

## RFP Questions and Clarifications Memorandum

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**To:** Vendors Responding to RFP Number 3587 for the Mississippi Department of Human Services (MDHS)

**From:** David L. Litchliter

**Date:** August 27, 2009

**Subject:** Responses to Questions Submitted and Clarifications to Specifications

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RFP Number 3587 is hereby amended as follows:

1. Section IV, Legal and Contractual Information, the second line of the header on pages 15 through 26 is being changed from "Section V: Proposal Exceptions" to "Section IV: Legal and Contractual Information".
2. Section IV, Legal and Contractual Information, Item 37 Performance Bond/Irrevocable Letter of Credit, the third and fourth sentences - "The Performance Bond or the Irrevocable Letter of Credit shall be maintained in effect at all times until completion of the EBT system implementation or two (2) years from execution of the Contract in the amount of fifteen million dollars (\$15,000,000.00). Thereafter, Vendor shall maintain a performance bond in the amount of two million dollars (\$2,000,000.00) for the remainder of the term (initial term and any renewal term), and shall be payable to the Mississippi Department of Human Services, to be held by their contracting agent, the Mississippi Department of Information Technology Services.", are being replaced with the following:

"The Performance Bond or the Irrevocable Letter of Credit shall be maintained in effect at all times from execution of the Contract through the initial 5-year term for the total amount (one hundred percent (100%)) of the Contract; thereafter, one hundred percent (100%) of the total amount of the Contract for any renewal term, and shall be payable to the Mississippi Department of Human Services, to be held by their contracting agent, the Mississippi Department of Information Technology Services."

3. Section VII, Technical Specifications, Item 8.6.9.1 is being modified to read as follows: “At the end of each settlement day (i.e., 2:30 P.M. Central Time), financial transaction settlement totals are recorded and written to a money movement file. This file is processed and a daily ACH file is created. The ACH file is transmitted to the ACS ACH originator bank for processing. Upon receipt of the ACH file, the originator bank transmits the ACH deposits to the Federal Reserve Bank (FRB). Overnight, the FRB ACH System regroups all of the ACH files it has received into transmissions for the appropriate TPP network banks. After transmitting files to the different network banks, the FRB sends a transmission to the ACS settlement bank to debit the settlement account for the amount due to the merchants for SNAP benefits funds. The Vendor sends an ACH credit to the ACS settlement account to cover the SNAP benefit funds paid out to the TPP networks.”
4. Section VII, Technical Specifications, Item 8.6.11.4 is being modified to read: “The Vendor shall ensure that all settlement reports are available to the State within two (2) hours after the agreed upon SNAP settlement cutoff time (currently 2:30 P.M. Central Time).”
5. Section VII, Technical Specifications, Items 8.6.11.6 is being modified to read as follows: “The Vendor shall research all variances reported by the State and provide documentation to support the resolution within five (5) calendar days of notification.”
6. Section VII, Technical Specifications, Item 8.6.11.7 is being modified to read: “The Vendor must ensure that federal funds are not drawn down for over-issuances of transactions in excess of an authorized recipient’s outstanding benefits.”
7. Section VII, Technical Specifications, Item 8.9.1.7 is being modified to read: “Installing, maintaining and supporting Vendor provided EBT-Only POS equipment as necessary in accordance with USDA FNS policy for retailer participation as defined in 7 CFR 274.12. Support shall include, but is not limited to reimbursing EBT-Only retailers for supplies and supplying telephone lines or wireless connectivity if requested; (Note: The new Vendor will be required to install the VeriFone Vx 510/VeriFone Vx 610 (for wireless retailers – Farmers Markets, etc.) equivalent or better POS devices, or a device of greater quality, in all the EBT-Only retailers as a requirement of the RFP;”
8. Section VII, Technical Specifications, Item 8.9.4.3.5 is being modified to read as follows: “The Vendor shall develop for State and USDA FNS review and approval an agreement to be executed with all TPPs.”
9. Section VII, Technical Specifications, Item 8.10.4.1 is being modified to delete the following bullet: “Retailer enable/disable functionality”.
10. Section VII, Technical Specifications, Item 8.11.15.17 is being modified to read: “The Vendor shall provide a monthly report of all cardholder transactions occurring outside of the State of Mississippi. This report shall include cardholder county office, cardholder PAN, date and time of transaction, city, state, program type, transaction type, transaction

amount and transaction response reason, if not approved (i.e., denied - insufficient funds; denied – invalid PIN; etc.).”

11. Section VII, Technical Specifications, Item 8.14.3.3 is being revised to read as follows: “The training material shall include an Administrative Terminal Manual and Quick Reference Guide. In addition, updates and revisions of the training materials shall be provided within thirty (30) calendar days to the State whenever the Vendor modifies functionality of the Administrative Terminal. A “color” version of all training material(s) shall be provided to the State in an acceptable electronic format that may be printed, if needed. Administrative Terminal users shall have online access to all training materials.”
12. Section VII, Technical Specifications, Item 9.2 is being modified to read: “The Vendor shall propose services using either a Visa or MasterCard® branded program. The State of Mississippi currently delivers Temporary Assistance for Needy Children (TANF) benefits, TANF Supportive Service benefits, Unemployment Insurance (UI) benefits and Child Support payments to recipients through a MasterCard® Debit Card system. In addition, UI and Child Support cardholders are also offered the option of receiving payments via direct deposit to their bank accounts. The Vendor shall identify which of the networks it is proposing and fully explain its or its banking partner's network affiliation.”
13. Section VII, Technical Specifications, Item 9.9 – Add the following row to the table:

Deposit Summary File	Daily		X
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14. Section VII, Technical Specifications, Item 9.9.13 is being added to read as follows: “Deposit Summary File: The data records contained in this file are the actual Deposit File processing summary report generated by the Vendor during processing of the Deposit File received from the State.”
15. Section VII, Technical Specifications, Item 9.12.12 is being modified to read as follows: “All card-issue requests by the batch Account Maintenance file or replacement requests either through the Administrative Terminal or the Cardholder Help Desk received by 11:59 P.M. Central Time shall be processed and placed in the mail by noon Central Time the next business day.”
16. Section VII, Technical Specifications, Item 9.28.4.9 is being added to read as follows: “The Vendor shall provide a Debit Card Account Funds Transfer option via the Interactive Voice Response (IVR) System whereby the cardholder may call the IVR and perform an automated funds transfer from their MDHS Debit Card Account to any bank account of their choice (checking or savings account). This option shall also be available on the Client Portal for the cardholders that prefer using this method.”

17. Section VII, Technical Specifications, Item 9.29.6 is being modified to read: “The State understands that the access to Debit Card information is restricted; however, the Vendor shall secure the necessary permissions to allow up to seven (7) State Office staff access to assist in problem resolution when recipients contact members of the Legislature, the Governor’s Office or any State Agency participating in this EBT Services contract (i.e., MDHS; MDES; etc.). These permissions shall include viewing of the recipient’s **state-initiated** deposit history, **state-initiated** transaction history and **all** card issuance history. The State does not advocate the Vendor be out of compliance with any Federal law or banking regulation. Vendors should fully describe how they will meet this requirement while remaining in compliance with Federal laws and banking regulations.”
18. Section VII, Technical Specifications, Item 9.31.10.1 is being modified to read: “The Vendor shall support requests for ad-hoc reports within three (3) business days after receiving all information needed to produce the report, or within seven (7) business days if development is required.”
19. Section VII, Technical Specifications, Items 11.14.1 through 11.14.8, pages 155-156, will be re-numbered as “11.14.3 through 11.14.10”.
20. Section VII, Technical Specifications, Item 11.14.8 is being modified to read as follows: “11.14.10 Training Plan - The Vendor shall prepare and submit a comprehensive Training Plan that identifies the proposed deadlines and supportive tasks for the planning, design, development, production and distribution of all training materials to support conversion and ongoing operations. The training plan shall address the timeline for creation of the deliverables as outlined in a schedule to the contract, and the timeframe for training the State and local office staff and retailers. The Vendor shall provide initial and ongoing training of cardholders and be the sole trainer of retailers. The plan shall outline deliverable dates of training products with sufficient time allowed for State review and approval.”
21. Section VII, Technical Specifications, Item 11.16.1 is being modified to read: “Implementing new agreements with participating bank ATM networks (i.e., to waive ATM surcharges; etc.), TPPs, EBT-Only retailers, self-processed retailers, the Call Center and networks, including gateways and switches. A copy of the signed agreements shall be provided to the State upon request.”
22. Section VII, Technical Specifications, Item 12.17.4 is being modified to read: “Certain Deliverables to be provided by the Vendor will require testing and acceptance by the State. These Deliverables will be identified in a schedule to the contract and will include acceptance test criteria and acceptance test periods for those deliverables. MDHS will perform acceptance tests to determine whether the deliverables conform in all respects to the specifications as set forth in the Contract, as measured by mutually agreed acceptance test criteria.”
23. Section VII, Technical Specifications, Item 13, and Exhibit A, Standard Contract, Exhibit B - Performance Standard table ID 2, the “Deficiency That May Trigger Liquidated

Damages” column is being modified to read: “Failure to meet up-time for the Total EBT System performance requirement 100% of the time as measured on a calendar month basis. The EBT Vendor shall provide a report or other verifiable proof of this compliance on a calendar month basis.”

24. Section VII, Technical Specifications, Item 13, and Exhibit A, Standard Contract, Exhibit B - Performance Standard table ID 4, the “Performance Requirement” column is being modified to read: “Monthly ongoing SNAP benefits shall be accessible by the recipient no later than 12:01 A.M. Central Time on the specified availability date. Daily SNAP benefits shall be made available to the recipient no later than 6:00 A.M. Central Time on the day of benefit availability or immediately if the batch update file is received by the Vendor after 6:00 A.M. Central Time on the date of availability.”
25. Section VII, Technical Specifications, Item 14.5, and Exhibit A, Standard Contract – (1) Replace the table in item 14.5; and (2) Replace the first seven bullets of the Exhibit B to the Standard Contract (page 239-240) with the following:

Five (5) business days to correct any delayed project task or project deliverable related to the transition to the new EBT system. The MDHS may impose liquidated damages of \$5,000 per deliverable after five (5) business days;
Five (5) business days to correct any delayed task related to the on-going maintenance of the EBT system. The MDHS may impose liquidated damages of \$5,000 per task after five (5) business days;
Twenty-four (24) hours to provide required reports or to correct reports that contained inaccurate information. The MDHS may impose liquidated damages of \$1,000 per report, per day after twenty-four (24) hours;
One (1) hour from the receipt of any daily account maintenance, benefit maintenance or deposit maintenance file to generate and provide access to the associated reject and summary files. The MDHS may impose liquidated damages of \$5,000 per file, per hour after one (1) hour;
Two (2) hours from the agreed upon SNAP settlement cutoff time (currently 2:30 P.M. Central Time) to generate and provide access to the daily settlement files (i.e., AMA; STARS; DAF; and the CUTOFF report file). The MDHS may impose liquidated damages of \$5,000 per file, per hour after two (2) hours;
Four (4) hours from the end of the calendar day time of midnight Central Time (i.e., by 4:00 A.M. Central Time) to generate and provide access to any other daily file (i.e., Benefit Aging File; Adjustment File; Undeliverable Card File; Deposit Confirmation File; Account Status File; etc.). The MDHS may impose liquidated damages of \$5,000 per file, per hour after four (4) hours;
Twelve (12) hours from the end of the calendar month time of midnight Central Time

(i.e., by 12:00 Noon Central Time on the first day of each calendar month) to generate and provide access to all monthly files (i.e., Cardholder Recon File; Monthly Report File; etc.). The MDHS may impose liquidated damages of \$5,000 per file, per hour after twelve (12) hours;
Four (4) hours to generate and provide access to any other file not previously identified above based on the schedule agreed upon between the EBT Vendor and the MDHS. The MDHS may impose liquidated damages of \$5,000 per file, per hour after four (4) hours;
Twenty-four (24) hours to generate and provide access to corrected files for previously generated files that contained inaccurate information. The MDHS may impose liquidated damages of \$5,000 per file, per day after twenty-four (24) hours;

26. Exhibit A, Standard Contract, Article 7 MODIFICATION OR RENEGOTIATION is being modified to read: “This Agreement may be modified only by written agreement signed by the parties hereto, and any attempt at oral modification shall be void and of no effect.”
  
27. Exhibit A, Standard Contract, Article 39, the second and third sentences - “To secure the Contractor’s performance, the Contractor shall procure, submit to the State with this executed Agreement, and maintain in effect at all times until completion of the EBT system implementation or two (2) years from execution of this Agreement, whichever is later, a performance bond in the amount of fifteen million dollars (\$15,000,000.00). Thereafter, Contractor shall maintain a performance bond in the amount of two million dollars (\$2,000,000.00) for the remainder of the term (Initial Term and any renewal term).”, are being replaced with the following:

“To secure the Contractor’s performance, the Contractor shall procure, submit to the State with this executed Agreement, and maintain in effect at all times from execution of the Agreement through the initial 5-year term, a performance bond for the total amount (one hundred percent (100%)) of the Agreement. Thereafter, Contractor shall maintain a performance bond for one hundred percent (100%) of the total amount of the agreement for any renewal term.”

The following questions were submitted to ITS and are being presented as they were submitted, except to remove any reference to a specific vendor. This information should assist you in formulating your response.

QUESTION NUMBER	RFP SECTION/ PAGE #	DESCRIPTION/ REQUIREMENT	QUESTION	RESPONSE
1.	Sec. III.4 Page 11	Written Amendment to RFP	This section states “Any and all amendments will be posted no later than noon, seven days prior to the proposal opening date listed on the cover page of this RFP.” With consideration to the time a vendor needs to print, bind and ship a proposal response of this size and complexity, seven days prior to the due date does not give a vendor sufficient time to review the amendment(s) change(s), write any necessary modifications to their proposal, and reprint pages. We request that the State move the date vendors will receive the last amendment to two weeks prior to the opening date.	The State will not change this requirement, but will make every effort to post all amendments no later than fourteen (14) days prior to the proposal opening date.
2.	Sec. III.13.4 Page 13	Vendor Personnel	Will the State be willing to revise this requirement to state that all work on the Mississippi EBT project must be done in the United States instead of requiring that all individuals who work on the project be U.S. citizens?	No. Section III, Item 13.4 stands. However, the Vendor is not precluded from using resources from which they employ that are located outside of the United States.
3.	7.2.1 Pages 44-45	Operating Systems and Other Software and Utilities	Would the State please clarify if the system, software, and utilities referred to in this section only apply to those	This applies to all system software and utilities created and/or used to meet the requirements of the Mississippi EBT

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			created specifically to meet the requirements of the Mississippi contract or if it refers to the vendor's proprietary system, software, and utilizes such as those used for switching services, terminal loads, and the base acquiring, authorization and administrative terminal applications? (Also refer to Section V.29 and V.30)	Services contract.
4.	8.6.11.7 Page 63	Vendor Responsibilities	This section states "The Vendor must ensure that federal funds are drawn down for over-issuances of transactions in excess of an authorized recipient's outstanding benefits." Should a "not" be inserted so the requirement actually reads: "The Vendor must ensure that federal funds are <b>not</b> drawn down for over-issuances of transactions in excess of an authorized recipient's outstanding benefits"?	Yes. See Amendment Item 6 above.
5.	8.7.2 Page 65	At a minimum, the Vendor shall have the capability to provide cardholder and retailer help desk services in English, Spanish, and Vietnamese.	Please provide the number of CSR calls for cardholder, retailer, and debit card that are provided in Vietnamese.	The State does not have historical cardholder or retailer call volume data as related to the Vietnamese population.  As of July 2009, the State has approximately 400 Supplemental Nutrition Assistance Program (SNAP) households that are classified as "Asian", which includes Vietnamese.

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6.	8.8.21 Page 81	Settlement and Closeout Transactions	Would the State please explain what the settlement and closeout transactions are and if funds movement is involved? Movement of funds is an automated process in the settlement stream. With respect to Section 8.8.21.2, how is prior approval accomplished in your current process?	<p>This requirement does not involve funds movement.</p> <p>The use of settlement and closeout transaction data is an audit trail that will be used to reconcile recipient account balances during the file conversion process. The Vendor shall provide these transactions to the State for written approval prior to their execution. The Vendor's Transition Plan shall outline the criteria for creating settlement and closeout transactions and how the transactions will be used to reconcile recipient account balances, including all debit and credit transaction activity.</p>

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7.	8.4.3.5 Page 84	Third Party Processors	This requirement requires State and FNS review/approval of “agreements executed with all TPPs <u>and their</u> retailers”. [Emphasis added]. Agreements that TPPs have with their retailers are proprietary and confidential and include additional services besides EBT processing. These agreements may not be available to the vendor. Will the State be willing to modify this requirement to delete “and their retailers”?	There is no requirement 8.4.3.5. See Amendment Item 8 above.
8.	8.10.1 Pages 88-89	EBT Administrative Terminal Overview	The State lists “Retailer enable/disable functionality” as a required transaction at the administrative terminal. Would the State please clarify the intent of this transaction? Any action at the administrative terminal will be overwritten by the FNS REDE file.	The State has confirmed that the “Retailer enable/disable functionality” identified as a required transaction in section 8.10.4.1 is <b>not</b> a requirement. See Amendment Item 9 above.
9.	8.11.15.14 Page 98	Manual Voucher Settlement Report	Would the State please clarify “manual voucher type” and “settlement type”? Please provide an example.	Manual Voucher Type refers to the actual transaction type (SNAP Purchase; SNAP Purchase Return); Settlement Type refers to how the transaction was settled/cleared (Electronic; Manual; or Exception).
10.	8.11.15.17 Page 98	Out-of-State Activity Report	The State has listed SSN as required data on this report. SSN is highly confidential information and not provided on any reports generally	See Amendment Item 10 above.

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			available and/or distributed. Please verify that the SSN should be printed on this report and that the State assumes liability of misuse of this confidential information.	
11.	8.13.3.5 Page 116	Natural or Other (Pandemic or Man-Made) Disasters within the State	Does the State currently have a vendor system online disaster module that meets the requirements of this section or is this new functionality? If currently available, has it been implemented in previous disasters?	The State currently has a vendor system with an online disaster module that includes a majority of the functional requirements of this section.  Yes, the State utilized the current vendor system's online disaster module in 2005 to administer the State's Disaster Food Stamp Program (DFSP) after Hurricane Katrina.
12.	8.14.3.3 Page 122	State and County Worker Training Materials	Would the State accept online access to the training materials for each user instead of so many printed copies?	Yes. See Amendment Item 11 above.
13.	9.2 Page 123	The Vendor shall propose services using either a Visa or MasterCard® branded program.	Would the State please confirm that the current vendor's card sponsoring financial institution is willing and able to transfer the State's current MasterCard BIN to a new sponsor bank?	The State has been notified that the current vendor's sponsoring financial institution will <b>not</b> transfer the State's current MasterCard BIN to a new sponsoring bank. See Amendment Item 12 above.
14.	9.11. Page 128	Co-branded Card	What is the State's time table in which the co-branded card must be	The State currently has no plans to implement a co-branded card. The

QUESTION NUMBER	RFP SECTION/ PAGE #	DESCRIPTION/ REQUIREMENT	QUESTION	RESPONSE
			supported?	vendor shall support this requirement if the State decides to implement a co-branded card solution at any point during the contract resulting from this RFP.
15.	10.5, Page 151	Warranty	Would the State please clarify which “fees paid”, and what constitutes “unsatisfactory” service?	The State expects the Vendor to warranty its work performed based on the requirements of the contract resulting from this RFP or any amendments to the contract. If work is performed and is deemed “unsatisfactory” by the State because it does not satisfy the agreed upon requirements in the contract, the Vendor shall either perform the services again, at no cost to MDHS, or if the Vendor is unable to perform the services as warranted, the Vendor shall reimburse MDHS the fees paid to the Vendor for the unsatisfactory services. The “fees paid” may include any Charge Order costs paid to-date for the unsatisfactory services and/or the CPCM costs paid during which time the unsatisfactory services were provided.
16.	12.17 Page 176	Deliverables Review Process	This section indicates deliverables have been defined in Exhibit Y. However Exhibit Y is the Intent to Proposal. Would the State please clarify this Exhibit reference?	All references to Exhibit Y have been removed. See Amendment Items 20 and 22 above.

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17.	Section III 13.1 13.2 Page 13	Vendor Personnel	<p>The Vendor Personnel requirements indicate that each individual named in a Vendor's proposal could be contacted for a telephone interview and/or required to attend an onsite interview.</p> <p>How much advance notice will Vendors be provided for such interviews to ensure the availability of the named individuals?</p>	The State will make every effort to allow three (3) business days advance notice for telephone interviews and seven (7) business days advance notice for onsite interviews.
18.	Section IV 14.2 Page 19	Time for Negotiations	<p>This section states that contract negotiations shall be limited to items to which the Vendor has noted as exceptions on the Proposal Exception Summary Form as well as any new items that the State may require.</p> <p>Can the State provide specific examples of new items that may be required outside of those already provided in the RFP?</p>	No, this cannot be determined until after proposals have been evaluated and selection is made.
19.	Section IV 18 Page 20	Inclusion of Subcontractor Agreements	Subcontractor agreements may contain confidential and/or proprietary information between a Vendor and a subcontractor. Provision of copies of subcontractor agreements is typically	No.

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			<p>required of the successful Vendor and not all Vendors submitting a proposal.</p> <p>Will the State change this requirement to indicate that only the successful Vendor will be required to provide copies of agreements with subcontractors?</p>	
20.	Section IV 37 Page 24	Performance Bond/Irrevocable Bank Letter of Credit	<p>A Performance Bond or letter of credit in the amount of \$15,000,000 is required to be in effect until the EBT system is implemented or two years from contract execution.</p> <p>Would Mississippi consider decreasing the amount of the Performance Bond/Letter of Credit or substitute an investment grade credit rating of the Vendor?</p>	No, an investment grade credit rating will not be accepted. See Amendment Items 2 and 27 above.
21.	Section VII 8.5.8.3 Page 56	Card Issuance and PIN Selection	Mississippi requires that the original card remain active for 7 days once a replacement card has been requested via the Account Detail Record transmission. In Requirement 8.5.9, it is clear that the State requires immediate deactivation of original cards when reported lost, stolen, or non-functioning.	The State monitors all manual entry transactions performed by its cardholders each month. The cardholder receives a notice after the first month in which they perform five (5) or more manual entry transactions instructing them to request a new card at their earliest convenience. If the cardholder does not request a new card and continues to perform five (5) or more manual entry transactions for a

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			<p>Can Mississippi explain the scenarios under which they would want the original card to remain active for 7 days past the date the replacement card was requested?</p>	<p>second consecutive month, the State automatically requests a new card for the cardholder on the first day of the following month.</p> <p>These automatic card replacement requests are issued via the Account Maintenance File Detail Record (See Exhibit I: MDHS SNAP Interface File Formats – page 256) using the Card Issuance Indicator of “2”. Any card replacement request with a Card Issuance Indicator of “2” should allow the original card to remain active with expiration after seven (7) calendar days or once the replacement is used, whichever comes first. These original cards are not considered “lost” or “stolen” and should remain active so as to allow the cardholder access to their SNAP benefits while their replacement card is being generated and mailed to them.</p> <p>All card replacement requests performed by the Cardholder Help Desk shall be deactivated immediately regardless of replacement reason. All card replacement requests performed by the MDHS EBT Help Desk or its County Office staff shall be deactivated immediately upon</p>

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				processing the Account Maintenance File Detail Record containing a Card Issuance Indicator of "1".
22.	Section VII 8.7.2 Page 65	Customer Service Help Desks	Mississippi requires cardholder and retailer customer service to be provided in English, Spanish and Vietnamese.  Please provide historical cardholder and retailer call volume data regarding the number of Vietnamese calls received by Customer Service.	The State does not have historical cardholder or retailer call volume data as related to the Vietnamese population. As of July 2009, the State has approximately 400 Supplemental Nutrition Assistance Program (SNAP) households that are classified as "Asian", which includes Vietnamese.
23.	Section VII 9.2 Page 123	Debit Card Program Requirements	This requirement states that additional points will be awarded for Vendors that provide services under the MasterCard brand.  How many additional points will be awarded to Vendors offering a MasterCard branded card?	The State has been notified that the current vendor's sponsoring financial institution will <b>not</b> transfer the State's current MasterCard BIN to a new sponsoring bank. See Amendment Item 12 above.
24.	Section VII 13, ID #8 Page 186	Performance Standards	This standard states that average answer time by a CSR shall not exceed 20 seconds.  Would Mississippi be amenable to accepting the EBT industry standard of 97% of CSR calls answered within 2 minutes?	No.

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25.	Section VIII Table 2 Page 206	Fee Schedule for Debit Card Services	<p>The Fee Schedule indicates that the State is seeking three free per month of each of the following transaction types: ATM withdrawal, ATM balance inquiry, ATM denial, international ATM withdrawal, international ATM balance inquiry, and international ATM denial.</p> <p>Would Mississippi consider accepting less than three free on any of these ATM transactions, specifically ATM withdrawals?</p>	No.
26.	Section VIII Table 2 Page 207	Fee Schedule for Debit Card Services	Please provide a description of what is meant by “Interactive Voice Response (IVR) System Funds Transfer? What specific technical requirement in Section VII is this line item on the fee schedule tied to?	A new item is being added to Section VII as 9.28.4.9. See Amendment Item 16 above.
27.	9.12.12 Page 129	Initial and replacement cards shall be issued to the cardholder within 48 hours after receipt of account maintenance files from the State.	Will the State consider amending this requirement to read “Initial and replacement cards shall be issued to the cardholder within 48 <b>business</b> hours after receipt of account maintenance files from the State” in order to be more in line with industry standards?	No. See Amendment Item 15 above.
28.	9.29.6	Access	Will the State please consider amending this requirement in order for	Yes. See Amendment Item 17 above.

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	Page 140		the Vendor to remain in compliance with Federal laws and banking regulations?	
29.	9.31.10.1 Page. 147	The Vendor shall support requests for ad-hoc reports within one (1) business day after receiving all information needed to produce the report, or within five (5) business days if development is required.	Will the State consider revising the requirement to read, "The Vendor shall support requests for ad-hoc reports within four (4) business days after receiving all information needed to produce the report, or within seven (7) business days if development is required."	No. See Amendment Item 18 above.
30.	13.2 Page 184-185	Total EBT System Up Time:  Performance Requirement	The performance standard specifies 98% of scheduled up-time, but the Deficiency That May Trigger Liquidated Damages states that 100% up-time must be met. Would the State please clarify?	See Amendment Item 23 above.
31.	8.6.11.7 Page 63	The Vendor must ensure that federal funds are drawn down for over-issuances of transactions in excess of an authorized recipient's outstanding benefits	Please verify that it is the State's desire for the vendor to draw federal funds for over-issuances.	See Amendment Item 6 above.
32.	8.6.9.1	SNAP Reconciliation	In the second paragraph, please explain	See Amendment Item 3 above.

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	Page 63, second paragraph	and Settlement	the use of the eFunds originator and settlement bank.	
33.	Section II Page 7	The Vendor may intersperse their response following each RFP specification but must not otherwise alter or re-key any of the original text of this RFP. If the State determines that the Vendor has altered any language in the original RFP, the State may, in its sole discretion, disqualify the Vendor from further consideration. The RFP issued by ITS is the official version and will supersede any conflicting RFP language submitted by the Vendor.	At the Bidders' Conference, the question was raised relative to "rolling up" requirements such that bidders could group those that they feel go together. Your response at the time was that vendors are allowed to combine responses to groups of requirements, providing they are very clear on answering all requirements and ensure entry of the appropriate "Acknowledged," "Will Comply," "Agreed" response. Would the State please formally confirm that this is correct?	This is not correct. Section II, Proposal Submission Requirements, states that the Vendor must respond to the sections and exhibits in the same order as the RFP. At the vendor conference, it was stated that for any outline point where the answer for each item is "will comply", "acknowledged", or "agreed" within that outline point then the Vendor can respond once for each section and state that it includes all of the items (sequential) in that section. Under no circumstances will the Vendor be allowed to group those outline points that they feel go together.
34.	Section IV, number 18 Page 20	Inclusion of Subcontract Agreements	Subcontractor contracts contain certain proprietary information. Would the State consider waiving the requirement for submission with the proposal and only requiring the successful bidder to	No.

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			provide the subcontracts upon contract award?	
35.	Section IV 8.7.5.6.15 Page 68	The Vendor shall also have the means to assure the password will be recognized when the option is utilized. This function shall be used for all calls forwarded for CSR assistance. The function shall also be used when requesting a replacement card or changing a PIN via the ARU.	Adding a password function that shall be used for all calls forwarded for CSR assistance will add cost to proposals. Would the State please describe its reasoning for making this request as there may be a better or less expensive means of accomplishing its goals?	<p>Currently, the State has the need to place a password on a recipient's account to prevent un-authorized access (i.e., changing of a cardholder's Personal Identification Number (PIN) and/or the cancellation/replacement of their card) without the recipient's knowledge.</p> <p>In some cases, a recipient's "former" friend or spouse who may have had knowledge of the recipient's demographic information (SSN; DOB; address; etc.) will call the Cardholder Help Desk and change the cardholder's PIN and/or cancel their card without the recipient's knowledge in an effort to create problems for the recipient.</p> <p>The State desires an account password option that is easily administered by the State and that can be easily/securely utilized by both the cardholder and the Cardholder Help Desk.</p> <p>The password option would only apply to recipients where the State has determined there is a need to prevent un-authorized access as described above and/or</p>

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				otherwise defined by the State.
36.	Section 8.7.5.6.16 Page 68	The Vendor shall give the State options for the password “option” to be utilized by the ARU and fully explain how this capability would be implemented for each option.	Would the State please elaborate on its intent for use of the password “option”? Does the State have options it wishes bidders to consider?	See response to Question 35 above.
37.	Section 21.2 Page 198	Scoring Methodology	<p>Is the State saying that the cost proposal is worth 100 points and the technical proposal is worth 100 points? Would you please clarify?</p> <p>In order for the State to receive all the detail required to evaluate the technical proposals, would you please provide more specific detail on how points are assigned to the various technical sections (i.e., Staffing, Company Qualifications, Host System, Retail Management, etc.)?</p> <p>Are bidders correct to assume that the total amount of points for all Value-Add items is a maximum of 5 points for the technical section?</p>	<p>Scoring will consist of three (3) categories: Cost Proposal, Technical Proposal, and Value-Add. The sum of the Cost Proposal and Technical Proposal categories will equal 100 possible points. The sum of any Value-Add points will be added to the Cost Proposal and Technical Proposal points to derive the total score.</p> <p>The technical proposal evaluation will be based on responses to Section VII, items 6 through 19 of the RFP. The point value of the technical proposal will be made public at the time of the proposal opening.</p> <p>Yes, the Value-Add category has a maximum of 5 possible points.</p>
38.	Section 21.4	Scoring Methodology	For purposes of determining total	The State reserves the right to determine

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	Pages 198-199		<p>lifecycle cost, what methodology will be used to evaluate tables 1a, 1b, and 1c (e.g., will they be added together, will the State use the average of the tables, etc.)?</p> <p>How will the debit card fees paid by cardholders be evaluated? Will they be included as part of the total lifecycle cost evaluation?</p>	<p>lifecycle cost based on the best option for the State. Vendors should propose their best CPCM rates for each table.</p> <p>Debit Card fees will be evaluated on an item-by-item basis and will not be a part of the total lifecycle cost. The proposal that meets the State's Debit Card requirements with the lowest fees and most options will receive the best score.</p>
39.	11.14.1 Pages 153,155	Functional Design Document	Sections 11.14.1 and 11.14.2 appear twice (pages 153 and 155). Would the State please clarify the numbering sequence?	See Amendment Item19 above.
40.	Section IV Legal and Contractual Information, Pages 24-25	37. Performance Bond/Irrevocable Bank Letter of Credit	As an alternative to a performance bond, would the State accept an offer of a corporate parent guarantee?	No.
41.		Payphones.	The RFP does not mention payphone access for cardholders. Does the State allow cardholders to access the IVR and customer service via payphones?	The State does not allow cardholders to access the IVR and customer service via payphones.
42.	7.4	Mandatory Legal	Please clarify that this statement	That is correct. Item 7.4 is not meant to

QUESTION NUMBER	RFP SECTION/ PAGE #	DESCRIPTION/ REQUIREMENT	QUESTION	RESPONSE
	Page 16	Provisions	excludes the 1.5% late fees addressed in Section 7.8.	include late fees specified in item 7.8.
43.	7.9 Page 17	Mandatory Legal Provisions	Will the State pay their own fees?	The State pays what the court orders.
44.	8.9.1.7 Page 82	Retailer Management	Is the State requiring that the Vendor provide Vx610 terminals to farmer's markets at no cost to the market and the cost should be included in the CPCM? If so, how many markets currently have wireless terminals? How many potential markets will need terminals?	<p>Currently, the State does not have a Farmers Market Program but has plans to implement a "wireless" program as part of this contract; The VeriFone Vx 610 POS devices, an equivalent or better POS device, or a device of greater quality, shall be issued to the EBT-Only retailers that participate in the Farmers Market Program implemented by the State. The cost to support the proposed "wireless" POS devices shall be included in the CPCM just as the regular POS devices provided to non "wireless" EBT-Only retailers.</p> <p>The State estimates that once fully implemented, there may be 50-100 individual Farmers eligible for "wireless" EBT-Only POS devices at any given time. The Vendor shall install, maintain and support the "wireless" EBT-Only POS devices for <u>all</u> Farmers that are eligible to participate in the State's Farmers Market Program.</p>

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				See Amendment Item 7 above.
45.	11.16.1 Page 162	Implementing new agreements with ATM networks (i.e., to waive ATM surcharges; etc.), TPPs, EBT-Only retailers, self-processed retailers, the Call Center and networks, including gateways and switches.	Since cash benefits will not be distributed via EBT, will the State remove the requirement to implement agreements with ATM networks? All agreements will be through the sponsor bank and MasterCard.	<p>Yes.</p> <p>It is understood that all agreements related to ATM networks will be between the Debit Card brand (MasterCard® or VISA) and their sponsoring bank.</p> <p>Currently, MDHS Debit Card cardholders enjoy surcharge free access when using an ATM at any Regions, Trustmark or Hancock Bank location. These agreements were negotiated by the current Vendor. The State expects the Vendor to negotiate and implement “like” agreements that provide this and other value added services to its cardholders.</p> <p>See Amendment Item 21 above.</p>
46.	11.16.2 Page 162	Providing a cash access plan for State approval to be updated annually;	Will the State remove this requirement since cash benefits will not be distributed via EBT?	No. The cash access plan relates to the access points in which MDHS cardholders may use their MasterCard or VISA branded Debit Card as provided by the vendor. Please refer to RFP Section VII, Item 9.29 for specific access requirements.
47.	11.17	Operations Phase	Would the State consider a Project	No.

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	Page 164		Manager that does not reside in the State of Mississippi, provided that the Project Manager maintains regular and frequent contact and is on call to meet in person as needed with the MDHS EBT Project Director and designated staff members?	
48.	11.18.2 Page 165	Major Disaster Operations Plan (MDOP)	Is the State requiring that the Vendor supply PIN select POS terminal? If so, how many?	Yes. The Vendor shall provide a minimum of twenty (20) PIN select POS terminals in support of the State MDOP and be prepared to supply more if the disaster event so requires and the State requests.
49.	13. Page 185	Performance Standards	Performance Standard #3 states “Daily benefits/deposits received by 11:59 P.M. Central Time will be in the recipients’ accounts by 12:01 A.M. Central Time of the available day.” This leaves the Vendor only 2 minutes to apply the file. Since daily benefits are not required to be available until 6:00 am CT (8.4.5.2), will the State please change this performance standard to 6:00 am?	This is actually Performance Standard #4. See Amendment Item 24 above.
50.	20.1.1 20.1.2 Page 197	Cost Proposal	Since the State requires that all cost to provide the services required in the RFP be included in the CPCM, what is the purpose of listing the item by item breakdown? Is the State expecting the	The percentage of CPCM by item is for State use during the cost evaluation process and will be considered proprietary and confidential information.

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			Vendor to disclose their costs for each service in a public document? Vendor internal cost is competitive information and confidential.	See Section IV, Legal and Contractual Information, Item 34 Disclosure of Proposal Information on pages 22-23.
51.	Exhibit A Page 214	Sample Agreement	Is making an exception on the <i>Proposed Summary Exception Form</i> as required in the RFP, to a particular clause in <i>Section IV Legal and Contractual Information</i> , sufficient to cover that particular clause in the sample contract so that another exception to a particular clause is not required in the <i>Proposed Summary Exception Form</i> ? Should the Vendor take exception to both the language in <i>Section IV Legal and Contractual Information</i> and any similar language in the proposed contract?	No.  The Vendor should take exception to both the language in Section IV, Legal and Contractual Information and any similar language in the proposed contract.
52.	Exhibit A, Article 7 Page 219	Modifications	The clause indicates that "The parties agree to renegotiate the Agreement if federal and/or state revisions of any applicable laws or regulations make changes in this Agreement necessary." Please clarify how this is reconciled with section 4.8 of the proposed contract, which requires that the Contractor make changes at no cost, in the event of changes to state or federal law? Will the State consider sharing	Article 7 is being revised to remove the last sentence. See Amendment Item 26 above.  No, the State will not consider sharing in the cost.

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			in the costs?	
53.	Exhibit A, Article 8 Page 219	Assignment	Will the State permit the assignment of the contract to a subsidiary or affiliate of the Contractor?	See Article 8, Section 8.2, Authority, Assignment and Subcontracts.
54.	Exhibit A, Article 9 Page 220	Availability of Funds	Will the State agree to pay for any costs incurred by the Contractor up to the point of termination for lack of funding? If so, what types of costs?	See Article 10.4 of the Exhibit A, Standard Contract.
55.	Exhibit A, Article 10 Page 221	Default by Contractor	Article 10.2, indicates that the State may terminate if the Contractor does not perform in a "timely manner". Can the State specify what it means by a "timely manner"?	Timely Manner includes, but is not limited to the Liquidated Damages and Performance Standards in Exhibit B of the Standard Contract; Items 13 and 14 of Section VII, Technical Specifications; and any other sections contained in this RFP that establish time limits or time requirements.

RFP responses are due September 22, 2009, at 3:00 p.m. (Central Time).

If you have any questions concerning the information above, or if we can be of further assistance, please contact Debra Spell at 601-359-2632 or by email at [debra.spell@its.ms.gov](mailto:debra.spell@its.ms.gov).

cc: ITS Project File Number 38008