaction for each authorized retailer within the state that is in the STARS database. An authorized retailer will have an authorization status code of '01' (Authorized). It does not contain de-authorized retailers that have an authorization status code of '03' (Withdrawn) or '04' (Disqualified) or '07' (Permanently Disqualified) or '10' (Permanently Withdrawn).
5. There are a few retailers that do not have a street address. This is a valid situation in certain cases. For instance, it is possible that the store is not on a street. Such as on an Indian Reservation.
6. Retailers that are involuntarily removed from SNAP will be given a five day grace period after the effective date until the removal is reflected in the REDE files. This grace period potentially allows for any appeals of the removal. The exception to this grace period is for the permanent disqualification (Authorization code of '07') where there is no suspension of the disqualification pending the outcome of an appeal.
7. Retailers that have been added to STARS as a new retailer, with an open date in the future, **will be** sent in the daily State Update File as soon as they are entered into STARS. This differs from the National Update File where future dated stores **will not be** included in the daily National Update File **until three (3) days prior to the effective date.**

File Format for STARS System

Header Record

Record identifier	PIC X	Value '1'
Filler	PIC X	Value space
Processor R/T #	PIC X(9)	Bank R/T number
Processor Suffix #	PIC X(7)	Bank Suffix number or zeros
State Code	PIC XX	Alpha state code
Filler	PIC X(3)	Value zeros.
Date file generated	PIC X(6)	YYMMDD
Time file generated	PIC X(4)	HHMM
LOC number	PIC X(4)	Letter of Credit number or state
Filler	PIC X(43)	Value spaces.

Retailer Transaction Record

Record identifier	PIC X	Value space
Credit date	PIC X(6)	YYMMDD
Filler	PIC X(12)	Value spaces
'Sign' for dollar amount (next field)	PIC X	+ or -
Dollar amount		PIC 9(7)V99 Daily total amount for retailer for credit date

Retailer FNS number	PIC X(7)	
Filler	PIC X(44)	Value spaces

Daily Total Record

	PIC X	
Record identifier	PIC X(6)	Value 'C'
Credit date	PIC 9(6)	YYMMDD
Total count		Total number of transaction records for credit date
Filler	PIC X(6)	Value spaces
	PIC X	
'Sign' for dollar amount (next field)		+ or -
Total amount		PIC 9(9)V99 Total dollar amount of all transactions for credit date

Filler	PIC X(49)	Value spaces
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Trailer Record

Record identifier	PIC X	Value 'T'
Filler	PIC X(6)	Value spaces
Total record count	PIC 9(6)	Total number of transaction records in this transmission Value spaces
Filler	PIC X(6)	
		+ or -
'Sign' for dollar amount (next field)	PIC X	Total dollar amount for all transaction records in this transmission
Total dollar amount	PIC 9(9)V99	
		Value spaces
Filler	PIC X(49)	

ATTACHMENT N: NC EBT STATISTICS

The information in Attachment N is informational and applies for the period of the performance of the contract.

HISTORICAL DATA FOR SNAP ACCOUNTS

MONTH/YEAR	SNAP ACCOUNTS*
May 2023	842,561
April 2023	876,264
March 2023	957,830
February 2023	850,976
January 2023	845,323
December 2022	842,241
November 2022	853,952
October 2022	846,565
September 2022	831,286
August 2022	825,937
July 2022	853,964
June 2022	839,814

NOTE: These totals represent active SNAP accounts that received a benefit in the month indicated.

HISTORICAL RECIPIENT/RETAILER HELP DESK CALLS

Month & Year	Retailer Calls	Recipient Calls
May 2023	Not available	0
April 2023	68	0
March 2023	67	0
February 2023	138	0
January 2023	94	0
December 2022	111	3,507
November 2022	66	7,009
October 2022	78	10,807
September 2022	76	5,663
August 2022	72	13,884
July 2022	50	7,275
June 2022	68	6,440

HISTORICAL DATA FOR CARD REPLACEMENT

-----Replacement Reason-----

MONTH/YEAR	TOTAL REPLACED	LOST	DAMAGED	STOLEN	OTHER
May 2023	26,464	9,889	2,716	1,133	2,063
April 2023	23,710	8,544	2,451	1,048	1,954
March 2023	26,854	10,370	2,666	1,087	2,143
February 2023	26,471	9,350	2,613	1,054	2,135
January 2023	29,038	11,113	3,011	1,217	2,076
December 2022	27,087	10,021	2,104	1,071	2,275
November 2022	28,792	12,034	2,303	1,144	2,393
October 2022	31,340	12,778	2,720	1,246	2,579
September 2022	31,205	12,170	2,946	1,273	2,754
August 2022	33,923	12,844	3,528	1,271	3,095
July 2022	31,052	13,005	3,184	1,315	2,174
June 2022	29,150	12,117	2,384	1,340	2,161

SNAP POS TRANSACTION VOLUMES

MONTH /YEAR	APPROVED POS TRANSACTIONS	DENIED POS TRANSACTIONS	BALANCE INQUIRIES	TOTAL POS TRANSACTIONS
May 2023	8,176,581	682,396	38,983	8,858,977
April 2023	8,864,470	679,237	39,564	9,543,707
March 2023	10,891,305	677,805	44,180	11,569,110
February 2023	10,335,853	631,275	43,024	10,967,128
January 2023	11,298,034	724,648	50,716	12,022,682
December 2022	12,060,123	738,489	52,209	12,798,612
November 2022	11,523,549	709,145	52,666	12,232,694
October 2022	11,877,052	713,407	52,395	12,590,459
September 2022	11,473,525	762,753	55,217	12,236,278
August 2022	13,706,629	780,898	57,241	14,487,527
July 2022	12,182,549	708,275	52,895	12,890,824
June 2022	10,316,613	682,231	50,458	10,998,844