



## **REQUEST FOR PROPOSAL**

**2020000160**

**Western States' EBT Alliance Planning Consultant**

**January 28, 2020**

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## SECTION I

### ISSUE AND TIMELINE INFORMATION

**A. ISSUING OFFICE:**

This Request for Proposal (RFP) 2020000160 is issued for the State of Colorado (State) by the Department of Human Services (CDHS or Department), for the benefit of the Department through the CDHS Division of Procurement.

**B. INVITATION TO SUBMIT PROPOSALS:**

The State of Colorado is posting this RFP on the Colorado Vender Self Service page (Colorado VSS) so that firms that have an interest may submit a proposal in accordance with the terms of this RFP.

**C. MEANS OF COMMUNICATION:**

In the event that it becomes necessary to revise any part of this RFP, a modification will be published on the Colorado VSS web site at [www.colorado.gov/vss](http://www.colorado.gov/vss). It is incumbent upon Offerors to carefully and regularly monitor Colorado VSS for any such postings.

The CDHS Division of Procurement is the SOLE point of contact concerning this RFP. **All communication for this procurement must be done through the CDHS Division of Procurement point of contact indicated in this RFP and Colorado VSS.**

**D. PURPOSE:**

This RFP provides prospective firms with sufficient information to enable them to prepare and submit proposals for consideration to satisfy the need for expert assistance in the completion of the goals of this RFP.

**E. SCOPE:**

This RFP contains the instructions governing the proposal to be submitted and the material to be included therein; mandatory requirements which must be met to be eligible for consideration; and other requirements to be met by each proposal.

**F. SCHEDULE OF ACTIVITIES:**

		<b>Time</b> <b>(Mountain Time)</b>	<b>Date</b>
1	RFP PUBLISHED ON COLORADO VSS WEB PAGE ( <a href="http://www.colorado.gov/VSS">www.colorado.gov/VSS</a> )	NA	1/28/20
2	PROSPECTIVE FIRMS WRITTEN INQUIRY DEADLINE (NO WRITTEN QUESTIONS WILL BE ACCEPTED AFTER THIS DATE). Email Inquiries: <a href="mailto:austin.maynard@state.co.us">austin.maynard@state.co.us</a>	Close of Business	2/17/2020
3	PROPOSAL SUBMISSION DEADLINE See Administrative Information Section II-D for submission.	3:00PM	3/16/2020
4	PROPOSAL SELECTION (ESTIMATED/WEEK OF)	NA	4/28/2020
6	CONTRACT PERIOD: ESTIMATED July 2020 to October 30, 2020 plus 4 one year options to renew (option of the State)		

**G. BUDGET:**

Offeror proposals should contain a budget that confirms to costs tied to services that meet or exceed the requirements and expected outcomes listed in this solicitation.

**H. TERM OF CONTRACT:**

The anticipated initial term of the resulting contract is July, 2020 through October 30, 2020. The resulting contract may be renewed for four (4) additional one-year periods at the sole discretion of the State, contingent upon funds being appropriated, budgeted, and otherwise made available, and other contractual requirements, if applicable, being satisfied.

## SECTION II

### ADMINISTRATIVE INFORMATION

A. OFFICIAL MEANS OF COMMUNICATION: During the solicitation process for this RFP, all official communication with Offerors will be via notices on Colorado VSS. Notices may include any modifications to administrative or performance requirement, answers to inquiries received, clarifications to requirements, and the announcement of the apparent winning Offeror.

*It is incumbent upon Offerors to carefully and regularly monitor VSS for any such notices.*

B. INQUIRIES: Unless otherwise noted, prospective offerors may make written or e-mail inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in the Schedule of Activities.

E-mail all inquiries to:

[austin.maynard@state.co.us](mailto:austin.maynard@state.co.us)

Clearly identify your inquiries as:

RFP IHGA 2020000160, *Western States' EBT Alliance Planning Consultant*

Responses to offerors' inquiries will be published as a modification on the State of Colorado -VSS web page in a timely manner.

C. MODIFICATION OR WITHDRAWAL OF PROPOSALS: Proposals may be modified or withdrawn by the offeror prior to the established due date and time.

D. PROPOSAL SUBMISSION:

Your proposal package should include the following:

- **One hard copy original** (marked "original") of each of the business and cost proposal, submitted in ring binders, organized, tabbed and indexed to match the requirements of this solicitation, and fifteen (15) hard copies (marked "copy #").
- **Fifteen (15) unprotected USB drives**, using Microsoft office 2007-2010 products, with the business and cost portions each in separate folders.

Proposals must be received on or before the date and time indicated in the Schedule of Activities. **LATE PROPOSALS WILL NOT BE ACCEPTED.** It is the responsibility of the offeror to ensure that the proposal is received by the Division of Procurement on or before the proposal opening date and time. Offerors mailing their proposals shall allow sufficient mail delivery time to ensure receipt of their proposals by the time specified. When sending your proposal by USPS or courier (UPS, Federal Express), provide a tracking number via email to the purchasing agent listed in this RFP.

The proposal package shall be delivered or sent by mail to:

Colorado Department of Human Services  
Attn: Austin Maynard, Procurement Team Lead  
North/Central Procurement Office  
1575 Sherman Street, 6<sup>th</sup> Floor  
Denver, CO 80203

The State of Colorado Request for Proposal Signature Page **MUST** be signed in (preferably blue) ink by the offeror or an officer of the offeror legally authorized to bind the offeror to the proposal.

Proposals which are determined to be at a variance with this requirement may not be accepted.

Proposals must be submitted and sealed in a package showing the following information.

**OFFEROR'S NAME**

RFP IHGA 2020000160, *Western States' EBT Alliance Planning Consultant*

**PROPOSAL DUE:** Monday March 16, 2020 3:00 PM MST

**PUBLIC OPENING:** On the date and time shown in the VSS Portal, the Division of Procurement will hold a Public Opening of Proposals. The Public Opening will disclose only the names of all Offerors who have submitted a proposal for evaluation by DHS. Information on costs and qualifications will be available from the Division of Procurement following selection of the winning Offeror. All vendors must notify the Division of Procurement if they wish to attend at least one day prior to Public Opening of Proposals.

**E. PROPOSAL NARRATIVE LENGTH AND PAGE FORMATTING**

The Division of Procurement desires and encourages that proposals be submitted on recycled paper, printed on both sides. While the appearance of proposals and professional presentation is important, the use of non-recyclable or non-recycled glossy paper is discouraged.

Applicants should adhere to the following length and page formatting instructions.

Total proposal Length:	Proposals should be as concise as possible
Font:	Times New Roman twelve (12) point
Spacing:	Single
Margins:	One (1) inch margins on all sides
Paper:	8 ½ X 11
Header:	Applicant Name
Footer:	Page number

All acronyms in the proposal must be defined.

**F. ADDENDUM OR SUPPLEMENT TO REQUEST FOR PROPOSAL:**

In the event that it becomes necessary to revise any part of this RFP, an addendum/amendment will be published on the Colorado-VSS web site. It is incumbent upon offerors to carefully and regularly monitor VSS for any such postings. It is the offeror's responsibility to make known to the Division of Procurement its interest in any addendum/amendment if it has received the RFP in a direct mailing from the Division of Procurement and no addendum has been received by mail.

**G. ORAL PRESENTATIONS/SITE VISITS:**

At the conclusion of evaluation and discussion of the written proposals, the State may (at the evaluation committee's sole discretion) request an oral presentation of the most favorable proposals. *Offeror should not, however, prepare the written proposal with the assumption that an opportunity for oral presentations or revisions will be offered; rather, the most favorable proposal should be submitted as their initial written submittal.*

Should the evaluation committee decide not to award solely based on initial proposals, then those proposals in the competitive range (those most responsive to the requirements and reasonably susceptible of being selected for award) will have an opportunity to make an oral presentation. The oral presentation may include a discussion for the purpose of clarification and to ensure full understanding of and responsiveness to solicitation requirements. The same criteria for evaluation will be employed and each committee member will be provided the opportunity to modify their original evaluation. Following all oral presentations, the committee will again discuss their individual evaluations. If the evaluation committee requires such presentations, the State will schedule these sessions for the purpose of:

- Allowing the Offeror an opportunity to present its proposal to the evaluation committee;
- Allowing the Offeror an opportunity to demonstrate its background and capabilities in providing the requested services;
- Allowing the State an opportunity to obtain further clarification of proposal aspects and attempt to resolve any uncertainties;
- Resolving suspected mistakes by calling such perceived errors to Offeror's attention without disclosing information concerning other Offerors' proposals; and
- Allowing the State an opportunity to ask specific questions of the Offeror regarding its proposal offer.

Any presentations and/or site visits will be at the offeror's expense.

- H. ACCEPTANCE OF RFP TERMS:** A proposal submitted in response to this RFP shall constitute a binding offer. Acknowledgment of this condition shall be indicated by the autographic signature of the offeror or an officer of the offeror legally authorized to execute

contractual obligations. It is assumed by the offeror's response that it acknowledges all terms and conditions of this invitation for an offer. An offeror shall identify clearly and thoroughly any variations between its proposal and the State's RFP. Failure to do so shall be deemed a waiver of any rights to subsequently modify the terms of performance, except as outlined or specified in the RFP.

- I. **PROTESTED SOLICITATIONS AND AWARDS:** Any actual or prospective offeror or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to Chris Frenz, Procurement Director, Division of Procurement, Department of Human Services, 1575 Sherman Street, Denver, CO 80203. The protest shall be submitted in writing within ten working days after such aggrieved person knows, or should have known, of the facts giving rise thereto. Reference C.R.S. Title 24, Article 109.
- J. **CONFIDENTIAL/PROPRIETARY INFORMATION:** Any restrictions of the use or inspection of material contained within the proposal shall be requested prior to the submission of the proposal itself. Written requests for confidentiality shall be submitted, by the offeror prior to the proposal submission date. The offeror must state specifically what elements of the proposal that would be considered confidential/proprietary. The Division of Procurement will make a written determination as to the apparent validity of any written request for confidentiality, the written determination will be sent to the offeror.

Requests that are granted shall use the following format:

- Confidential/proprietary information must be readily identified marked and separated/packaged from the rest of the proposal.
- Co-mingling of confidential/proprietary and other information is NOT acceptable. Neither a proposal, in its entirety, nor proposal price information will be considered confidential and proprietary.
- Any information that will be included in any resulting contract cannot be considered confidential.

After award, the offers shall be open to public inspection subject to any continued prohibition on the disclosure of confidential data, C.R.S. Title 24, Article 72, Part 2 as amended.

- K. **RFP RESPONSE MATERIAL OWNERSHIP:** All material submitted regarding this RFP becomes the property of the State of Colorado. Proposals may be reviewed by any person after the "Notice of Intent to Make an Award" letter has been issued, subject to the terms of C.R.S. Title 24, Article 72, Part 2 as amended.
- L. **PROPOSAL PRICES:** Estimated proposal prices are not acceptable. Best and final offers may be considered in determining the apparent successful offeror. Proposals shall be firm for a period of not less than One hundred eighty (180) calendar days from the date of award.



- M. EVALUATION: The evaluation will identify the proposals that most effectively meet the requirements of this RFP. The work will be offered to the Offerors whose proposals, conforming to the RFP, will be most advantageous to the State of Colorado, price and other factors considered.

The State of Colorado will conduct a comprehensive, fair and impartial evaluation of each proposal received. First, all proposals will be submitted to the Division of Procurement for acceptance. The Division of Procurement will be responsible for ensuring that:

- The Offeror's proposal complied with the due date and time.
- The Offeror's "Colorado Request for Proposal Signature Page" meets content and other requirements.
- The Offeror included the appropriate number of proposal copies.

Evaluation Process:

The Department plans an intensive, thorough, complete and fair evaluation process. Proposals will be evaluated on both the proposed service and the cost of the service. The evaluation will be performed and an award recommendation made to the Division of Procurement by the Evaluation Committee. Evaluation Committee Members will be selected who do not have a conflict of interest in this procurement.

The Evaluation Committee will be responsible for the evaluation process that will include the following steps:

- Review proposals for any conditions that may disqualify the Offeror and to ensure that required terms and conditions have been met.
- Review proposal content, contact references and assign a preliminary score to each factor for each proposal.
- Determine whether, as part of the deliberations, any Offerors will be invited to participate in discussions with the Committee. (Offerors would be those who, based on preliminary scores, are reasonably susceptible of being selected for the award.) However, proposals may be reviewed and determinations made without discussion. Therefore, it is important that proposals be complete, and Offerors should recognize that opportunity for further explanation may not exist.
- Oral presentations, if required, for invited offerors to demonstrate their proposed service.
- Adjust points or ratings as necessary.
- Best and final offers may take place at the State's option.
- Make final selection recommendation to the Division of Procurement.

- N. PROPOSAL SELECTION: Upon review and approval of the evaluation committee's recommendation for award, the Division of Procurement will issue a "Notice of Intent to Award" on Colorado-VSS. A notice will be sent to all offeror's indicating the notice of intent has been posted. A contract will be completed and signed by all parties concerned

on or before the date indicated in the Schedule of Activities. If this date is not met, through no fault of the State, the State, at its sole discretion, may elect to cancel the "Notice of Intent to Award" notice and make the award to the next most advantageous offeror.

- O. **AWARD OF CONTRACT:** The award will be made to offeror(s) whose proposal, conforming to the RFP, will be the most advantageous to the State of Colorado, price and other factors considered.
- P. **PROPOSAL CONTENT ACCEPTANCE:** The contents of the proposal (including persons specified to implement the project) of the successful offeror will become contractual obligations if acquisition action ensues. Failure of the successful offeror to accept these obligations in a contract, purchase document, delivery order or similar acquisition instrument may result in cancellation of the award and such offeror may be removed from future solicitations.
- Q. **STANDARD CONTRACT:** After award and before Contract execution the successful Offeror must be registered to do business in the State of Colorado. This registration is maintained through the Colorado Secretary of State Office. (<http://www.sos.state.co.us/>) If Offeror is a foreign corporation (formed under a statute or common law in a jurisdiction other than Colorado) or other foreign entity transacting business in the State of Colorado, shall warrant that it currently has obtained and shall maintain any applicable certificate of authority to transact business in the State of Colorado and has designated a registered agent in Colorado to accept service of process.

Except as modified herein, the standard State Contract Terms and Conditions and the Sample Model Contract (attached separately on VSS as Exhibit A) included in this RFP shall govern this procurement and are hereby incorporated by reference. Please note this Model Contract lists the State's required legal provisions but does not include the specific scope of work and requirements for this RFP. This SOW and other specifics will be attached to the awarded offeror's contract as an exhibit.

The Offeror is expected to review the attached Model Contract and note exceptions. Offerors agreeing to abide by the requirements of the RFP are also agreeing to abide by the terms of the Model Contract. Unless the Offeror notes exceptions in its proposal, the conditions of the Model Contract will govern. It may be possible to negotiate some of the wording in the final contract; however, there are many provisions, (such as those contained in the Special Provisions pages) which cannot be changed. Offerors are cautioned that the State believes modifications to the standard provisions, terms and conditions, and Special Provisions constitute increased risk to the State and increased costs. Therefore, the scope of requested exceptions is considered in the evaluation of proposals.

- R. **RFP CANCELLATION:** The State reserves the right to cancel this Request for Proposal at any time, without penalty.

S. **STATE OWNERSHIP OF CONTRACT PRODUCTS/SERVICES:**

Proposals upon established opening time become the property of the State of Colorado. All products/services produced in response to the contract resulting from this RFP will be the sole property of the State of Colorado, unless otherwise noted in the RFP. The contents of the successful offeror's proposal will become contractual obligations.

The State of Colorado has the right to retain the original proposal and other RFP response materials for our files. As such, the State of Colorado may retain or dispose of all copies as is lawfully deemed appropriate. Proposal materials may be reviewed by any person after the "Notice of Intent to Make an Award" letter(s) has/have been issued, subject to the terms of Section 24-72-201 et seq., C.R.S., as amended, Public (open) Records. The State of Colorado has the right to use any or all information/material presented in reply to the RFP, subject to limitations outlined in the clause, Proprietary/Confidential Information. Offeror expressly agrees that the State may use the materials for all lawful State purposes, including the right to reproduce copies of the material submitted for purposes of evaluation, and to make the information available to the public in accordance with the provisions of the Public Records Act.

T. **INCURRING COSTS:** The State of Colorado is not liable for any cost incurred by offerors prior to issuance of a legally executed contract or procurement document. No property interest, of any nature shall occur until a contract is awarded and signed by all concerned parties.

U. **PROPOSAL REJECTION:** The State of Colorado reserves the right to reject any or all proposals and to waive informalities and minor irregularities in proposals received and to accept any portion of a proposal or all items proposed if deemed in the best interest of the State of Colorado.

V. **VENDOR IDENTIFICATION:** The tax identification number provided must be that of the offeror responding to the RFP. The offeror must be a legal entity with the legal right to contract.

W. **NEWS RELEASES:** News releases pertaining to this RFP shall NOT be made prior to execution of the contract without prior written approval by the State.

X. **CERTIFICATION OF INDEPENDENT PRICE DETERMINATION:**

1. By submission of this proposal each offeror certifies, and in the case of a joint proposal each party, thereto certifies as to its own organization, that in connection with this procurement:
  - (a) The prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with

any competitor;

(b) Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror prior to opening, directly or indirectly to any other offeror or to any competitor; and

(c) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

2. Each person signing the Request for Proposal Signature Page of this proposal certifies that:

(a) She/he is the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein and that she/he has not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above; or she/he is not the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein but that she/he has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above, and as their agent does hereby so certify; and she/he has not participated, and will not participate, in any action contrary to (1)(a) through (1)(c) above.

3. A proposal will not be considered for award where (1)(a), (1)(c), or (2) above has been deleted or modified. Where (1)(b) above has been deleted or modified, the proposal will not be considered for award unless the offeror furnishes with the proposal a signed statement which sets forth in detail the circumstances of the disclosure and the head of the agency, or her/his designee, determines that such disclosure was not made for the purpose of restricting competition.

Y. **CONFLICTS OF INTEREST:** The holding of public office or employment is a public trust. A public officer or employee whose conduct departs from his fiduciary duty is liable to the people of the State. Rules of conduct for public officers and state employees:

1. Proof beyond a reasonable doubt of commission of any act enumerated in this section is proof that the actor has breached his fiduciary duty.
2. A public officer or a state employee shall not:
  - (a) Engage in a substantial financial transaction for her/his private business purposes with a person whom she/he inspects, regulates, or supervises in the course of his official duties;
  - (b) Assist any person for a fee or other compensation in obtaining any contract,

claim, license, or other economic benefit from her/his agency;

(c) Assist any person for a contingent fee in obtaining any contract, claim, license, or other economic benefit from any state agency; or

(d) Perform an official act directly and substantially affecting its economic benefit a business or other undertaking in which she/he either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.

(e) Serve on the Board of any entity without disclosure to the entity, the Secretary of State, and his/her employer.

3. A head of a principal department or a member of a quasi-judicial or rule-making agency may perform an official act notwithstanding paragraph (d) of subsection (2) of this section if her/his participation is necessary to the administration of a statute and if she/he complies with the voluntary disclosure procedures under C.R.S. 24-18-110.
4. Paragraph (c) of subsection (2) of this section does not apply to a member of a board, commission, council, or committee if she/he complies with the voluntary disclosure procedures under C.R.S. 24-18-110 and if she/he is not a full-time state employee. Reference C.R.S. 24-18-108, as amended.

Z. TAXES: The State of Colorado, as purchaser, is exempt from all federal excise taxes under Chapter 32 of the Internal Revenue Code (Registration No. 84-730123K) and from all state and local government use taxes C.R.S. 39-26-114(a). Our Colorado State and Local Sales Tax Exemption Number is 98-02565. Seller is hereby notified that when materials are purchased in certain political sub-divisions (for example - City of Denver), the seller may be required to pay sales tax even though the ultimate product or service is provided to the State of Colorado. This sales tax will not be reimbursed by the State.

AA. PUBLIC CONTRACTS FOR SERVICES. CRS 8-17.5-101 (EXCLUDED; SECURITIES, INVESTMENT ADVISORY SERVICES OR FUND MANAGEMENT, SPONSORED PROJECTS, INTERGOVERNMENTAL AGREEMENTS, OR INFORMATION TECHNOLOGY SERVICES OR PRODUCTS AND SERVICES).

Effective May 13, 2008, contractors who enter into or renew a public contract for services with Colorado state agencies or political subdivisions must participate in either the Federal *E-Verify program*, or the Colorado Department of Labor and Employment Program. For more information see:

*E-Verify Program*: <http://www.dhs.gov/e-verify> or,

**Colorado Department of Labor and Employment Program** and notice forms: Division of Labor: <http://www.colorado.gov/cs/Satellite/CDLE-LaborLaws/CDLE/1248095356380>

- AB. CRS 24-102-206 Contract Performance for Services Outside US or CO - Now requires Contractors to give written notice in accordance with the following State Contract terms and conditions:

**If any services are performed outside the United States or Colorado:**

***[Not applicable if Contract Funds include any federal funds]***

Prior to contracting or as a requirement for the solicitation of any contract from the state for services, as appropriate, any prospective vendor shall disclose in a written statement of work whether it anticipates subcontracting any services under the contract, where such subcontracted services will be performed under the contract, including any subcontracts, and whether any subcontracted services under the contract or any subcontracts are anticipated to be performed outside the United States or the state. If the prospective vendor anticipates services under the contract or any subcontracts will be performed outside the United States or the state, the vendor shall provide in its written statement of work a provision setting forth why it is necessary or advantageous to go outside the United States or the state to perform the contract or any subcontracts.

Following the Contract Effective Date, Contractor shall provide written notice to the State, within 20 days of the earlier to occur of Contractor's decision to perform, or its execution of an agreement with a Subcontractor to perform, Services outside the State of Colorado and/or the United States. Such notice shall specify the type of Services to be performed outside the State of Colorado and/or the United States and the reason why it is necessary or advantageous to perform such Services at such location or locations. All notices received by the State shall be posted on the Colorado Department of Personnel & Administration's website. Knowing failure by Contractor to provide notice to the State shall constitute a material breach of this Contract.

**Noncompliance**

Contractor's failure to provide reports and notify the State in a timely manner may result in the delay of payment of funds and/or termination as provided under this Contract.

**Subcontracts**

Copies of any and all subcontracts entered into by Contractor to perform its obligations hereunder shall be submitted to the State or its principal representative upon request by the State. Any and all subcontracts entered into by Contractor related to its performance hereunder shall comply with all applicable federal and state laws and shall provide that such subcontracts be governed by the laws of the State of Colorado.

## SECTION III

### BACKGROUND, OVERVIEW AND GOALS

#### **Introduction**

The Colorado Department of Human Services (CDHS) is issuing an RFP for a professional Electronic Benefits Transfer (EBT) Consulting vendor to provide the services as described below. Colorado is the lead state for the Western States EBT Alliance (WSEA) procurement. Currently there are eight total state members and the Territory of Guam representing nine Supplemental Nutrition Assistance Program (SNAP)/cash state agencies and three Women's Infant and Children (WIC) state agencies in the consortium. These include:

<b>WSEA Member</b>	<b>SNAP</b>	<b>Cash</b>	<b>WIC</b>
<b>Alaska</b>	X	X	X
<b>Arizona</b>	X	X	
<b>Colorado</b>	X	X	
<b>Guam</b>	X	X	
<b>Hawaii</b>	X	X	X
<b>Idaho</b>	X	X	X
<b>Nebraska</b>	X	X	
<b>Washington</b>	X	X	
<b>Wyoming</b>	X	X	

All WIC states will have transitioned to Electronic WIC (eWIC) by 2020. For the purposes of this procurement eWIC means WIC benefits being issued to an Electronic Benefits Card and interfaces with some type of eligibility system.

#### **Objective**

It is the intent of the WSEA agencies to continue as an alliance with the mutual objectives and goals for the continuation of EBT in each state or territory. The WSEA shares in this procurement to achieve administrative efficiencies in procurement, economies of scale in volumes of transactions through tiered pricing, and standard processing platforms for states and retailers (as appropriate to each program). In addition, WSEA members cooperate in defining requirements for the development and implementation of enhancements to meet new federal regulations and technological changes, and address gaps and emerging issues. CDHS as the lead procurement agency is soliciting proposals from EBT consulting firms to assist the WSEA states in determining the best approach to procuring EBT services, cost factors, service levels and staff availability. The successful EBT planning consulting firm and its principal officers and employees are prohibited from competing and consulting with potential respondents to the

subsequent RFP for WSEA’s EBT contract services. Thus, the awarded vendor will be required to sign and comply with a Conflict of Interest and Confidentiality Agreement as it relates to the subsequent RFP as stated here.

This WSEA group procurement may result in more favorable pricing and if advantageous, other states may join this procurement. For the purposes of this procurement, if the addition of other states causes additional work for the EBT consulting firm, the additional states will be responsible for payment of costs to the contractor.

### **Glossary of Acronyms and Terms**

<b>ACH</b>	Automated Clearing House
<b>ALERT</b>	Anti-fraud Locator of EBT Retailer Transactions. An FNS system that utilizes data provided by state’s contracted EBT processors.
<b>AML</b>	Anti-Money Laundering
<b>AP</b>	Absent Parent
<b>APL</b>	Allowable Product List. Used to identify eligible WIC items.
<b>ATM</b>	Automated Teller Machine
<b>Authorized Representative</b>	An adult who has been named by a payee to act on their behalf
<b>AVR</b>	Automated Voice Response
<b>BAFO</b>	Best and Final Offer
<b>Bulk/Vault Cards</b>	EBT cards that are issued to field offices to be used in the over-the-counter issuance process
<b>CAPS</b>	Card Activation and PIN Selection. The device used to activate cards and allows for secure selection of PINs by the cardholders.
<b>CAV</b>	Card Authentication Value
<b>CDHS</b>	Colorado Department of Human Services
<b>CPCM</b>	Cost Per Case Month
<b>CSR</b>	Customer Service Representative. An agent of the contractor’s call center.
<b>D-SNAP</b>	Disaster SNAP
<b>EBT</b>	Electronic Benefits Transfer. An issuance method
<b>EFTA</b>	Electronic Funds Transfer Association
<b>EMV</b>	Europay/MasterCard/Visa. A payment method based upon a technical standard for smart payment cards and payment terminals and ATMs that can accept them.



<b>EPC</b>	Electronic Payment Card
<b>EPS</b>	Electronic Payment System
<b>Exempt Retailer</b>	A retailer that is eligible for state-provided POS EBT equipment. Exempt retailers include farmers markets, direct marketing farmers, non-profit cooperatives, military commissaries, homeless meal providers, public or non-profit meal delivery services, and certain residential living and addiction treatment facilities.
<b>eWIC</b>	Electronic Women, Infant, and Children. A system whereby WIC benefits are accessed using an EBT-like card that interfaces with some type of eligibility system.
<b>Farm Bill</b>	The primary agricultural and food policy tool of the federal government
<b>FFY</b>	Federal Fiscal Year. October 1 through September 30
<b>FIS</b>	Fidelity Information Services. The current provider of EBT and eWIC services to the WSEA partners.
<b>FNS</b>	Food and Nutrition Services. A federal agency
<b>GPS</b>	Global Positioning System. A satellite-based radio-navigation system than provides geolocation and time information.
<b>IAPD</b>	Implementation Advanced Planning Document
<b>Interoperability</b>	The ability for benefits issued in one state or territory to be redeemed in any state or territory
<b>MOU</b>	Memorandum of Understanding
<b>OIG</b>	Office of Inspector General. An oversight division of a federal or state agency.
<b>OPP</b>	Online Purchase Pilot. A joint FNS and states project to test the feasibility of implementing online EBT purchases.
<b>OTC</b>	Over-the-Counter. Refers to the issuance of cards at a local site.
<b>PIN</b>	Personal Identification Number. Typically a 4-digit number used as a password for transaction made using an EBT card.
<b>POS</b>	Point of Sales. A device with which to execute the electronic payment of goods or services
<b>Quest</b>	Quest Operating Rules. The requirements for the distribution of government benefits.
<b>REDE</b>	Retailer EBT Data Exchange
<b>RFP</b>	Request for Proposal
<b>SNAP</b>	Supplemental Nutrition Assistance Program. A federally funded food assistance program.
<b>SSAE 18</b>	Statement on Standards for Attestation Engagements No. 18. Attestation standards and guidance to auditors for performing and reporting on examination, review, and agreed-upon procedures engagements.

<b>SVC</b>	Stored Value Card.
<b>UAT</b>	User Acceptance Testing
<b>UPC</b>	Universal Product Code. A barcode symbology for tracking trade items in stores.
<b>USDA</b>	United States Department of Agriculture
<b>WIC</b>	Women, Infants, and Children. A federal supplemental nutrition program that provides grants to states for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be a nutritional risk.
<b>WIC Integrated POS Vendor</b>	Vendors using multi-function POS terminals that are capable of WIC and any other tender types
<b>WIC MIS</b>	Women, Infant, and Children Management Information System
<b>WIC Single Use Authorization Vendor</b>	Vendors using single function POS terminals that are WIC only (stand besides)
<b>WIC Single Use POS Vendor</b>	A single function POS terminal that is capable of only transacting WIC sales (stand beside)
<b>WSEA</b>	Western States EBT Alliance. A coalition of 8 states (Alaska, Arizona, Colorado, Hawaii, Idaho, Nebraska, Washington, and Wyoming) and the Territory of Guam.

### **General Information**

# Snap / CASH EBT

	Alaska	Arizona	Colorado	Guam	Hawaii	Idaho	Nebraska	Washington	Wyoming
Number of Cases									
SNAP Only	30,344	380,564	191,347	14,320	73,814	55,429	73,435	412,343	13,515
Cash Only	404	2,992	18,669	734	2,020	5,117		13,624	-
SNAP/Cash	1,679	6,632	35,130	952	9,164	14,428		73,566	-
Direct Deposit	23,325	1,821	4,656	N/A	5,521	2,160		-	-
Direct Payment Card	-	-	400		-	33,316		-	-
Child Care	-	-	22,659		-	-		-	1,809
SNAP/Child Care	-	-	-		-	-		-	935
Retailer Information									
Certified SNAP retailers	525	4,439	2,884	249	1,015	1,115	1,301	4,459	381
EBT Only Retailers	35	-	144	243	901	-		85	5
POS Deployed	7	-	27	235	884	-		85	6
Wireless POS Funded by State	7	-	17		15	21	-	14	7
Integrated SNAP Retailers	-	-	-		1,015	1,115		-	98
Child Care Providers	-	-	-		-	-		-	500
Child Care Authorizations	-	-	-		-	-		-	1,310
Customer Service Information									
Client ARU Calls	162,932	812,331	496,489	21,105	172,509	104,863	134,548	945,090	33,175
Client CSR Calls	2,641	18,186	5,505	104	3,744	2,699		8,595	306
Retailer Calls	24	1,169	-		-	21	4,456	-	100
Merchant ARU	749	-	-		244	230	207	1,468	162
Retailer Manual Authorizations	729	1,081	464	1	44	209	-	1,807	-
Merchant CSR Calls	24	-	-		84	13	6	84	24
Operating Environment									
Local Offices	18	65	125		21	22		60	22
Over The Counter Card Issuance	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Farmers Market	Yes	Yes	Yes		Yes	Yes		N/A	Yes
Host to Host	Yes	Yes	No	No	No	No		No	No
Batch Processing	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Contract Extension	2, 1 year	2, 1 year	2, 1 year	2, 1 year	2, 1 year	2, 1 year		2, 1 year	2, 1 year
Direct Deposit	Yes	Yes	Yes		Yes	Yes		N/A	No
Old Age Pension	Yes	N/A	Yes		N/A	N/A		N/A	No
Energy Assistance	Yes	Yes	Yes		N/A	N/A		Yes	No
PIN Selection	IVR	ARU/IVR	OTC/IVR		IVR	OTC/IVR	IVR	PIN Pad	IVR
Eligibility System	EIS	AZTECS	CBMS		HAWI/HANA	IBES	NFOCUS	ACES	EPICS

WIC

	Alaska	Hawaii	Idaho
<b>Number of Cases</b>			
WIC Households	10,282	10,000	
Individuals Participating in WIC	16,264	26,115	31,500
WIC Separate Contract	YES	YES	NO
<b>Retailer Information (WIC Vendors)</b>			
Number of WIC Auth Vendors	163	131	200
WIC Single Use POS Vendor	87	16	5
WIC Integrated POS Vendor	75	131	195
WIC Combo Device	-	-	-
WIC Universal Product Codes	~9500	15,000	-
Number of WIC APL Types (Grocery, Pharmacy, Commissary, Other)	2	2	-
List APL Types	Grocery, Home Delivery	Grocery, Commissary	Grocery, Commissary
WIC Vendor Types	6	5	-
WIC Farmers Markets Authorized as WIC Vendors	Yes	No	No
<b>Customer Service Information</b>			
Client - Live CS Call Center Calls	-	-	-
Client - AR CS Calls	-	-	-
Client Web Portal (Yes/No)	Yes	Yes	Yes
Retailer - Live CS Calls	-	-	-
Retailer - AR CS Calls	-	-	-
Retailer Web Portal (Yes/No)	No	Yes	-
Smart Phone Apps - Y/N and Name	Yes, JPMA	No	Yes, JPMA
<b>Operating Environment</b>			
WIC Local Agencies	13	16	9
WIC Clinics	23	31	65
Card Issuance in WIC Clinic	Yes	Yes	Yes
Mailed Card Issuance from Processor	No	No	Yes
Non-traditional Food Delivery	Yes	Yes*	No
<b>eWIC Technical Environment</b>			
Current eWIC Processing Contractor	FIS	FIS/CDP	FIS/CDP
Currently eWIC Statewide	No	No	No
WIC MIS (Name of system)	SPIRIT	MSC/HiWIC	WISPr

Each WSEA state is currently in contract with Fidelity Information Services (FIS) for EBT

business. Each state contract expiration end date is listed below but note that each state has the option beyond the listed end date for two 1-year extensions.

<b>State</b>	<b><u>Original Term End Date</u></b>	
Alaska	July	2022
Alaska WIC	July	2022
Arizona	February	2022
Colorado	June	2022
Guam	September	2024
Hawaii	April	2024
Hawaii WIC	April	2024
Idaho	April	2022
Idaho WIC	April	2022
Nebraska	July	2022
Nebraska WIC	July	2022
Washington	October	2020
Washington WIC	August	2024
Wyoming	January	2023

In all WSEA states FIS is responsible for:

- Operation of the host processor containing the client account and card databases and the transaction authorizer that affects the client database.
- Daily account settlement- processing of complete and accurate daily account settlement between clients, government agencies, retailers, third party processors and federal agencies.
- Account set up and maintenance
- Production, personalization and distribution of EBT/eWIC cards including arrangement for shipment of vault EBT/eWIC card stock to the individual local offices or regional offices for over-the-counter issuance
- Mailing of cards directly to clients if requested with the ability for clients to change their PINs online via a cardholder website or through the toll-free Automated Voice Response (AVR).
- Production and distribution of client training materials
- Maintenance and mailing of state/county equipment for issuing cards over the counter
- Conducting the annual test for continuation of business
- Maintaining backup host system for emergencies and/or disaster
- Provision of the annual SSAE-18 audit report per Federal Regulations
- Preparation of and participation in weekly, bi-weekly, or monthly status reports

- Coordination to provide problem resolution and implementation of system change due to changes in federal regulations and/or state programs or systems
- Retail management services, including contracting with third party processors and EBT-only retailers, retailer training and education, terminal deployment, maintenance and replacement.
- Project management and system integration
- Processing services
- SNAP transaction switching to comply with FNS and Quest® Operating Rules and interoperability requirements
- Administrative terminal support
- Retailer education
- Management reports
- Provision of toll-free telephone customer support services to clients, merchants and state administrative staff. Call centers (customer service)
- Interfaces with certain Federal systems
- Provision of system security through the use of strictly defined user profiles and roles
- Web-based administrative application to support account setup and maintenance as well as benefit issuance
- 24/7 technical support for file issuance support
- 24/7 client customer service including cardholder website, AVR and CSR support.
- 24/7 retailer customer service including retailer website, AVR and CSR support.
- Regularly updated system and operational manuals.
- Performance of annual testing of the back-up host computer and network links in accordance with the DSHS Disaster Recovery Plan (to include both primary and back up sites) and the FIS Continuation of Business Plan.
- Arrangement of scheduled maintenance to validate both software and hardware is operating at optimum capacity and reliability.
- Provide for the EBT system to be available for government staff to access and receive near real-time transaction information as well as provide report facilities and archive information as defined within the EBT contract.

#### *State Overviews – SNAP/Cash EBT*

##### **Alaska**

The Alaska Department of Health and Social Services (DHSS) delivers SNAP and TANF benefits via the QUEST Card. APA and Senior Benefits, as well as some TANF benefits, are delivered via direct deposit. Alaska is planning to offer APA and Senior Benefits on the Quest Card. Local office staff provides direct deposit enrollment forms to clients. The completed forms

are forwarded to the EBT office in Juneau, which manages direct deposit enrollment and account maintenance in EIS.

### **Current Operating Environment**

DPA services are delivered through 18 local offices around the state. The local office staffs are responsible for client eligibility determination, authorization of benefits, entry of client EBT data on the host-to-host interface between EIS and FIS and providing some basic client EBT training.

The DPA System Operations Unit, located in Anchorage, produces and mails all EBT cards. No cards are issued or replaced at local offices. However, Alaska may decide to move to over the counter (OTC) issuance at some point during the term of the EBT contract. The cards and accompanying client training materials are distributed by mail. PINs are generated and mailed by FIS only upon request. Alaska chose to allow clients to select, activate and change their PIN by phone using the FIS client help desk/IVR.

Unstable electrical and telecommunications service and delays associated with satellite links, offer special challenges in some remote rural areas of Alaska. Although EBT typically runs smoothly, special care must be taken to configure point-of-sale terminals with special settings, priority phone numbers, and signal wait times, for EBT to be viable. Inoperable equipment makes SNAP transactions difficult and may make cash unavailable for all recipients in the village.

### **High Level Technical Environment**

The State of Alaska Data Center, located in Juneau, Alaska, is connected to the FIS data center in Milwaukee, Wisconsin. The two host systems utilize TCP-IP and Connect Direct software to facilitate file transmission. All file transmissions from the Alaska Data Center are validated by a daily return report from FIS.

### **Arizona**

The Arizona Department of Economic Security (AZDES) is charged with the management and administration of various types of human and social services to Arizona residents. Within the AZDES, the Division of Benefits and Medical Eligibility (DBME) is responsible for the Supplemental Nutrition Assistance Program (SNAP), and cash assistance programs. The AZDES currently distributes SNAP (NA) benefits, Temporary Assistance to Needy Families (TANF) cash assistance, Refugee Assistance (RA) and JOBS Training Related Expenses (TRE) via the Arizona Quest EBT card. AZDES staff is responsible for determining benefit authorizations and assisting clients with questions regarding benefit eligibility and general training on the use of the

Arizona QUEST card. Local office staffs also assist benefit recipients in interpreting transaction histories, and card re-issuance.

### **High Level Technical Environment**

Currently, all client benefit authorizations are generated by the AZDES AZTECS system, and sent to the FIS host by either on-line, real time transactions, or through batch file. The AZDES AZTECS generates both daily and monthly batch authorization files. Benefits for TANF, RA, and TRE may be issued via the Arizona QUEST card or may be deposited directly into a benefit recipient's personal checking account via ACH direct deposit. NOTE: DBME discontinued the direct deposit option effective May 2013, but we still piggyback DES child care provider direct deposit records within our batch benefit files. In the future, DBME may again use the direct deposit option. All SNAP benefits are issued via the Arizona QUEST card. The AZDES host data centers located in Phoenix, Arizona are connected to the FIS host data center in Arizona and backup sites via a redundant leased T-1 data line. The host systems utilize TCP-IP and SFTP FIPS-2 software to facilitate file transmission. All file transmissions from AZDES are validated by a daily return report from FIS.

### **Colorado**

CO/EBTS distributes Supplemental Nutritional Assistance Program (SNAP), public assistance benefits and cash payments for services electronically, utilizing the Colorado Quest Card and/or Automated Clearing House (ACH) direct deposit options for eligible clients and service providers. Payments delivered through CO/EBTS include SNAP, Temporary Assistance to Needy Families (TANF), Old Age Pension (OAP), Aid to the Needy Disabled (AND), Aid to the Blind (AB), Health Care Allowance (HCA), Low Income Energy Assistance Program (LIEAP), Child Care, and Child Welfare and Subsidized Adoption. State and federal benefits are transmitted from CDHS's automated program systems through COEBTS to the state's EBT contractor for subsequent deposit to client/provider accounts.

### **Current Operating Environment**

CDHS is state supervised and county administered. County offices are responsible for client eligibility determination and payments for service providers within each of the state's 64 county offices. County staff data enter program information into the applicable system for which payment information is transmitted to the state's data center where processes occur to transmit the payment information to FIS. Further explanation of the payment legacy systems is described below in the High-level Technical Environment section.

County staff issues over-the-counter EBT cards to clients/providers, either new or replacement cards, utilizing Card Activation PIN Selection (CAPS) and Card Reader devices. In addition, clients/providers may request issuance of a card and PIN by mail by calling the FIS Customer



Service Center. Counties provide client training during eligibility and/or card issuance and participate when needed with problem resolution. Counties provide ACH direct deposit enrollment forms for clients and providers as needed. ACH enrollment forms are submitted to the State EBT office for entry into the FIS system. County staff are given access to the FIS Web Administration system after the required security application is submitted to the CDHS security administrator for approval. Access to the FIS system is limited by menu options depending on the types of duties assigned to the worker to maintain separation of duties and security controls, (i.e., card issuance, eligibility, business office etc.).

### **High Level Technical Environment**

Please refer to Appendix A, which reflects a data flow diagram of CO/EBTS transactions. Data, both demographic and benefit, originates in local county offices through one or more different application systems as follows: Colorado Benefits Management System (CBMS) produces Food Stamp TANF, OAP, AND, and AB. The Low-income Energy Assistance Program (LEAP) system produces benefit and demographic files for the LEAP program. The “Trails” Child Welfare Eligibility and Services produces benefit and demographic files for clients and service providers that receive child welfare payments. The CHATS system is used for child care services and service providers.

The system applications produce benefit and demographic data files on a regularly scheduled basis for transmission to the County Financial Management System (CFMS). This application manages all financial transactions for CDHS; maintains CDHS’s financial statements; provides standard and ad hoc reports to county and CDHS staff; transmits financial information to the Colorado Financial Reporting System (COFRS), which maintains financial, budgeting, accounting and reporting functionality for the state; and formats demographic and benefit data for transmission to CO/EBTS. The demographic and benefit files are processed through CO/EBT and transmitted via Direct: Connect to FIS for payment distribution.

FIS contracts with KeyBank to provide a no cost branded debit card for our cash clients.

Colorado needs a low or no cost alternative to the EBT card for our cash clients who are not bankable.

Colorado needs to ensure that the EBT processor has the following abilities for client vs provider payments:

- System functionality to split client vs provider payments
- The following should be viewable and reportable for direct deposits:
  - ACH descriptor
  - direct deposit release
  - bank name
  - account number
  - routing number

- New transaction direct return (RDD) expanded detail to include new fields ACH descriptor, return reason, bank name, and account number.
- Direct Deposit Return (RDD) Transactions permission detail will include new detail information:
  - Return reason from ACH process, Bank name, Bank account Number, Bank routing Number, ACH descriptor- clients name the payment was made for
  - Direct Deposit Return Transactions show the requested amount as the amount of the matching Direct Deposit Release and completed amount as 0.00
- Last name field should be able to search data up to 20 characters for providers
- Last name field should be editable up to 41 characters
- The new detail with additional banking and ACH information will be viewable to users based on a security driven permission.
- For the Direct Deposit Return Transaction, the return reason will contain the return code received from the financial institution. When a cursor hovers over the return code, the return description should display in a hover flag, following the same concept present for rejected transaction today
- Modify web server code to retrieve complete provider name and display on client tab.
- The transaction benefit authorization number must match the corresponding BAUTH transaction
- Direct Deposit Release (DDR) Transactions permission detail will include new detail information: Return reason from ACH process, Bank name, Bank account Number, Bank routing Number, ACH descriptor- client's name the payment was made for.
- See "PROVIDER" and the first name field and see the complete provider name in the last name field on the client tab in webADMIN.
- ACH benefit program release information to be stored from batch.
- House all EBT data for five years.
- All fields in EBT system must be reportable for data analysis.

## **Guam**

The Division of Public Welfare (DPW), Bureau of Economic Security (BES) is responsible for the following programs:

- Food Stamps (FS)
- Old Age Assistance (OAA)
- Aid to the Blind (AB)
- Temporary Assistance to Needy Families (TANF) cash assistance
- Aid to the Totally and Permanently Disabled (APTD)
- General Assistance (GA)
- And determines client eligibility for Medicaid and the Medically Indigent Program (MIP).

BES is comprised of four (4) sections:

- Certification
- Program Management
- Issuance
- BES Administration

The Certification Section is responsible for eligibility determination and processing of benefits for applicants requesting food stamps, cash or medical assistance. Certification activities are provided out of three public health facilities in the northern, central and southern areas of the island. All other BES activities and services are provided at the main DPHSS office located in the village of Mangilao.

All activities related to card issuance take place in all the three public health facilities. Guam does not mail cards or PINs. Thus, Issuance Section issues and replaces all EBT cards over-the-counter. Issuance staff provides training brochures and one-to-one training at time of issuance and link cards via the FIS “OTC Card Issue” option.

#### **High Level Technical Environment:**

Currently, all client benefit authorizations are generated by Guam’s PHPRO system and sent to the FIS’ host through batch files during the business week. PHPRO generates both daily and monthly batch authorization files. The daily batch files are extracted, transmitted and processed that same evening. The monthly batch files, however, are extracted one night but then transmitted and processed the following evening.

Batch files, both demographic and benefit, are downloaded to the EBT server. These files are then transmitted to FIS via Connect: Direct for verification. The response files are uploaded and processed by a scheduled post program. If a demographic and/or benefit reject exists, then an alert will be generated for Issuance personnel to address. The rejected record(s) will be prepped to be sent out the following business day for verification.

#### **Hawaii**

The Hawaii Department of Human Services Benefit Employment and Support Services Division (HI DHS BESSD) administers the following programs via EBT:

- Supplemental Nutrition Assistance Program (SNAP)
- Cash assistance Program
- Temporary Aid to Needy Families (TANF)
- Temporary Assistance to Other Needy Families (TAONF)

- General Assistance (GA)
- Aid to the Aged, Blind, and Disabled (AABD)
- Child Care (CC)
- First-To-Work (FTW)
- Employment and Training (E&T)

SNAP and cash benefit determination is done statewide at various locations. SNAP and direct assistance eligibility determinations are handled by the state eligibility units. Support services are determined at either state First-to-Work program offices or contracted work program and child care subsidy offices. All benefits are transacted electronically as either a daily or monthly transaction on one of two eligibility systems. Clientele work with offices servicing their specific census tract. All offices are located on each of the major islands with the exception of Kaho'olawe and Ni'ihau.

The EBT office serves as the liaison between all eligibility and program staff and the contracted EBT vendor to handle all problems including reporting, monitoring, and resolving. Additionally, all other contract details including contract development and execution, monthly invoicing, report collection, and other related items are handled by the EBT office in conjunction with our fiscal management offices.

### **High Level Technical Information**

The HIDHS utilizes two eligibility systems. The first is the Hawaii Automated Welfare Information (HAWI) system. HAWI assists workers in determining eligibility, benefit level and allows authorization of federal and state funded Financial Assistance and, SNAP benefits. The second is the Hawaii Automated Network of Assistance (HANA) system. HANA is an on-line, interactive and fully integrated case management system that allows for the selection of candidates from the client pool, intake, assessment and employment planning for recipient families who require support services related to securing and maintaining employment. The HANA system is also used for the registration and certification of licensed-approved child care providers. The HANA system supports the following programs: Child Care, FTW, E&T, and the Hawaii EBT system.

Both the HAWI and HANA systems not only assist the staff with eligibility determination, but also facilitate the management of the various programs being supported by the two systems. This is accomplished through the use of numerous standing and ad hoc reports generated by the two systems. By utilizing these reports, the Department is able to comply with federal/state reporting requirements. The vast amount of information available in the HAWI and HANA systems assist the program offices in their efforts to plan for and manage

their respective programs. The end user, i.e., the eligibility worker and/or supervisor, is assisted with his or her caseload management efforts, by reports that are generated from these systems.

Each of the HAWI and HANA systems has over 750 primary users within their respective system. Other Departmental users include BESSD Administrative staff, the Social Services Division staff, the Vocational Rehabilitation Division staff, and a variety of staff offices that include Fiscal Management, Recovery Services, Budget, Accounting, Investigations and Quality Assurance staff. Other federal and state users include Federal Quality Control staff, the Attorney General's Child Support Enforcement Agency staff, staff from the Departments of Health, Education, and the Labor & Industrial Relations, and the City & County Corporation Counsel staff. This brings the total number of individuals who are authorized access to over 1,200 users. The HAWI system consists of over 400 on-line screens that provide inquiries, updates, tracking and required processing for branch operations. There are over 200 batch jobs that are required to be processed in any given month. These batch jobs provide end user/branch support staff with required reports and on-line alerts necessary to effectively manage their welfare caseloads. In addition, other batch processes provide budget, fiscal and administrative staff with required data necessary to monitor program effectiveness and expenditures and to complete federal reporting requirements. These batch jobs also generate welfare benefits and food stamp benefits for EBT, print client notices and a variety of departmental forms.

### **Idaho**

The Idaho Department of Health and Welfare (IDHW) helps meet the needs of families in crisis situations by providing food, cash, and other assistance programs. The Division of Welfare is responsible for administering the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Families in Idaho (TAFI/TANF), Aid to the Aged, Blind, and Disabled (State Supplement/AABD), Idaho Child Care, Medicaid Eligibility, Emergency Assistance, Energy Assistance, and Telephone Assistance programs. Child Support Services is responsible for child support payments and program policies.

The Bureau of Financial Services, Electronic Payment Operations (EPS) Unit is responsible for benefit and payment distribution. EPS distributes Food Stamp, TANF, and AABD electronically utilizing the Idaho Quest card and/or Automated Clearinghouse (ACH) direct deposit option for eligible customers.

### **Idaho EBT Responsibilities:**

- Contract monitoring
- Coordination of the design, development and implementation of the technology required to deliver payments to clients and providers
- Maintaining ongoing operations for payment delivery
- Draw down of funds

- Settlements and reconciliation
- Participation in and response to financial and /or performance audits
- Develop training and curriculum
- Coordinate staff training in the field offices
- Retailer customer support and training
- Security administration for EPS and FIS web admin system
- Coordinates with IDHW systems and program staff to resolve problems
- Implementation of technical or regulatory changes as needed
- Plays a role in the program communication and coordination with State staff
- Problem resolution
- Training manual updates
- Federal reporting
- Supports program marketing for project expansion

### **Current Operating Environment**

IDHW is state supervised and administered. The state is divided into seven geographical regions with field offices in each region. Self-Reliance (SR) staff in field offices are responsible for client eligibility determination and authorization of benefits. SR staff enter client information into the Idaho Benefits Eligibility System (IBES) and the MIA system for child support. IBES and MIA process and transmit demographic and payment information to the Electronic Payment System (EPS). EPS adds information to the data and sends a batch file to FIS nightly.

### **High Level Technical Environment**

Data, both demographic and benefit, originates in local field offices through one of both of the application systems as follows: IBES produces Food Stamp, TANF and AABD demographic and payment files. MIA produce child support demographic and payment files. The two system applications produce payment and demographic data files on a daily basis for transmission to EPS and to the Financial Information System with Cost Allocation (FISCAL). The application manages all financial transactions for IDHW, maintains IDHW's financial statements, provides standard and AdHoc reports to IDHW staff. FISCAL maintains financial, budgeting, accounting and reporting functionality for the State.

EPS is also used to key and maintain the necessary information to generate an ACH (direct deposit) transaction. Bank account information is keyed directly into the EPS system. SPD compiles the batch file transmissions and transmits nightly to FIS. FIS will set up accounts and distributes the benefit/ payment to client EBT accounts or by ACH direct deposit to individual bank accounts.

## **Nebraska**

The Department of Health and Human Services (DHHS) has five divisions and an Operations branch:

- The Division of Behavioral Health administers state hospitals for the mentally ill and publicly funded community-based behavioral health services.
- The Division of Children and Family Services includes protection and safety programs and services (child welfare, juvenile services), economic and family support programs and services, and the local offices and customer service call centers. SNAP and public assistance administration are located within this Division. Under this division is the Issuance and Collection Center-Claims Processing Unit (ICC-CP). Some of this unit's responsibilities relate to SNAP EBT. Those include administration of the EBT contract, EBT card issuance, establishing certain EBT-related policies, EBT retailer relations, an EBT client assistance phone line, and other EBT-related matters.
- The Division of Developmental Disabilities consists of the Beatrice State Developmental Center and publicly-funded community-based developmental disabilities services.
- The Division of Medicaid and Long-Term Care administers the Medicaid program, aging services, and other related programs and services.
- The Division of Public Health includes preventive and community health programs and services, regulation and licensure of health-related professions and occupations, regulation and licensure of health care facilities, and health care services. WIC administration is located within this Division.

Nebraska SNAP is state administered. The DHHS process for certifying SNAP clients, issuing EBT cards and benefits is described in the steps below:

- After a household files an application for SNAP benefits on Nebraska Family Online Client User System (N-FOCUS) or on a paper application, DHHS certification staff creates a new SNAP case or re-opens a closed case.
- When DHHS certification staff create a new SNAP case in pending status, an EBT card is automatically ordered for the new SNAP case. Certification staff review the household information and an interview is conducted with the head of household. If the applying household has previously participated in Nebraska SNAP EBT, a prompt in N-FOCUS will require the staff to either accept or decline to order the household a replacement card. Accepting will trigger the issuance of a replacement EBT card to the household. (see Step 5. below)
- When a household has applied for SNAP it is assigned a randomly selected EBT ID number by N-FOCUS. Demographic and benefit data and EBT ID numbers are consolidated into a batch file by N-FOCUS. This file is sent to the Contractor each night;

The Contractor loads the file information to its mainframe and creates client EBT accounts in the Contractor's EBT system.

- New or replacement EBT card orders through N-FOCUS for cases that are not expedited will be sent in a batch file to the Contractor each night.
- The Contractor responds by mailing new or replacement cards via their card processing center.
- The Contractor also transmits a daily file to the State containing data on each account (including the EBT ID number) for which a client has cancelled their EBT card and requested a replacement card which was mailed by the Contractor's card processing center.
- A State batch job creates labels and generates a label report for the ICC for all expedited cases that a new or replacement card was ordered through the N-FOCUS system.
- The following morning (Monday through Saturday) ICC-CP staff access the label report and print paper labels. The labels include the EBT ID numbers, type of card (new or replacement), person number from NFOCUS, household name, and address.
- ICC-CP staff pull pre-printed, pre-encoded EBT cards from the State's inventory.
- ICC-CP staff use the Contractor's system to link the PANs of the pre-printed, pre-encoded EBT cards to the EBT accounts established in the Contractor's system using a card reader.
- Using the mail labels, ICC-CP staff mail EBT cards and educational materials to the respective households that same day.
- Clients who meet certain criteria may receive an EBT card issued over the counter (OTC) in a local office. The card is ordered by certification staff through N-FOCUS.
- A second staff in the local office pull a pre-printed, pre-encoded EBT card from their secure inventory to distribute to the client.
- The staff completes an OTC issuance form which the staff and client sign, staff then forward the form to ICC-CP staff who use the contractor's system to link the card to the client account.

NOTE:

*Replacement cards follow a similar process, except the client calls the Contractor's customer service line to report their card as being lost, damaged, or stolen. The Contractor sends a daily report of clients who reported their EBT cards as lost, damaged, or stolen to the State.*

Once a household is determined eligible, the appropriate benefit amounts are transmitted to the EBT Contractor (see Step 3. above), and SNAP benefits are placed in the household's EBT account which is maintained by the EBT Contractor.

The Contractor provides toll-free access to a customer service line and ARU for clients to PIN



their EBT and to report lost, stolen, or damaged cards.

The State allows one valid EBT card per food stamp account.

Monthly SNAP benefits are staggered over the first five calendar days of each month, according to the last digit of the head of household's SSN.

### **High-Level Technical Environment**

N-FOCUS (Nebraska Family Online Client User System) is an integrated client/server system that automates benefit/service delivery and case management for more than 30 Nebraska Health and Human Services System (NHHSS) programs. N-FOCUS functions include client/case intake, eligibility determination, case management, service authorization, benefit payments, claims processing and payments, provider contract management, interfacing with other private, state and federal organizations, and management and government reporting. NFOCUS was implemented in production in mid-1996 and today is operational statewide.

The typical NFOCUS user is a DHHS or contracted employee. N-FOCUS daily supports over 6000 workers, operating from offices around the State as well as from four customer service centers and two hub scanning facilities. Some cases are assigned to specific workers; however, the majority of cases are managed via a universal caseload methodology coordinated by the customer service centers.

The application has both batch and online components and stores data in DB2, V11. The DB2 database has over 500 tables, some with a corresponding archive table. There are over 650 relationships between tables, 1050 indexes, and over 7000 attributes. There are over 1.6 billion rows of production data with over 200 million rows in one table with an average table size of 2.8 million rows.

The batch system is coded in Z/OS COBOL and executes in a Z/OS environment. There are more than 600 procedures, over 700 programs, and over 200 stored procedures. The application generates 550 reports using Crystal Reports that are published to a web portal through Business Objects Enterprise software. Another 100 reports generated independently are published to the portal for viewing.

The online system is an integrated client/server-based software system. The client software executes on Windows 7 and resides on Windows 2008 servers located throughout the State. Computer Associates Gen and AION toolsets are used to generate windows and C code, along with custom in-house architecture code written in C. The server components are Z/OS CICS

transactions. The CICS programs are Gen-generated COBOL, along with in-house written COBOL and Assembler externals. The CICS programs access DB2 on the Z/OS mainframe. The Gen clients use External Call Interface (ECI), IBM's CICS Universal Client to connect to the Z/OS CICS using TCP/IP protocol. The online system consists of over 550 client procedures, 550 server procedures, 550 windows, and 1450 dialog boxes. The AION online system supports the complex eligibility data gathering and automated determination and noticing processes.

N-FOCUS web applications consist of public applications, including dashboard applications, and applications launched directly from N-FOCUS. Eclipse is the IDE used to generate the Java Server Faces and Facelets code. These Java applications run on Websphere Application Servers and Tomcat Servers on the Linux Operating System. The Java applications call stored procedures to access DB2 data and SQL to access SQL server data.

### **Washington**

The Department of Social and Health Services (DSHS) administers all statewide program services through three administrative regions. One region is located in Eastern Washington and two are in Western Washington. Two administrations within DSHS, the Economic Services Administration (ESA) and the Aging and Long-Term Support Administration (AL TSA), are responsible for delivery of cash and food benefits to eligible household in the State. The monthly household count is dynamic and during the last state fiscal year fluctuated between 489,000 and 506,000 households.

AL TSA manages distribution of benefits to elderly low-income households. ESA manages these services to all other eligible families. All clients (active cases) currently receiving Temporary Assistance to Needy Families (TANF), Refugee Assistance (RA), Aged, Blind, and Disabled (A, B, D), Consolidated Emergency Assistance Program (CEAP), and State Supplemental Payments (SSP), receive benefits through the EBT or EFT program. State food assistance (FAP and federal Supplemental Nutrition Assistance Program (SNAP) eligible clients and federal Supplemental Security Income food stamp eligible clients receive benefits exclusively through the EBT program.

EBT distributes cash and food benefits electronically utilizing the Washington QUEST Card. State and federal benefits are transmitted from the DSHS Automated Client Eligibility System (ACES) to the state's EBT vendor for subsequent deposit to client accounts. Local offices are responsible for client eligibility determination and authorization of benefits. Payments are generated from ACES and transmitted to the EBT vendor via daily (4 times/day), nightly, and monthly batches.

## **EBT Card Issuance**

EBT cards are issued to the head of the assistance unit household (payee). These clients may also select multiple authorized representatives to access either their cash or food benefits or both.

Local office staff usually issues initial EBT cards over-the-counter directly to clients/authorized representatives. Most initial applicants EBT cards are issued locally through the FIS Web Administrative screen via a card reader connection. FIS mails the majority of the replacement EBT cards directly to the client's address. There are certain exception criteria where a client could get an EBT replacement card directly in the local offices. All alternate cardholders are issued EBT cards from the local offices. When cards are issued locally, clients/authorized representatives select their own PIN code.

In some cases, local office staff may authorize cards to be mailed directly to clients via a batch process. These cards are mailed by the EBT Vender and will take usually from 7 to 10 days. When clients receive an initial card in the mail, they would select their PIN via the phone or client web site through an automated PIN selection process. When clients receive a replacement EBT card in the mail, the previous card's PIN is carried-over automatically to the replacement card.

## **Training Material**

Local office staff provide client training during eligibility and/or card issuance and participate when needed with problem resolution. Local staff provides ACH direct deposit enrollment forms for clients and providers as needed. State Office EBT staff processes the enrollments of direct deposit forms into the ACES system.

### **Group Home and Drug and Alcohol Treatment Facilities:**

Group Homes and Drug and Alcohol Treatment Facilities are certified by the state to accept food benefits from the client's EBT account. The Group Home facilities' have 3 options on how they choose to participate. They must select one of the options and notify the state of their chosen process:

- Option A – Residents handle their own benefits in their EBT account;
- Option B – The Group Home facility acts as an Alternate Cardholder to access a resident's account;
- Option C – Facility is FNS certified and access a resident's benefits through an EBT-only POS machine by swiping the resident's EBT card or an Alternate Cardholder's card.

Drug and Alcohol facilities only have the ability to access residents' food benefits through Option C and must be FNS certified with an EBT-only POS machine.

## **High Level Technical Environment**

All client information originates in the Community Services or Home and Community Services offices. Staff enters client demographic information into the DSHS Automated Client Eligibility System (ACES). This system determines eligibility, calculates the appropriate benefit level and transmits this information to FIS. The ACES system is the sole interface with FIS for the EBT system. Benefit and demographic data files are sent to FIS on a regularly scheduled basis. Cash and Food Benefits are transmitted in the evening of each business day. Emergency Food Benefits are also transmitted and disbursed four times each business day.

ACES reports all financial transactions for DSHS; maintains the DSHS financial statements; provides standard reports to DSHS staff and transmits financial information to the state's Agency Financial Reporting System (AFRS). AFRS maintains the financial, budgeting, accounting and reporting functionality for state agencies. The demographic and benefit files processed through ACES and transmitted FIS for payment distribution. Staff may also instruct ACES to pass cash benefits to the State Treasurer's office for direct deposit to client private savings or checking accounts.

FIS processes the batch file transmissions and distributes the benefits to clients' Washington QUEST Card accounts. The daily transaction files are summarized and used to support the state draw down of funds for each of program area. The DSHS Office of Financial Management uses this data to manage all settlement and reconciliation activity performed by the DSHS Office of Accounting Services. FIS also prepares and returns a daily activity file that detail all EBT settling transaction activity.

## **Wyoming**

The Wyoming Department of Family Services (DFS) is responsible for the following programs: Supplemental Nutrition Assistance Program (SNAP)

Child Care Program:

- The Child Care Program is planning to move to a Parent/Guardian responsibility to pay authorized subsidies to their approved child care provider(s) within the next year (2019). Child care subsidy benefits will be posted in an EBT child care account accessible by parents to pay providers. Parents pay providers via an EBT terminal or via telephone IVR.

Personal Opportunities with Employment Responsibilities (POWER):

- POWER provides cash assistance Temporary Assistance for Needy Families (TANF). There are approximately 520 cases and hand warrants are issued at this time; however Wyoming will be moving to an electronic payment card (EPC) combined with Child Support in the near future with Conduit.

Low-Income Energy Assistance Program (LIEAP):

- LIEAP helps to cover the costs of electricity, natural gas, propane, wood, diesel heating oil, coal and pellets when these are used for heating a home. This program is open to qualified homeowners and renters.

Weatherization Assistance Program (WAP):

- WAP helps households save money on home heating cost by improving energy efficiency by adding more insulation, sealing leaks around doors and windows. People who are approved for assistance through LIEAP may also be eligible for WAP services.

State Disbursement Unit (SDU):

- SDU is a Federally mandated centralized location for the purpose of receiving and distributing child support payments to custodial parents and their children within two business days of receipt. This unit ensures accurate and timely responses to all fiscal questions concerning child support and utilizes automated procedures and electronic processes for the efficient and economical collection and distribution of child support payments.

Child Support payments may be received via a branded debit card (Way2Go Mastercard through Conduent) for approximately 6,686 active cards.

Supplemental Security Income (SSI) State Supplement:

- SSI is a Wyoming Department of Health run program. A file is received from Social Security to identify eligible (needy aged, blind & disabled) recipients and then DFS sends out a \$25.00 warrant to the recipients to help supplement their income. There are approximately 3,500 recipients monthly.

DFS contracts with FIS to provide EBT SNAP and Child Care (to begin 2019) benefits data for services rendered.

### **Current Operating Environment:**

DFS local office staff (Benefits Specialists) are responsible for client eligibility determination and authorization of the benefits. Wyoming's daily batch file goes over to FIS each evening. DFS does not issue over the counter cards. All cards are mailed out by CardPro in Chicago, IL. All PINs are selected through the ARU or via the cardholder portal by the SNAP clients. All address changes are updated daily when the daily demographic file goes to FIS or by a Benefit Specialist in the client's local field office using the FIS Admin Terminal.

### **High Level Technical Environment:**

FIS is authorized to make a daily draw down directly from the USDA FNS servicing bank for daily settlement of SNAP transactions made by cardholders. The daily settlement and draw down is reconciled daily.

*State Overviews – eWIC*

## **Alaska**

### **Current Operating Environment:**

#### **Alaska Women, Infants, and Children (WIC) Program**

##### **Number and Types of Cases/Customer Service Information:**

For Federal Fiscal Year 2018 (October 2017 through September 2018), Alaska processed between 26,777 and 39,828 WIC food instruments each month. For the same period, the food instrument redemptions ranged from \$1,358,808 to \$1,630,032 per month.

Alaska WIC client services is as follows:

A client application is completed and eligibility is determined based on whether the client meets income guidelines and categorical and age requirements. Client anthropometric measures – height, weight and hemoglobin measurements – are taken. A determination of nutritional or medical risk is made. Once certified as eligible for the program, a client receives nutrition education and is prescribed a supplemental food package to address nutritional needs. The client then receives up to three months of food benefits, which s/he can redeem, for specific food items at approximately 163 WIC-authorized vendors statewide.

Food packages consist of one or more food instrument “types.” Each food instrument type is a unique list of specific food items that can be purchased, and the quantity and package size of the food. The State WIC program has a list of approximately 9,500 Universal Product Codes (UPCs) that make up the WIC Allowable Foods List (APL). WIC participants can only purchase foods that are both within their specific food package and on the APL.

##### **Future Benefit Issuance & Redemption:**

Currently, Alaska issues food instruments through its WIC management information system (MIS), SPIRIT, one of the FNS State Agency Model (SAM) systems. The MIS is an internet-based application housed in the State of Alaska Data Center in Anchorage and is accessed through the internet by the Local Agencies and clinics providing support to the Alaska WIC participants. The eWIC processor for Alaska WIC program is Fidelity Information Services (FIS) and its subcontractor, Custom Data Processing (CDP).

#### **Alaska WIC Farmer’s Market Program (FMNP) and Senior Farmer’s Market Nutrition Programs (SFMNP)**

The Senior and WIC Farmers’ Market Nutrition Programs (SFMNP / FMNP) are housed within the Division of Public Assistance, under the Family Nutrition Programs, along with WIC. These program benefits are currently issued as paper coupons to low-income women, infants, children and seniors to purchase fresh Alaskan produce. Each participant receives six \$5.00 coupons to purchase fruits and vegetables at authorized farms, farm stands, or farmer’s markets. During FFY18, \$136,135 of benefits were redeemed for FMNP. At the time of this RFP, these two programs are currently researching an online EBT solution.

Alaska WIC desires to be able to serve children in summer food programs by distributing eWIC

benefits, if the State is able to secure funding for such a program.

## **Hawaii**

### **Current Operating Environment:**

#### **Hawaii Women, Infants, and Children (WIC) Program**

The current Food Instrument (FI) Processor is CSC Covansys Corporation, contracted to process paper Food Instrument “FI”. Funds are requested by way of a daily email request, drawn from the federal letter of credit by the WIC State office and wire-transferred into United Community Bank. Hawaii’s eWIC card is anticipated to operational by late May, 2020.

For FFY-2018, the Hawaii WIC Program processed a monthly average of 26,115 participants in approximately 10,446 families. Average redemption amounts to approximately \$1,437,000 per month, and the monthly average participant counts per Local Agency are as follows:

In spring, 2020, the Hawaii WIC Program will implement Electronic Benefit Transfers (EBT) to distribute food benefits, and with that implementation, the program will comply with the Healthy Hunger-Free Kids Act of 2010. Also, to facilitate the EBT implementation, the program selected the Multi-State Consortium (MSC) software, HiWIC, as the core clinic application. This consortium consists of Kansas, New Hampshire, Inter-Tribal Council of Arizona (ITCA), and Hawaii with CQuest America as primary developer of the application.

### ***Retailer Information***

There are 131 individual retailers statewide dispensing WIC food/formula in Hawaii. These retailers are categorized into the following groups: 1) Independents, 2) Chain Stores, 3) Pharmacies, and 4) Commissaries. Also, these retailers are grouped into 5 peer groups: 1) Urban Grocery, 2) Non-Urban Grocery, 3) Formula Contractor, 4) Mass Merchandiser, and 5) Commissaries.

## **Idaho**

### **Current Operating Environment:**

#### **Idaho Women, Infants, and Children (WIC) Program**

Idaho is in the process of deploying the EBT implementation of WIC. The Idaho MIS (WISPr) was developed in-house and has been modified to administer WIC EBT processes. WISPr has been successfully deployed to two pilot areas in Idaho and will soon be released statewide. WISPr is used to manage the following (high level):

- WIC participant and household data
- Participant certification
- Card inventories
- Card activation and deactivation
- Food Management (Categories, Subcategories, Approved Product List, Food Packages, Not to Exceed, etc.)
- Benefits assignments to participant accounts
- Benefit adjustments to participant accounts

- Account data (redemptions, remaining balances, etc.)
- Retailor activities (authorization, activation, compliance, etc.)

WISPr interfaces with CDP's WIC Direct product. WIC Direct is tied in with FIS's system to broker data between WISPr and FIS. FIS provides an Interactive Voice Response system, a helpdesk, and a customer portal to service participant needs, including account balance information, PIN setup, and card replacement. FIS also provides a portal for vendors which use stand-beside devices.



## SECTION IV

### REQUIREMENTS / STATEMENT OF WORK

The purpose of this request for proposal (RFP) is to solicit proposals to obtain a professional Electronic Benefits Transfer (EBT) Consulting vendor to provide the services as described below.

*Respond to the requirements in the same sequence as outlined in this section, and restate the requirement followed by your response. Proposals that do not follow the sequence, outline, and response format of this RFP, may be deemed non responsive and disqualified from further consideration.*

*The vendor chosen will be expected to have the expertise and knowledge to lead and complete requirement gathering with each state to develop that state's specific requirements for the WSEA EBT RFP in accordance with all SNAP and WIC EBT regulatory, technical, functional, operational requirements, and industry standards.*

*The list below is basic and other items may be added due to technology or State and/or Federal requirement updates during the actual procurement.*

*Proposals should include Offeror's approach to meeting all requirements for each state individually and the WSEA states in total. The proposal must include a schedule of the work to be performed and delivery date of the required deliverables.*

#### Deliverable 1.0 - Analysis

Detailed report, considering current WSEA EBT and eWIC operating environments, including:

1. Identification and listing of all SNAP and WIC program regulations and policies
2. Breakdown of EBT cost centers and implication for pricing and possible savings areas, including recommended length of contract (number of years) states should consider in the proposal.
3. Recommended EBT procurement solution and alternative EBT procurement solutions.
4. Review of current and emerging technology options for:
  - a. Customer service options including providing the services
    - i. In-house,
    - ii. In-state,
    - iii. In-county, and
    - iv. Off-shore.
  - b. Client access to account information, and
  - c. Food purchasing.

5. Research, guidance, and assistance in defining pricing language and evaluation criteria, including:
  - a. Defining which services are to be included in base pricing,
  - b. Defining which services should be priced as optional services,
  - c. Defining and suggesting tiered pricing that benefit both SNAP and WIC
  - d. Defining and suggesting tiered pricing that provides successively lower tiered pricing rather than a big jump at maximum caseload.
6. Recommended EBT card solutions addressing:
  - a. Feasibility of having the EBT contractor automate the tracking of over the counter issuances of EBT cards. The available technology may include electronic signatures for both the client and card issuer.
  - b. Card specifications to reduce the high number of card replacements due to defective cards.
  - c. Security measures for card issuance/replacement or PIN change to reduce client and user fraud.
  - d. New technologies available for EBT including but not limited to mobile wallets, EMV, mobile apps and program integrity initiatives.
  - e. On line transactions
7. Defining the proper terminology regarding retailer equipment for SNAP and WIC including identifying regulatory mandates and options for State provision of equipment and defining the equipment decisions for each state.
8. Recommendations on the pros and cons of adding states to the WSEA and/or RFP language allowing other states to procure off this procurement.
9. Consideration for agency differences in procurement processes.

#### Deliverable 2.0- Pricing

Initial and Ongoing analysis of EBT pricing. This information will assist states in preparation of the processor RFP, and the selection of the EBT processor. It will also assist them when making future decision regarding exercising contract extension options versus contracting with the awarded bidder for the re-procurement.

1. Report and analysis of current EBT pricing for each WSEA state.
2. Report and analysis of costs associated with the provision of retailer equipment based on the regulatory requirements and options,
3. Report and analysis of cost factors to include eWIC, and cost savings, if any, to utilize Co-Branded cards. (Co-Branded cards are EBT cards with both Quest and VISA/MasterCard logos.)

4. Report and analysis of EBT project pricing for each state and the WSEA. (i.e. what pricing could states and WSEA expect from a re-procurement process?
5. Report and analysis of costs associated with having customer service requirements in-state or in-country versus off-shore.
6. Report and analysis of costs associated with government deployed wireless POS devices for exempt retailers and GPS integration for the devices.
7. On a national level, report of current EBT providers and projected future providers by type of service provided.
8. Recommend pricing structure options for retailer equipment.

### Deliverable 3.0- Requirements

The contractor selected shall develop the Request for Proposal (RFP) for the re-procurement of EBT and eWIC services in compliance with FNS Handbook 901v2.3 found at:

[https://FNS\\_Handbook\\_901v2.3.pdf](https://FNS_Handbook_901v2.3.pdf) and will:

- Suggest a proposal format, bid format and bid pricing schedules,
- Define verifiable and consistent system performance expectations for both EBT and eWIC,
- Provide recommendations and proposed language on performance bonds, liquidated damages, and performance penalties,
- Require a record of outages that occurred in the previous 24 months that affected EBT and eWIC program participants,
- Define timely notification timeframes related to outages or other system downtime events, including, but not limited to, post-event detailed reports and root cause analyses,
- Define criteria for scoring performance responses separately for EBT and eWIC,
- Require customer references.
- Define scoring of technical and management response portions, with options to award more points to the technical or management portions to certain quality factors such as, but not limited to team management and organization, positive rating from current customers, and responsiveness to customer requests.

For SNAP, the RFP must address current SNAP regulations, policy, comply with SNAP EBT RFP and technical guidance, and compatible with all FNS interfaces.

For eWIC, the RFP must comply with current WIC regulations, policy, guidance, WIC EBT Operation Rules, and WIC Universal MIS-EBT interface requirements. Lessons learned from previous eWIC implementations should be considered.

The resulting RFP must include separate, complete, and updated functional and technical

requirement matrices for EBT and eWIC and must meet all Federal requirements and CDHS Procurement Office guidelines. The RFP will include EBT and eWIC items including, but not limited to:

**SNAP/Cash Functional and Technical Requirements:**

1. Transaction processing;
2. ALERT 2.0 interface;
3. Account maintenance and state-specific settlement and reconciliation;
4. Benefit availability, aging, expungement, storage;
5. Interoperability, adjustments;
6. Card specifications;
7. Disaster planning;
8. Reports and/or access to standard activity files;
9. Retailer management including agreements with Third Party Processors and EBT-only retailers, Point of Sales (POS) deployment and training for exempt retailers;
10. Customer service requirements, including defined call centers (on/off-shore);
11. Card Activation PIN Selection Devices (CAPS);
12. POS terminal deployment;
13. Stored Value Card (SVC) or Electronic Payment Card (EPC) services for Child Support and all public assistance cash benefits, including but not limited to: generated reports, applicable fees to the state and clients, card replacement process and fees, card delivery method, training materials, state and client web browser application access to account information, PIN and/or Signature based card, pre-funded and accounting processes;
14. Co-Branding Card services for Child Support, all public assistance cash benefits, and Supplemental Nutritional Assistance Program (SNAP) benefits. These services will include but not limited to: generated reports, applicable fees to the state and clients, card replacement process and fees, card delivery method, training materials, state and client web browser application access to account information, PIN and/or Signature based card, pre-funded and accounting processes;
15. Restaurant program functionality and indicators;
16. Support for SNAP Online Purchasing Pilot
17. Data warehouse capabilities;
18. Access to Administrative Terminal through a Web Admin Browser;
19. Client web site for balance inquiry, transaction inquiry, PIN change, etc.;
20. State, county, and client training;

21. Change order process and alternative approaches to use of and payment for development hours;
22. Security plan and fraud detection tools;
23. State, federal audit requirements (SSAE18) and requirements related to new Federal regulations and policies;
24. Individual states' needs for EBT contractor optional features;
25. Individual states' needs for SNAP EBT waivers;
26. Sub-contractor relationships and requirements;
27. A transition plan for converting from one vendor to another, maintaining a seamless transition to clients, providers and retailers, and transference of transaction history.
28. System/acceptance testing plan, preparation of scripts, test set-up, reports;
29. No cost wireless Farmer's Market Equipment to either the agency or retailer, including but not limited to lease, cellular connectivity, and transaction costs.

**eWIC Functional and Technical Requirements:**

1. Items from the WSEA eWIC Operating Environment Report and any pertinent requirements released after the report that will be required going forward that were approved by the WSEA WIC States.
2. Compliance with WIC federal regulation, statutes, policy, guidance, WIC technical standards, handbooks, and procurement requirements, including, but not limited to:
  - a. FNS Handbook 901v2.3 found at [https://FNS\\_Handbook\\_901v2.3.pdf](https://FNS_Handbook_901v2.3.pdf).
  - b. Changes made by the Final EBT Rule governing WIC EBT services and how those changes will affect services needed in the upcoming WIC EBT RFP/Contract
  - c. Changes made to the Technical Implementation Guide (TIG) since the last WSEA EBT RFP was released and how those changes will affect services needed in the upcoming WSEA EBT/eWIC RFP and resulting contract.
  - d. New WUMEI guidelines under development, incorporated, or addressed during or after implementation relating to eWIC nationwide and how those changes shall be incorporated into the RFP.
  - e. Current WIC EBT Operating Rules
3. eWIC operations, management and business processes, including but not limited to:
  - a. transaction processing;
  - b. account maintenance and state-specific settlement and reconciliation;
  - c. benefit availability, aging, expungement, storage;
  - d. interoperability, adjustments;
  - e. card specifications;

- f. disaster planning;
- g. Reports and/or access to standard activity files;
- h. Retailer management including agreements with Third Party Processors and eWIC-only retailers, Point of Sales (POS) deployment and training for eWIC-only retailers;
- i. Customer service requirements, including defined call centers;
- j. Card Activation PIN Selection Devices (CAPS)
- k. POS terminal deployment;
- l. Data warehouse capabilities;
- m. Client web site for balance inquiry, transaction inquiry, PIN change, etc;
- n. Local Agency Training;
- o. Change order process and alternative approaches to use of and payment for development hours;
- p. Security plan and fraud detection tools;
- q. State, federal audit requirements (SSAE18) and requirements related to new Federal regulations and policies;
- r. Individual states' needs for eWIC contractor optional features;
- s. Sub-contractor relationships and requirements;
- t. A transition plan for converting from one vendor to another, maintaining a seamless transition to clients, providers and retailers, and transference of transaction history.
- u. System/acceptance testing plan, preparation of scripts, test set-up, reports;
- v. No cost wireless equipment for transacting eWIC Cash Value Benefits (CVB) and Farmers' Market Nutrition Program Benefits at Farmers' Markets, farms, and farm stands.
- w. As desired by a participating WIC State agency, any solutions for utilizing eWIC for processing seasonal or temporary programs for child nutrition administered by the State agency, such as, Summer EBT Programs for Children for states selected for participation via the competitive Request for Application process.

#### Deliverable 4.0

The contractor shall develop the RFP evaluation processes, including the design of technical, management, and pricing evaluation structures that includes weighted scoring to places emphasis on items such as, but not limited to team management and organization, responsiveness to customers, and positive ratings from current customers and records of required system performance , ie, outage records. The training of evaluators and compilation of scores for purposes of awarding the bid available to each state separately or as WSEA shall also be addressed.

### Deliverable 5.0

The contractor shall design and develop the transition costs for each state to implement new contracts with the awarded bidder available to each state.

The EBT consulting vendor will perform an analysis of transition costs, assuming the selection of a new EBT vendor, analysis before the selection of the vendor for EBT services, identifying potential cost centers and estimated pricing that the WSEA can anticipate and budget for the contract. In addition, it is anticipated the EBT consulting vendor will assist states in identifying costs associated with the transition to a new contract, after the selection of the contractor for EBT services, for the most cost efficient and effective transition for states, local offices, clients, banks and retailers.

### Deliverable 6.0

The contractor shall:

1. Provide weekly written status reports
2. Attend all scheduled meetings
3. Create a time line including estimated completion date of each deliverable

#### **\*\*Note Regarding Optional Deliverables**

The awarded vendor will be required to coordinate with and follow the lead state's (Colorado) procurement office and officer's direction pertaining to the state's procurement code, rules, and best practices.

The awarded vendor will conduct most of its work to assist WSEA participating states through the CO/EBTS program. The vendor will obtain any additional individual state information via telephone and email. As needed, the vendor will arrange for conference calls, which includes providing a conference line, facilitating the calls, and providing notes of the conference calls.

At the option of the State, the awarded vendor may be required to be present for a proposed bidders conference for the RFP for re-procurement of EBT/eWIC services; the actual evaluation and EBT contractor selection process; and for a state optional request for contract negotiation and technical assistance, which could be requested by any WSEA state. These optional services would be made available by the vendor at a rate that includes travel expenses.

### Optional Deliverables

1. Availability for a proposed bidders conference for the RFP conducted by the Colorado Procurement Office for the re-procurement of EBT services.

2. Availability for technical assistance and guidance during the evaluation of proposals and contractor selection process, as needed. The awarded vendor will not participate in the evaluation or selection of the EBT/eWIC processing contractor.
3. Assist in the development of Best and Final Offers (BAFOs) and post award appeals.
4. Provide base technical assistance at 20 hours per state for negotiation assistance, tailored technical assistance, and assistance in the development of contracts, at the option of each state. Telephonic and electronic support is acceptable.
5. Provide an hourly rate for additional technical assistance, at the option of each state.

***Note: The Offeror's proposal should include its approach to meeting this requirement utilizing 20 hours per state of base technical assistance. Offeror should provide maximum hours and the rate per hour. Each state would bill individually for the additional hours. An hourly rate should be quoted for any hours beyond that amount requested by an individual state.***

WSEA will evaluate and approve each deliverable to ensure it meets the needs and professional standards of all parties.

Number	Required Deliverables
1.0	WSEA EBT and eWIC operating environments report
2.0	Report on analysis of EBT pricing
3.0	Request for Proposal (RFP) for the re-procurement of EBT and eWIC services
4.0	RFP evaluation process, design of pricing evaluation structure, training of evaluators and compilation of scores
5.0	Design and development of transition costs for each state
6.0	Schedule of status reports, routine meetings, and timelines for completion
Number	Optional Deliverables
1.0	On-site availability for a proposed bidders conference for the RFP
2.0	Availability for guidance and assistance during the evaluation of proposals and contractor selection process
3.0	Assist in the development of Best and Final Offers (BAFOs) and post award appeals
4.0	Provide base technical assistance at 20 hours per state for negotiation assistance, tailored technical assistance, and assistance in the development of contracts, at the option of each state.
5.0	Provide an hourly rate for additional technical assistance, at the option of each state.



## SECTION V

### RESPONSE FORMAT

To facilitate an effective evaluation process, proposals must be submitted in the following format on 8 1/2 by 11 inch paper and all pages should be numbered in the following manner: page \_\_\_\_ of \_\_\_\_ pages. Please use double-sided pages. All acronyms in the proposal must be defined. Failure to provide the requested information may result in disqualification of the proposal. ***Proposals that do not follow the sequence, outline, and response format of this RFP, may be deemed non responsive and disqualified from further consideration.***

#### **A. STATE OF COLORADO REQUEST FOR PROPOSAL SIGNATURE PAGE**

Include the State of Colorado Request for Proposal Signature Page. An officer of the offeror who is legally authorized to bind the offeror to the proposal must sign this page in ink.

#### **B. TRANSMITTAL LETTER**

Submit a Transmittal Letter on your official business letterhead that:

1. Positively states your willingness to comply with all work requirements and other terms and conditions as specified in this RFP.
2. Identifies all material and attachments that comprise your proposal.
3. Is signed by an individual authorized to commit your organization to the proposed work.
4. States whether the Offeror is a partnership, a non-profit corporation, a Colorado corporation, a non-Colorado corporation, or some other business structure. Non-Colorado corporations must register as a foreign corporation to conduct business in Colorado and appoint a resident agent to review process. If the Offeror is a foreign corporation, a limited liability partnership or a limited liability limited partnership, state that the Offeror currently has a Certificate of Good Standing or Certificate of Existence to do business in Colorado. Proof of such certification shall be provided upon request.
5. States whether the Offeror or any of the Offeror's employees, agents, independent Contractors, or proposed subcontractors have ever been an excluded provider, convicted of any criminal charges or actions involving moral turpitude. If yes, attach an explanation.
6. States that the Offeror's Proposal shall remain valid for a minimum of one hundred eighty (180) days from the date of the award.
7. Discloses all current pending contracts with the State of Colorado and all bids or proposals submitted to the State of Colorado but not yet awarded.
8. Identifies all potential conflicts of interest related to this RFP. If any actual or potential conflicts of interest are identified, provide your plan to mitigate the actual or potential conflict of interest.
9. Vendor disclosure of services identifies if the vendor or subcontractor will perform the services outside the state of Colorado or United States. If this is the case, provide a brief statement explaining why the vendor believes it is necessary or advantageous to

perform the services outside the state of Colorado or United States. Contracts entered into or renewed by a government entity are subject to the following statute(s) under HB 13-1292 “Keep Jobs in Colorado Act of 2013”.

10. Service Disabled Veteran Owned Small Businesses (SDVOSBs) – Per C.R.S. 24-103-905. Vendors who are officially registered and verified as a SDVOSB by the Center for Veteran Enterprise within the U.S. Department of Veterans Affairs. ([www.vip.vetbiz.gov](http://www.vip.vetbiz.gov)) should disclose this information. SDVOSBs making this claim shall submit documentation of SDVOSB certification issued through the U.S. Department of Veterans Affairs in their response to the solicitation. Bid submissions without this documentation will not be considered a SDVOSB.

### **C. BUSINESS PROPOSAL**

The Business Proposal should present a full and complete description of the approach you will use to carry out the requirements set forth. Your business proposal must use the outline described below. Failure to follow the outline below may result in disqualification of your proposal.

1. Executive Summary: Condense and highlight the contents of the Business Proposal. The summary should convey a clear and concise overview of the proposal.
2. Indicate key personnel who will be assigned to the project and describe their experience with EBT projects, SVC or EPC projects, Co-Branding, and WIC projects, and the percentage of time and the number of hours each assigned person will be dedicated to the WSEA development of the contractor RFP. Explain how you will ensure that equally qualified persons are assigned to the project if these individuals leave the project. The state expects that the awarded Offeror will continue to make the key project personnel available through the life of the contract as long as they remain in offeror’s employ. The state reserves the right to approve any replacement personnel.
  - a. Provide a list of corporate officers.
3. The Offeror’s proposal shall include evidence that it has the knowledge, skills, abilities and experience in the areas identified by the requirements in Section 4, Requirements/Statement of Work.
  - a. Describe your firm’s experience with similar projects. Submit at least three (3) client references for each project for a maximum of 3 projects within the past 5 years.
4. Work Plan: Restate each Deliverable including each of its requirements, set forth in Section IV, Requirements/Statement of Work, followed by a response describing the approach and how the requirement will be met. Indicate in detail the scope of services included in your proposal and identify any items requested by the State that are not included in your proposal.
5. An attestation that Offeror shall follows all of the Federal Procurement Clauses listed below:

#### **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)

#### **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)

#### **Anti-Lobbying Act**

This Act prohibits the recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative branches of the Federal government in connection with a specific contract, grant, or loan. As required by Section 1352, Title 31 of the U.S. Code and implemented at 2 CFR 200, Subpart F, Appendix II, for persons entering into a grant or cooperative agreement over \$100,000, as defined at 31 U.S.C. 1352, the applicant certifies that:

- a. 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 making of any federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement;
- b. 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 federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- c. The undersigned shall require that the language of this certification be include in the award documents for all sub-awards at all tiers (including sub-grants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

#### **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.

#### **Drug-Free Workplace Statement**

The Federal government implemented 41 U.S. Code § 8103, Drug-free workplace requirements for Federal grant recipients in an attempt to address the problems of drug abuse on the job. It is a fact that employees who use drugs have less productivity, a lower quality of work, and a higher absenteeism, and are more likely to misappropriate funds or services. From this perspective, the drug abuser may endanger other employees, the public at large, or themselves. Damage to property, whether owned by this entity or not, could result from drug abuse on the job. All these actions might undermine public confidence in the services this entity provides. Therefore, in order to remain a responsible source for government contracts, the following guidelines have been adopted:

- 1. The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the work place.

2. Violators may be terminated or requested to seek counseling from an approved rehabilitation service.
3. Employees must notify their employer of any conviction of a criminal drug statute no later than five days after such conviction.
4. Contractors of federal agencies are required to certify that they will provide drug-free workplaces for their employees.

Transactions subject to the suspension/debarment rules (covered transactions) include grants, subgrants, cooperative agreements, and prime contracts under such awards. Subcontracts are not included.

#### **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.

#### **Debarment and Suspension**

Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. (2 CFR 200, Subpart F, Appendix II) States to include in RFP and Contract a statement of certification by the vendor, such as “By signing this contract, the vendor certifies it is not suspended or debarred as specified by these rules.

## **D. COST PROPOSAL**

This RFP will result in a fixed-price or NOT TOO EXCEED contract. Costs are tied to services that meet or exceed the requirements and expected outcomes. This may include the expertise, and relevant experience of the offeror that will enhance the success of the project and provide minimal risk or need for State resources. No mention of costs should be reflected or co-mingled in the business proposal.

1. Provide in a separately sealed package identified as “Cost Proposal” all pricing and costs tied to the requirements and work being proposed. If appropriate,

- provide the number of hours, hourly rate by level of staffing, and deliverables.
- The proposal must state the total fixed-price fee for performance of and completion of services that will become part of a contract between the State and awarded vendor, including costs for listed optional services that the WSEA may choose to exercise.

The following table provides an example format for vendor/s to enter their price for the work requirement described in the above list of Deliverables.

#### Pricing Sheet Example

##### Required Deliverables

Item	Required Deliverables	Price	Date
1.0	WSEA EBT and eWIC operating environments report		
2.0	Report on analysis of EBT pricing		
3.0	Request for Proposal (RFP) for the re-procurement of EBT and eWIC services		
4.0	RFP evaluation process, design of pricing evaluation structure, training of evaluators and compilation of scores		
5.0	Design and development of transition costs for each state		
6.0	Schedule of status reports, routine meetings, and timelines for completion		

##### Payment Structure

At the completion and approval of Deliverables 1.0-5.0, a percentage of the fixed cost will be paid.

Item	Required Deliverables	Percentage	Date
1.0	WSEA EBT and eWIC operating environments report	20%	
2.0	Report on analysis of EBT pricing	10%	
3.0	Request for Proposal (RFP) for the re-procurement of EBT and eWIC services	40%	
4.0	RFP evaluation process, design of pricing evaluation structure, training of evaluators and compilation of scores	20%	
5.0	Design and development of transition costs for each state	10%	
6.0	Schedule of status reports, routine meetings, and timelines for completion	Included in other deliverables	

##### Optional Deliverables

Item	Requirements	Price	Date
1.0	On-site availability for a proposed bidders conference for the RFP		
2.0	Availability for guidance and assistance during the evaluation of proposals and contractor selection process		
3.0	Assist in the development of Best and Final Offers (BAFOs) and post award appeals		

4.0	Provide base technical assistance at 20 hours per state for negotiation assistance, tailored technical assistance, and assistance in the development of contracts, at the option of each state.		
5.0	Provide an hourly rate for additional technical assistance, at the option of each state.		

#### **E. DELIVERY SCHEDULE**

The proposal must include a schedule of the work to be performed and delivery date of the required reports.

#### **STATE RESPONSIBILITIES**

The Department will appoint an individual to be a liaison to the successful Offeror. This individual will attend entrance/exit conferences and assist the firm in understanding Department requirements and reporting guidelines.

## **SECTION VI**

### **EVALUATION AND AWARD**

#### **A. EVALUATION OF PROPOSALS**

The award decision ultimately is a business judgment that will reflect an integrated assessment of the relative merits of the proposals using the factors set forth in the RFP. The Department intends to award the contract to the Offeror whose proposal, conforming to the RFP, will be most advantageous to the Department, price and other factors considered.

The Department will conduct a comprehensive, fair, and impartial evaluation of the proposals received in this solicitation effort. A Proposal Evaluation will evaluate Proposals that meet the minimum general requirements. Evaluation criteria for the proposals will be used for the purpose of ranking the proposals in a relative position based on how fully each proposal meets the requirements of this RFP. Such ranking will not necessarily be conclusive in selection of a prospective Contractor, but will be evaluated with other information that may come to the attention of the State, and may, in their judgment, impact the prospective Contractor's ability to perform the services.

Offerors should not assume that they would have an opportunity for oral presentations or revisions of proposals. Therefore, Offerors should submit their most favorable proposal as their initial proposal. If an award is not made based on the initial proposals, Offerors considered most competitive may be provided an opportunity to make an oral presentation. The competitive range determination will be based exclusively on the written proposals. Offerors are therefore cautioned to ensure that their proposals adequately convey a sound approach and a comprehensive understanding of the scope of work requirements. If proposal revisions are permitted after the conclusion of oral presentations and discussions, the Department will establish a date, in writing, for submission of best and final offers. The purpose of this step would be to submit revisions only, not to submit comprehensive proposal rewrites.

#### **B. SUBMISSION CHECKLIST**

Proposals that have met the minimum submission requirements outlined in this RFP will be passed on to the evaluation review committee for further review and consideration.

At a minimum, proposals are:

1. Submitted by the due date and time.
2. Completed and Signed Signature Page
3. Completed and Signed Transmittal Letter
4. Organized, Tabbed and formatted per instructions contained within the RFP and all other documents considered to be a part of the RFP.
5. Packaging instructions and designated number of copies.

Proposals that do not meet the criteria of the Submission Checklist, and initial review may be

disqualified.

### **C. GENERAL CRITERIA**

Proposals will be rated/scored in the following categories detailed in this RFP:

**Category 1 – Business Proposal**

**Category 2 – Cost Proposal**

### **D. BASIS FOR AWARD**

The business and technical factors will be assessed based on the soundness of the Offeror's overall approach and the Respondent's understanding of the requirements. The experience and/or demonstrated capabilities factor will be assessed by considering the extent to which the qualifications, experience and past performance are likely to foster successful, on-time performance. Strategies for meeting expedited implementation timeframes will be assessed based on their reasonable likelihood of success. Assessments may include a judgment concerning the potential risk of unsuccessful or untimely performance, and the anticipated amount of State involvement necessary (beyond that reasonably necessary) to ensure timely, successful performance.

The State may contact client references provided, and in addition, obtain information concerning the Offeror's performance on other work performed for the State of Colorado. Client references will be used as a verification of information provided by the Offeror and as a means to validate the performance of the Offeror on prior work and will have a bearing on the scoring of Proposals. The State cannot assume any liability for statements made by client references provided by Offerors

The Offeror recommended for an award must provide (upon request) documentation of financial responsibility, financial stability, and sufficient financial resources to provide the services sought in this RFP. This response must include financial information by which the State may reasonably formulate an opinion about the relative stability and financial strength of the Offeror and a credit rating by a rating service. These statements shall include at least a balance sheet and income statement (including footnotes). These statements must be certified by a certified public accountant (CPA).

The State may disqualify from consideration any Offeror who is involved in bankruptcy proceedings or whose financial condition is deemed to pose a risk to the State for successful performance of the contract.

### **E. PERFORMANCE OF AWARD**

Proposed changes or exceptions to any requirement, or State's Contract Terms and Conditions



(Exhibit A), may disqualify Offeror's proposal response from consideration. A completed contract is expected within 30 days following the letter of intent to award. In the event a contract is not signed (through no fault of the State) by the awarded Offeror within 30 days, and barring any protest that may delay the completion of a contract, the State may elect to cease negotiations, withdraw the award, and award to the next most advantageous Offeror.



**Choose Fiscal Year** **Choose Program Code** **Insert CMS Number**  
eClearance: **Insert eClearance Number**

## STATE OF COLORADO DEPARTMENT OF HUMAN SERVICES CONTRACT

### SIGNATURE AND COVER PAGES

<b>State Agency</b> Colorado Department of Human Services Insert Office Insert Division	<b>Contractor</b> Insert Contractor's Full Legal Name, including "Inc.", "LLC", etc... Contractor's State of Incorporation: Insert State
<b>Contract Maximum Amount</b> Initial Term State Fiscal Year 20xx \$0.00 Extension Terms Edit/delete this section as needed, or put "None" State Fiscal Year 20xx \$0.00  Total Maximum Amount \$0.00	<b>Contract Performance Beginning Date</b> The later of the Effective Date or Month Day, Year  <b>Initial Contract Expiration Date</b> Month Day, Year  Except as stated in <b>§2.D</b> , the total duration of this Contract, including the exercise of any options to extend, shall not exceed Insert Contract's Maximum Amount of Years or Months as required by solicitation, or otherwise <b>Years</b> from its Performance Beginning Date.
<b>Pricing/Funding</b> Price Structure: Choose an item. Contractor shall invoice: Choose an item. Fund Source: Insert name of funding source, whether it's state general funds, cash, Federal Program / Grant and Funds ID#, if none, put NA	<b>Options</b> The State shall have the following options if indicated with "Yes," as further described in §2.C and §7.B.vi: Option to Extend Term per §2.C: Choose an item. Option to Increase or Decrease Maximum Amount per §7.B.vi: Choose an item.
<b>Insurance</b> Contractor shall maintain the following insurance if indicated with "Yes," as further described in §12:  Worker's Compensation: Yes General Liability: Yes Automobile Liability: Choose an item. Protected Information: Choose an item. Professional Liability Insurance: Choose an item. Crime Insurance: Choose an item.	<b>Miscellaneous</b> Authority to enter into this Contract exists in: Insert statutory and/or other legal authority here. Law-Specified Vendor Statute (if any): Insert Statute, otherwise put NA Procurement Method: Choose an item. Solicitation Number (if any): Insert Solicitation #, otherwise put NA
<b>State Representative</b> Insert State Representative Name, Title, Department, Address, Phone, and Email	<b>Contractor Representative</b> Insert Contractor Representative Name, Title, Address, Phone, and Email

**Exhibits**

The following Exhibits are attached and incorporated into this Contract:  
List Exhibits here

**Purpose**

Insert brief description of the purpose of the Contract

**Signature Page begins on next page →**

**THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT**

Each person signing this Contract represents and warrants that he or she is duly authorized to execute this Contract and to bind the Party authorizing his or her signature.

<p align="center"><b>CONTRACTOR</b></p> <p align="center">Insert Contractor's Full Legal Name, including "Inc.", "LLC", etc...</p>  <p>_____ By: Name &amp; Title of Person Signing for Contractor</p> <p>Date: _____</p>	<p align="center"><b>STATE OF COLORADO</b></p> <p align="center">John W. Hickenlooper, Governor Department of Human Services Reggie Bicha, Executive Director</p>  <p>_____ By: Name &amp; Title of Person Signing for Agency or IHE</p> <p>Date: _____</p>
<p align="center">2nd State or Contractor Signature if Needed</p>  <p>_____ By: Name &amp; Title of Person Signing for Signatory</p> <p>Date: _____</p>	<p align="center"><b>LEGAL REVIEW</b></p> <p align="center">Cynthia H. Coffman, Attorney General</p>  <p>By: _____ Assistant Attorney General</p> <p>Date: _____</p>
<p align="center">In accordance with §24-30-202 C.R.S., this Contract is not valid until signed and dated below by the State Controller or an authorized delegate.</p> <p align="center"><b>STATE CONTROLLER</b> <b>Robert Jaros, CPA, MBA, JD</b></p> <p align="center">By: _____ Clint Woodruff / Andrea Eurich / Travis Yoder</p> <p align="center">Effective Date: _____</p>	

-- Signature and Cover Pages End --

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### 1. PARTIES

This Contract is entered into by and between Contractor named on the Signature and Cover Pages for this Contract (the “Contractor”), and the STATE OF COLORADO acting by and through the Department of Human Services (the “State” or “CDHS”). Contractor and the State agree to the terms and conditions in this Contract.

### 2. TERM AND EFFECTIVE DATE

#### A. Effective Date

This Contract shall not be valid or enforceable until the Effective Date. The State shall not be bound by any provision of this Contract before the Effective Date, and shall have no obligation to pay Contractor for any Work performed or expense incurred before the Effective Date or after the expiration or sooner termination of this Contract.

#### B. Initial Term

The Parties’ respective performances under this Contract shall commence on the Contract Performance Beginning Date shown on the Signature and Cover Pages for this Contract and shall terminate on the Initial Contract Expiration Date shown on the Signature and Cover Pages for this Contract (the “Initial Term”) unless sooner terminated or further extended in accordance with the terms of this Contract.

C. Extension Terms - State's Option

If the Signature and Cover Pages for this Contract shows that the State has the Option to Extend Term, then the State, at its discretion, shall have the option to extend the performance under this Contract beyond the Initial Term for a period, or for successive periods, at the same rates and under the same terms specified in the Contract (each such period an "Extension Term"). In order to exercise this option, the State shall provide written notice to Contractor in a form substantially equivalent to §23 "Sample Option Letter." The State may include and incorporate a revised budget with the option letter, as long as the revised budget does not unilaterally change rates or terms specified in the Contract. Except as stated in **§2.D**, the total duration of this Contract, including the exercise of any options to extend, shall not exceed 5 years from its Performance Beginning Date absent prior approval from the Chief Procurement Officer in accordance with the Colorado Procurement Code.

D. End of Term Extension

If this Contract approaches the end of its Initial Term, or any Extension Term then in place, the State, at its discretion, upon written notice to Contractor as provided in **§16**, may unilaterally extend such Initial Term or Extension Term for a period not to exceed 2 months (an "End of Term Extension"), regardless of whether additional Extension Terms are available or not. The provisions of this Contract in effect when such notice is given shall remain in effect during the End of Term Extension. The End of Term Extension shall automatically terminate upon execution of a replacement contract or modification extending the total term of the Contract.

E. Early Termination in the Public Interest

The State is entering into this Contract to serve the public interest of the State of Colorado as determined by its Governor, General Assembly, or Courts. If this Contract ceases to further the public interest of the State, the State, in its discretion, may terminate this Contract in whole or in part. This subsection shall not apply to a termination of this Contract by the State for breach by Contractor, which shall be governed by **§14.A.i**.

i. Method and Content

The State shall notify Contractor of such termination in accordance with **§16**. The notice shall specify the effective date of the termination and whether it affects all or a portion of this Contract.

ii. Obligations and Rights

Upon receipt of a termination notice for termination in the public interest, Contractor shall be subject to the rights and obligations set forth in **§14.A.i.a**.

iii. Payments

If the State terminates this Contract in the public interest, the State shall pay Contractor an amount equal to the percentage of the total reimbursement payable under this Contract that corresponds to the percentage of Work satisfactorily completed and accepted, as determined by the State, less payments previously made. Additionally, if this Contract is less than 60% completed, as determined by the State, the State may reimburse Contractor for a portion of actual out-of-pocket expenses, not otherwise reimbursed under this Contract, incurred by Contractor which are directly attributable to the uncompleted portion of Contractor's obligations, provided that the

sum of any and all reimbursement shall not exceed the maximum amount payable to Contractor hereunder.

**3. RESERVED**

**4. RESERVED**

**5. DEFINITIONS**

The following terms shall be construed and interpreted as follows:

- A. **“Business Day”** means any day other than Saturday, Sunday, or a Legal Holiday as listed in §24-11-101(1) C.R.S.
- B. **“Chief Procurement Officer”** means the individual to whom the Executive Director has delegated his or her authority pursuant to §24-102-202(6), C.R.S. to procure or supervise the procurement of all supplies and services needed by the state.
- C. **“CJI”** means criminal justice information collected by criminal justice agencies needed for the performance of their authorized functions, including, without limitation, all information defined as criminal justice information by the U.S. Department of Justice, Federal Bureau of Investigation, Criminal Justice Information Services Security Policy, as amended and all Criminal Justice Records as defined under 24-72-302 C.R.S.
- D. **“Contract”** means this agreement, including all attached Exhibits, all documents incorporated by reference, all referenced statutes, rules and cited authorities, and any future modifications thereto.
- E. **“Contract Funds”** means the funds that have been appropriated, designated, encumbered, or otherwise made available for payment by the State under this Contract.
- F. **“CORA”** means the Colorado Open Records Act, §§24-72-200.1 *et. seq.*, C.R.S.
- G. **“End of Term Extension”** means the time period defined in **§2.D**.
- H. **“Effective Date”** means the date on which this Contract is approved and signed by the Colorado State Controller or designee, as shown on the Signature Page for this Contract. If this Contract is for a Major Information Technology Project, as defined in §24-37.5-102(2.6), then “Effective Date” means the later of the date on which this Contract is approved and signed by the State’s Chief Information Officer or designee or the date on which this Contract is approved and signed by the State Controller or designee, as shown on the Signature and Cover Page for this Contract.
- I. **“Exhibits”** means the exhibits listed on the Signature and Cover Pages and attached to this Contract.
- J. **“Extension Term”** means the time period defined in **§2.C**.
- K. **“Goods”** means any movable material acquired, produced, or delivered by Contractor as set forth in this Contract and shall include any movable material acquired, produced, or delivered by Contractor in connection with the Services.
- L. **“Incident”** means any accidental or deliberate event that results in or constitutes an imminent threat of the unauthorized access, loss, disclosure, modification, disruption, or destruction of any communications or information resources of the State, which are included as part of the Work, as described in §§24-37.5-401, *et. seq.*, C.R.S. Incidents include, without limitation, (i) successful attempts to gain unauthorized access to a State system or State Information regardless of where such information is located; (ii) unwanted

disruption or denial of service; (iii) the unauthorized use of a State system for the processing or storage of data; or (iv) changes to State system hardware, firmware, or software characteristics without the State's knowledge, instruction, or consent.

- M. **“Initial Term”** means the time period defined in §2.B.
- N. **“Party”** means the State or Contractor, and **“Parties”** means both the State and Contractor.
- O. **“PCI”** means payment card information including any data related to credit card holders' names, credit card numbers, or the other credit card information as may be protected by state or federal law.
- P. **“PII”** means personally identifiable information including, without limitation, any information maintained by the State about an individual that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information. PII includes, but is not limited to, all information defined as personally identifiable information in §24-72-501 C.R.S.
- Q. **“PHI”** means any protected health information, including, without limitation any information whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual. PHI includes, but is not limited to, any information defined as Individually Identifiable Health Information by the federal Health Insurance Portability and Accountability Act.
- R. **“Services”** means the services to be performed by Contractor as set forth in this Contract, and shall include any services to be rendered by Contractor in connection with the Goods.
- S. **“State Confidential Information”** means any and all State Records not subject to disclosure under CORA. State Confidential Information shall include, but is not limited to, PII, PHI, PCI, Tax Information, CJI, and State personnel records not subject to disclosure under CORA.
- T. **“State Fiscal Rules”** means that fiscal rules promulgated by the Colorado State Controller pursuant to §24-30-202(13)(a), C.R.S.
- U. **“State Fiscal Year”** means a 12 month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year. If a single calendar year follows the term, then it means the State Fiscal Year ending in that calendar year.
- V. **“State Records”** means any and all State data, information, and records, regardless of physical form, including, but not limited to, information subject to disclosure under CORA.
- W. **“Subcontractor”** means third-parties, if any, engaged by Contractor to aid in performance of the Work.
- X. **“Tax Information”** means federal and State of Colorado tax information including, without limitation, federal and State tax returns, return information, and such other tax-related information as may be protected by federal and State law and regulation. Tax Information includes, but is not limited to all information defined as federal tax information in Internal Revenue Service Publication 1075.



- Y. **“Work”** means the Goods delivered and Services performed pursuant to this Contract.
- Z. **“Work Product”** means the tangible and intangible results of the Work, whether finished or unfinished, including drafts. Work Product includes, but is not limited to, documents, text, software (including source code), research, reports, proposals, specifications, plans, notes, studies, data, images, photographs, negatives, pictures, drawings, designs, models, surveys, maps, materials, ideas, concepts, know-how, and any other results of the Work. “Work Product” does not include any material that was developed prior to the Effective Date that is used, without modification, in the performance of the Work.

Any other term used in this Contract that is defined in an Exhibit shall be construed and interpreted as defined in that Exhibit.

## 6. STATEMENT OF WORK

Contractor shall complete the Work as described in this Contract and in accordance with the provisions of the Exhibits. The State shall have no liability to compensate Contractor for the delivery of any goods or the performance of any services that are not specifically set forth in this Contract.

## 7. PAYMENTS TO CONTRACTOR

### A. Maximum Amount

Payments to Contractor are limited to the unpaid, obligated balance of the Contract Funds. The State shall not pay Contractor any amount under this Contract that exceeds the Contract Maximum for that term shown on the Signature and Cover Pages for this Contract.

### B. Payment Procedures

#### i. Invoices and Payment

- a. The State shall pay Contractor in the amounts and in accordance with the Exhibits.
- b. Contractor shall initiate payment requests by invoice to the State, in a form and manner approved by the State.
- c. The State shall pay each invoice within 45 days following the State’s receipt of that invoice, so long as the amount invoiced correctly represents Work completed by Contractor and previously accepted by the State during the term that the invoice covers. If the State determines that the amount of any invoice is not correct, then Contractor shall make all changes necessary to correct that invoice.
- d. The acceptance of an invoice shall not constitute acceptance of any Work performed or deliverables provided under the Contract.

#### ii. Interest

Amounts not paid by the State within 45 days of the State’s acceptance of the invoice shall bear interest on the unpaid balance beginning on the 45th day at the rate of 1% per month, as required by §24-30-202(24)(a), C.R.S., until paid in full; provided, however, that interest shall not accrue on unpaid amounts that the State disputes in writing. Contractor shall invoice the State separately for accrued interest on delinquent amounts, and the invoice shall reference the delinquent payment, the number of day’s interest to be paid and the interest rate.

iii. Payment Disputes

If Contractor disputes any calculation, determination or amount of any payment, Contractor shall notify the State in writing of its dispute within 30 days following the earlier to occur of Contractor's receipt of the payment or notification of the determination or calculation of the payment by the State. The State will review the information presented by Contractor and may make changes to its determination based on this review. The calculation, determination or payment amount that results from the State's review shall not be subject to additional dispute under this subsection. No payment subject to a dispute under this subsection shall be due until after the State has concluded its review, and the State shall not pay any interest on any amount during the period it is subject to dispute under this subsection.

iv. Available Funds-Contingency-Termination

The State is prohibited by law from making commitments beyond the term of the current State Fiscal Year. Payment to Contractor beyond the current State Fiscal Year is contingent on the appropriation and continuing availability of Contract Funds in any subsequent year (as provided in the Colorado Special Provisions). If federal funds or funds from any other non-State funds constitute all or some of the Contract Funds the State's obligation to pay Contractor shall be contingent upon such non-State funding continuing to be made available for payment. Payments to be made pursuant to this Contract shall be made only from Contract Funds, and the State's liability for such payments shall be limited to the amount remaining of such Contract Funds. If State, federal or other funds are not appropriated, or otherwise become unavailable to fund this Contract, the State may, upon written notice, terminate this Contract, in whole or in part, without incurring further liability. The State shall, however, remain obligated to pay for Services and Goods that are delivered and accepted prior to the effective date of notice of termination, and this termination shall otherwise be treated as if this Contract were terminated in the public interest as described in **§2.E**.

v. Erroneous Payments

The State may recover, at the State's discretion, payments made to Contractor in error for any reason, including, but not limited to, overpayments or improper payments, and unexpended or excess funds received by Contractor. The State may recover such payments by deduction from subsequent payments under this Contract, deduction from any payment due under any other contracts, grants or agreements between the State and Contractor, or by any other appropriate method for collecting debts owed to the State.

vi. Option to Increase Maximum Amount

If the Signature and Cover Pages for this Contract show that the State has the Option to Increase or Decrease Maximum Amount, then the State, at its discretion, shall have the option to increase or decrease the statewide quantity of Goods and Services based upon the rates established in this Contract, and increase the maximum amount payable accordingly. In order to exercise this option, the State shall provide written notice to Contractor in a form substantially equivalent to §23 "Sample Option Letter." Delivery of Goods and performance of Services shall continue at the same rates and terms as described in this Contract. The State may include and incorporate a revised budget with the option letter, as long as the revised budget does not unilaterally change rates or terms specified in the Contract.

## 8. REPORTING - NOTIFICATION

### A. Quarterly Reports.

In addition to any reports required pursuant to §19 or pursuant to any other Exhibit, for any contract having a term longer than 3 months, Contractor shall submit, on a quarterly basis, a written report specifying progress made for each specified performance measure and standard in this Contract. Such progress report shall be in accordance with the procedures developed and prescribed by the State. Progress reports shall be submitted to the State not later than 5 Business Days following the end of each calendar quarter or at such time as otherwise specified by the State.

### B. Litigation Reporting

If Contractor is served with a pleading or other document in connection with an action before a court or other administrative decision making body, and such pleading or document relates to this Contract or may affect Contractor's ability to perform its obligations under this Contract, Contractor shall, within 5 days after being served, notify the State of such action and deliver copies of such pleading or document to the State's principal representative identified in §16.

### C. Performance Outside the State of Colorado or the United States, §24-102-206 C.R.S.

To the extent not previously disclosed in accordance with §24-102-206, C.R.S., Contractor shall provide written notice to the State, in accordance with §16, within 20 days following the earlier to occur of Contractor's decision to perform Services outside of the State of Colorado or the United States, or its execution of an agreement with a Subcontractor to perform Services outside the State of Colorado or the United States. Such notice shall specify the type of Services to be performed outside the State of Colorado or the United States and the reason why it is necessary or advantageous to perform such Services at such location or locations, and such notice shall be a public record. Knowing failure by Contractor to provide notice to the State under this §8.C shall constitute a breach of this Contract. This §8.C shall not apply if the Contract Funds include any federal funds.

## 9. CONTRACTOR RECORDS

### A. Maintenance

Contractor shall maintain a file of all documents, records, communications, notes and other materials relating to the Work (the "Contractor Records"). Contractor Records shall include all documents, records, communications, notes and other materials maintained by Contractor that relate to any Work performed by Subcontractors, and Contractor shall maintain all records related to the Work performed by Subcontractors required to ensure proper performance of that Work. Contractor shall maintain Contractor Records until the last to occur of: (i) the date 3 years after the date this Contract expires or is terminated, (ii) final payment under this Contract is made, (iii) the resolution of any pending Contract matters, or (iv) if an audit is occurring, or Contractor has received notice that an audit is pending, the date such audit is completed and its findings have been resolved (the "Record Retention Period").

### B. Inspection

Contractor shall permit the State to audit, inspect, examine, excerpt, copy and transcribe Contractor Records during the Record Retention Period. Contractor shall make Contractor Records available during normal business hours at Contractor's office or place of business,

or at other mutually agreed upon times or locations, upon no fewer than 2 Business Days' notice from the State, unless the State determines that a shorter period of notice, or no notice, is necessary to protect the interests of the State.

C. Monitoring

The State, in its discretion, may monitor Contractor's performance of its obligations under this Contract using procedures as determined by the State. The State shall monitor Contractor's performance in a manner that does not unduly interfere with Contractor's performance of the Work.

D. Final Audit Report

Contractor shall promptly submit to the State a copy of any final audit report of an audit performed on Contractor's records that relates to or affects this Contract or the Work, whether the audit is conducted by Contractor or a third party.

## 10. CONFIDENTIAL INFORMATION-STATE RECORDS

A. Confidentiality

Contractor shall keep confidential, and cause all Subcontractors to keep confidential, any and all State Records, unless those State Records are publicly available. Contractor shall not, without prior written approval of the State, use, publish, copy, disclose to any third party, or permit the use by any third party of any State Records, except as otherwise stated in this Contract, permitted by law, or approved in Writing by the State. Contractor shall provide for the security of all State Confidential Information in accordance with all policies promulgated by the Colorado Office of Information Security and all applicable laws, rules, policies, publications, and guidelines including, without limitation: (i) the most recently promulgated IRS Publication 1075 for all Tax Information, (ii) the most recently updated PCI Data Security Standard from the PCI Security Standards Council for all PCI, (iii) the most recently issued version of the U.S. Department of Justice, Federal Bureau of Investigation, Criminal Justice Information Services Security Policy for all CJI, and (iv) the federal Health Insurance Portability and Accountability Act for all PHI and the HIPAA Business Associate Addendum attached to this Contract. Contractor shall immediately forward any request or demand for State Records to the State's principal representative.

B. Other Entity Access and Nondisclosure Agreements

Contractor may provide State Records to its agents, employees, assigns and Subcontractors as necessary to perform the Work, but shall restrict access to State Confidential Information to those agents, employees, assigns and Subcontractors who require access to perform their obligations under this Contract. Contractor shall ensure all such agents, employees, assigns, and Subcontractors sign agreements containing nondisclosure provisions at least as protective as those in this Contract, and that the nondisclosure provisions are in force at all times the agent, employee, assign or Subcontractor has access to any State Confidential Information. Contractor shall provide copies of those signed nondisclosure provisions to the State upon execution of the nondisclosure provisions.

C. Use, Security, and Retention

Contractor shall use, hold and maintain State Confidential Information in compliance with any and all applicable laws and regulations in facilities located within the United States, and shall maintain a secure environment that ensures confidentiality of all State Confidential Information wherever located. Contractor shall provide the State with access,

subject to Contractor's reasonable security requirements, for purposes of inspecting and monitoring access and use of State Confidential Information and evaluating security control effectiveness. Upon the expiration or termination of this Contract, Contractor shall return State Records provided to Contractor or destroy such State Records and certify to the State that it has done so, as directed by the State. If Contractor is prevented by law or regulation from returning or destroying State Confidential Information, Contractor warrants it will guarantee the confidentiality of, and cease to use, such State Confidential Information.

**D. Incident Notice and Remediation**

If Contractor becomes aware of any Incident, it shall notify the State immediately and cooperate with the State regarding recovery, remediation, and the necessity to involve law enforcement, as determined by the State. Unless Contractor can establish that none of Contractor or any of its agents, employees, assigns or Subcontractors are the cause or source of the Incident, Contractor shall be responsible for the cost of notifying each person who may have been impacted by the Incident. After an Incident, Contractor shall take steps to reduce the risk of incurring a similar type of Incident in the future as directed by the State, which may include, but is not limited to, developing and implementing a remediation plan that is approved by the State, at no additional cost to the State.

## **11. CONFLICTS OF INTEREST**

**A. Actual Conflicts of Interest**

Contractor shall not engage in any business or activities, or maintain any relationships that conflict in any way with the full performance of the obligations of Contractor under this Contract. Such a conflict of interest would arise when a Contractor or Subcontractor's employee, officer or agent were to offer or provide any tangible personal benefit to an employee of the State, or any member of his or her immediate family or his or her partner, related to the award of, entry into or management or oversight of this Contract.

**B. Apparent Conflicts of Interest**

Contractor acknowledges that, with respect to this Contract, even the appearance of a conflict of interest shall be harmful to the State's interests. Absent the State's prior written approval, Contractor shall refrain from any practices, activities or relationships that reasonably appear to be in conflict with the full performance of Contractor's obligations under this Contract.

**C. Disclosure to the State**

If a conflict or the appearance of a conflict arises, or if Contractor is uncertain whether a conflict or the appearance of a conflict has arisen, Contractor shall submit to the State a disclosure statement setting forth the relevant details for the State's consideration. Failure to promptly submit a disclosure statement or to follow the State's direction in regard to the actual or apparent conflict constitutes a breach of this Contract.

**D. Contractor shall maintain a written conflict of interest policy. Contractor shall provide the written conflict of interest policy to the State upon request.**

## **12. INSURANCE**

Contractor shall obtain and maintain, and ensure that each Subcontractor shall obtain and maintain, insurance as specified in this section at all times during the term of this Contract to the extent that such insurance policies are required as shown on the Signature and Cover Page for

this Contract. All insurance policies required by this Contract shall be issued by insurance companies as approved by the State.

A. Workers' Compensation

Workers' compensation insurance as required by state statute, and employers' liability insurance covering all Contractor or Subcontractor employees acting within the course and scope of their employment.

B. General Liability

Commercial general liability insurance covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows:

- i. \$1,000,000 each occurrence;
- ii. \$1,000,000 general aggregate;
- iii. \$1,000,000 products and completed operations aggregate; and
- iv. \$50,000 any 1 fire.

C. Automobile Liability

Automobile liability insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit of \$1,000,000 each accident combined single limit.

D. Protected Information

Liability insurance covering all loss of State Confidential Information, such as PII, PHI, PCI, Tax Information, and CJI, and claims based on alleged violations of privacy rights through improper use or disclosure of protected information with minimum limits as follows:

- i. \$1,000,000 each occurrence; and
- ii. \$2,000,000 general aggregate.
- iii. Notwithstanding sections D(i) and (ii) above, if Contractor has State Confidential Information for 10 or fewer individuals or revenues of \$250,000 or less, Contractor shall maintain limits of not less than \$50,000.
- iv. Notwithstanding sections D(i) and (ii) above, if Contractor has State Confidential Information for 25 or fewer individuals or revenues of \$500,000 or less, Contractor shall maintain limits of not less than \$100,000.

E. Professional Liability Insurance

Professional liability insurance covering any damages caused by an error, omission or any negligent act with minimum limits as follows:

- i. \$1,000,000 each occurrence; and
- ii. \$1,000,000 general aggregate.

F. Crime Insurance

Crime insurance including employee dishonesty coverage with minimum limits as follows:

- i. \$1,000,000 each occurrence; and

ii. \$1,000,000 general aggregate.

G. Additional Insured

The State shall be named as additional insured on all commercial general liability policies (leases and construction contracts require additional insured coverage for completed operations) required of Contractor and Subcontractors.

H. Primacy of Coverage

Coverage required of Contractor and each Subcontractor shall be primary over any insurance or self-insurance program carried by Contractor or the State.

I. Cancellation

The above insurance policies shall include provisions preventing cancellation or non-renewal, except for cancellation based on non-payment of premiums, without at least 30 days prior notice to Contractor and Contractor shall forward such notice to the State in accordance with **§16** within 7 days of Contractor's receipt of such notice.

J. Subrogation Waiver

All insurance policies secured or maintained by Contractor or its Subcontractors in relation to this Contract shall include clauses stating that each carrier shall waive all rights of recovery under subrogation or otherwise against Contractor or the State, its agencies, institutions, organizations, officers, agents, employees, and volunteers.

K. Public Entities

If Contractor is a "public entity" within the meaning of the Colorado Governmental Immunity Act, §24-10-101, *et seq.*, C.R.S. (the "GIA"), Contractor shall maintain, in lieu of the liability insurance requirements stated above, at all times during the term of this Contract such liability insurance, by commercial policy or self-insurance, as is necessary to meet its liabilities under the GIA. If a Subcontractor is a public entity within the meaning of the GIA, Contractor shall ensure that the Subcontractor maintain at all times during the terms of this Contract, in lieu of the liability insurance requirements stated above, such liability insurance, by commercial policy or self-insurance, as is necessary to meet the Subcontractor's obligations under the GIA.

L. Certificates

Contractor shall provide to the State certificates evidencing Contractor's insurance coverage required in this Contract within 7 Business Days following the Effective Date. Contractor shall provide to the State certificates evidencing Subcontractor insurance coverage required under this Contract within 7 Business Days following the Effective Date, except that, if Contractor's subcontract is not in effect as of the Effective Date, Contractor shall provide to the State certificates showing Subcontractor insurance coverage required under this Contract within 7 Business Days following Contractor's execution of the subcontract. No later than 15 days before the expiration date of Contractor's or any Subcontractor's coverage, Contractor shall deliver to the State certificates of insurance evidencing renewals of coverage. At any other time during the term of this Contract, upon request by the State, Contractor shall, within 7 Business Days following the request by the State, supply to the State evidence satisfactory to the State of compliance with the provisions of this **§12**.

### 13. BREACH

#### A. Defined

The failure of a Party to perform any of its obligations in accordance with this Contract, in whole or in part or in a timely or satisfactory manner, shall be a breach. The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within 30 days after the institution of such proceeding, shall also constitute a breach.

#### B. Notice and Cure Period

In the event of a breach, the aggrieved Party shall give written notice of breach to the other Party. If the notified Party does not cure the breach, at its sole expense, within 30 days after the delivery of written notice, the Party may exercise any of the remedies as described in §14 for that Party. Notwithstanding any provision of this Contract to the contrary, the State, in its discretion, need not provide notice or a cure period and may immediately terminate this Contract in whole or in part or institute any other remedy in the Contract in order to protect the public interest of the State.

### 14. REMEDIES

#### A. State's Remedies

If Contractor is in breach under any provision of this Contract and fails to cure such breach, the State, following the notice and cure period set forth in §13.B., shall have all of the remedies listed in this §14.A. in addition to all other remedies set forth in this Contract or at law. The State may exercise any or all of the remedies available to it, in its discretion, concurrently or consecutively.

##### i. Termination for Breach

In the event of Contractor's uncured breach, the State may terminate this entire Contract or any part of this Contract. Contractor shall continue performance of this Contract to the extent not terminated, if any.

##### a. Obligations and Rights

To the extent specified in any termination notice, Contractor shall not incur further obligations or render further performance past the effective date of such notice, and shall terminate outstanding orders and subcontracts with third parties. However, Contractor shall complete and deliver to the State all Work not cancelled by the termination notice, and may incur obligations as necessary to do so within this Contract's terms. At the request of the State, Contractor shall assign to the State all of Contractor's rights, title, and interest in and to such terminated orders or subcontracts. Upon termination, Contractor shall take timely, reasonable and necessary action to protect and preserve property in the possession of Contractor but in which the State has an interest. At the State's request, Contractor shall return materials owned by the State in Contractor's possession at the time of any termination. Contractor shall deliver all completed Work Product and all Work Product that was in the process of completion to the State at the State's request.

##### b. Payments



Notwithstanding anything to the contrary, the State shall only pay Contractor for accepted Work received as of the date of termination. If, after termination by the State, the State agrees that Contractor was not in breach or that Contractor's action or inaction was excusable, such termination shall be treated as a termination in the public interest, and the rights and obligations of the Parties shall be as if this Contract had been terminated in the public interest under **§2.E**.

c. Damages and Withholding

Notwithstanding any other remedial action by the State, Contractor shall remain liable to the State for any damages sustained by the State in connection with any breach by Contractor, and the State may withhold payment to Contractor for the purpose of mitigating the State's damages until such time as the exact amount of damages due to the State from Contractor is determined. The State may withhold any amount that may be due Contractor as the State deems necessary to protect the State against loss including, without limitation, loss as a result of outstanding liens and excess costs incurred by the State in procuring from third parties replacement Work as cover.

ii. Remedies Not Involving Termination

The State, in its discretion, may exercise one or more of the following additional remedies:

a. Suspend Performance

Suspend Contractor's performance with respect to all or any portion of the Work pending corrective action as specified by the State without entitling Contractor to an adjustment in price or cost or an adjustment in the performance schedule. Contractor shall promptly cease performing Work and incurring costs in accordance with the State's directive, and the State shall not be liable for costs incurred by Contractor after the suspension of performance.

b. Withhold Payment

Withhold payment to Contractor until Contractor corrects its Work.

c. Deny Payment

Deny payment for Work not performed, or that due to Contractor's actions or inactions, cannot be performed or if they were performed are reasonably of no value to the state; provided, that any denial of payment shall be equal to the value of the obligations not performed.

d. Removal

At any time, regardless of whether Contractor is in breach, demand immediate removal of any of Contractor's employees, agents, or Subcontractors from the Work whom the State deems incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable or whose continued relation to this Contract is deemed by the State to be contrary to the public interest or the State's best interest.

e. Intellectual Property

If any Work infringes, or if the State in its sole discretion determines that any Work is likely to infringe, a patent, copyright, trademark, trade secret or other

intellectual property right, Contractor shall, as approved by the State, (i) secure that right to use such Work for the State and Contractor; (ii) replace the Work with noninfringing Work or modify the Work so that it becomes noninfringing; or, (iii) remove any infringing Work and refund the amount paid for such Work to the State.

**B. Contractor's Remedies**

If the State is in breach of any provision of this Contract and does not cure such breach, Contractor, following the notice and cure period in **§13.B** and the dispute resolution process in **§15**, shall have all remedies available at law and equity.

**15. DISPUTE RESOLUTION**

**A. Initial Resolution**

Except as herein specifically provided otherwise, disputes concerning the performance of this Contract which cannot be resolved by the designated Contract representatives shall be referred in writing to a senior departmental management staff member designated by the State and a senior manager designated by Contractor for resolution.

**B. Resolution of Controversies**

If the initial resolution described in **§15.A** fails to resolve the dispute within 10 Business Days, Contractor shall submit any alleged breach of this Contract by the State to the Procurement Official of CDHS as described in §24-101-301(30), C.R.S. for resolution in accordance with the provisions of §§24-106-109, 24-109-101.1, 24-109-101.5, 24-109-106, 24-109-107, 24-109-201 through 24-109-206, and 24-109-501 through 24-109-505, C.R.S., (the "Resolution Statutes"), except that if Contractor wishes to challenge any decision rendered by the Procurement Official, Contractor's challenge shall be an appeal to the executive director of the Department of Personnel and Administration, or their delegate, under the Resolution Statutes before Contractor pursues any further action as permitted by such statutes. Except as otherwise stated in this Section, all requirements of the Resolution Statutes shall apply including, without limitation, time limitations.

**16. NOTICES AND REPRESENTATIVES**

Each individual identified on the Signature and Cover Pages shall be the principal representative of the designating Party. All notices required or permitted to be given under this Contract shall be in writing, and shall be delivered (A) by hand with receipt required, (B) by certified or registered mail to such Party's principal representative at the address set forth below or (C) as an email with read receipt requested to the principal representative at the email address, if any, set forth below. If a Party delivers a notice to another through email and the email is undeliverable, then, unless the Party has been provided with an alternate email contact, the Party delivering the notice shall deliver the notice by hand with receipt required or by certified or registered mail to such Party's principal representative at the address set forth below. Either Party may change its principal representative or principal representative contact information by notice submitted in accordance with this **§16** without a formal amendment to this Contract. Unless otherwise provided in this Contract, notices shall be effective upon delivery of the written notice.

## 17. RIGHTS IN WORK PRODUCT AND OTHER INFORMATION

### A. Work Product

Contractor assigns to the State and its successors and assigns, the entire right, title, and interest in and to all causes of action, either in law or in equity, for past, present, or future infringement of intellectual property rights related to the Work Product and all works based on, derived from, or incorporating the Work Product. Whether or not Contractor is under contract with the State at the time, Contractor shall execute applications, assignments, and other documents, and shall render all other reasonable assistance requested by the State, to enable the State to secure patents, copyrights, licenses and other intellectual property rights related to the Work Product. To the extent that Work Product would fall under the definition of “works made for hire” under 17 U.S.C.S. §101, the Parties intend the Work Product to be a work made for hire.

#### i. Copyrights

To the extent that the Work Product (or any portion of the Work Product) would not be considered works made for hire under applicable law, Contractor hereby assigns to the State, the entire right, title, and interest in and to copyrights in all Work Product and all works based upon, derived from, or incorporating the Work Product; all copyright applications, registrations, extensions, or renewals relating to all Work Product and all works based upon, derived from, or incorporating the Work Product; and all moral rights or similar rights with respect to the Work Product throughout the world. To the extent that Contractor cannot make any of the assignments required by this section, Contractor hereby grants to the State a perpetual, irrevocable, royalty-free license to use, modify, copy, publish, display, perform, transfer, distribute, sell, and create derivative works of the Work Product and all works based upon, derived from, or incorporating the Work Product by all means and methods and in any format now known or invented in the future. The State may assign and license its rights under this license.

#### ii. Patents

In addition, Contractor grants to the State (and to recipients of Work Product distributed by or on behalf of the State) a perpetual, worldwide, no-charge, royalty-free, irrevocable patent license to make, have made, use, distribute, sell, offer for sale, import, transfer, and otherwise utilize, operate, modify and propagate the contents of the Work Product. Such license applies only to those patent claims licensable by Contractor that are necessarily infringed by the Work Product alone, or by the combination of the Work Product with anything else used by the State.

### B. Exclusive Property of the State

Except to the extent specifically provided elsewhere in this Contract, any pre-existing State Records, State software, research, reports, studies, photographs, negatives or other documents, drawings, models, materials, data and information shall be the exclusive property of the State (collectively, “State Materials”). Contractor shall not use, willingly allow, cause or permit Work Product or State Materials to be used for any purpose other than the performance of Contractor’s obligations in this Contract without the prior written consent of the State. Upon termination of this Contract for any reason, Contractor shall provide all Work Product and State Materials to the State in a form and manner as directed by the State.

**18. GOVERNMENTAL IMMUNITY**

Liability for claims for injuries to persons or property arising from the negligence of the State, its departments, boards, commissions committees, bureaus, offices, employees and officials shall be controlled and limited by the provisions of the GIA; the Federal Tort Claims Act (as applicable), 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b), and the State's risk management statutes, §§24-30-1501, *et seq.* C.R.S.

**19. STATEWIDE CONTRACT MANAGEMENT SYSTEM**

If the maximum amount payable to Contractor under this Contract is \$100,000 or greater, either on the Effective Date or at anytime thereafter, this **§19** shall apply. Contractor agrees to be governed by and comply with the provisions of §§24-106-103, 24-102-206, 24-106-106, and 24-106-107, C.R.S. regarding the monitoring of vendor performance and the reporting of contract performance information in the State's contract management system ("Contract Management System" or "CMS"). Contractor's performance shall be subject to evaluation and review in accordance with the terms and conditions of this Contract, Colorado statutes governing CMS, and State Fiscal Rules and State Controller policies.

**20. GENERAL PROVISIONS****A. Assignment**

Contractor's rights and obligations under this Contract are personal and may not be transferred or assigned without the prior, written consent of the State. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Contractor's rights and obligations approved by the State shall be subject to the provisions of this Contract

**B. Subcontracts**

Unless other restrictions are required elsewhere in this Contract, Contractor shall not enter into any subcontract in connection with its obligations under this Contract without providing notice to the State. The State may reject any such subcontract, and Contractor shall terminate any subcontract that is rejected by the State and shall not allow any Subcontractor to perform any Work after that Subcontractor's subcontract has been rejected by the State. Contractor shall submit to the State a copy of each such subcontract upon request by the State. All subcontracts entered into by Contractor in connection with this Contract shall comply with all applicable federal and state laws and regulations, shall provide that they are governed by the laws of the State of Colorado, and shall be subject to all provisions of this Contract.

**C. Binding Effect**

Except as otherwise provided in **§20.A.**, all provisions of this Contract, including the benefits and burdens, shall extend to and be binding upon the Parties' respective successors and assigns.

**D. Authority**

Each Party represents and warrants to the other that the execution and delivery of this Contract and the performance of such Party's obligations have been duly authorized.

**E. Captions and References**

The captions and headings in this Contract are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions. All references in this Contract to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

F. Counterparts

This Contract may be executed in multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

G. Entire Understanding

This Contract represents the complete integration of all understandings between the Parties related to the Work, and all prior representations and understandings related to the Work, oral or written, are merged into this Contract. Prior or contemporaneous additions, deletions, or other changes to this Contract shall not have any force or effect whatsoever, unless embodied herein.

H. Jurisdiction and Venue

All suits or actions related to this Contract shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

I. Modification

Except as otherwise provided in this Contract, any modification to this Contract shall only be effective if agreed to in a formal amendment to this Contract, properly executed and approved in accordance with applicable Colorado State law and State Fiscal Rules. Modifications permitted under this Contract, other than contract amendments, shall conform to the policies issued by the Colorado State Controller.

J. Statutes, Regulations, Fiscal Rules, and Other Authority.

Any reference in this Contract to a statute, regulation, State Fiscal Rule, fiscal policy or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended since the Effective Date of this Contract.

K. Order of Precedence

In the event of a conflict or inconsistency between this Contract and any Exhibits or attachments such conflict or inconsistency shall be resolved by reference to the documents in the following order of priority:

- i. HIPAA Business Associate Addendum (if any).
- ii. Colorado Special Provisions in §21 of the main body of this Contract.
- iii. The provisions of the other sections of the main body of this Contract.
- iv. Any other Exhibit(s) shall take precedence in alphabetical order.

L. Severability

The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of this Contract, which shall remain in full force and effect, provided that the Parties can continue to perform their obligations under this Contract in accordance with the intent of the Contract.

M. Survival of Certain Contract Terms

Any provision of this Contract that imposes an obligation on a Party after termination or expiration of the Contract shall survive the termination or expiration of the Contract and shall be enforceable by the other Party.

N. Taxes

The State is exempt from federal excise taxes under I.R.C. Chapter 32 (26 U.S.C., Subtitle D, Ch. 32) (Federal Excise Tax Exemption Certificate of Registry No. 84-730123K) and from State and local government sales and use taxes under §§39-26-704(1), *et seq.* C.R.S. (Colorado Sales Tax Exemption Identification Number 98-02565). The State shall not be liable for the payment of any excise, sales, or use taxes, regardless of whether any political subdivision of the state imposes such taxes on Contractor. Contractor shall be solely responsible for any exemptions from the collection of excise, sales or use taxes that Contractor may wish to have in place in connection with this Contract.

O. Third Party Beneficiaries

Except for the Parties' respective successors and assigns described in **§20.B.**, this Contract does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Contract and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this Contract are incidental to the Contract, and do not create any rights for such third parties.

P. Waiver

A Party's failure or delay in exercising any right, power, or privilege under this Contract, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.

Q. CORA Disclosure

To the extent not prohibited by federal law, this Contract and the performance measures and standards required under §24-103.5-101 C.R.S., if any, are subject to public release through the CORA.

R. Standard and Manner of Performance

Contractor shall perform its obligations under this Contract in accordance with the highest standards of care, skill and diligence in Contractor's industry, trade, or profession.

S. Licenses, Permits, and Other Authorizations.

Contractor shall secure, prior to the Effective Date, and maintain at all times during the term of this Contract, at its sole expense, all licenses, certifications, permits, and other authorizations required to perform its obligations under this Contract, and shall ensure that all employees, agents and Subcontractors secure and maintain at all times during the term of their employment, agency or subcontract, all license, certifications, permits and other authorizations required to perform their obligations in relation to this Contract.

T. Indemnification

i. Applicability

This entire **§20.T** does not apply to Contractor if Contractor is a “public entity” within the meaning of the GIA.

ii. General Indemnification

Contractor shall indemnify, save, and hold harmless the State, its employees, agents and assignees (the “Indemnified Parties”), against any and all costs, expenses, claims, damages, liabilities, court awards and other amounts (including attorneys’ fees and related costs) incurred by any of the Indemnified Parties in relation to any act or omission by Contractor, or its employees, agents, Subcontractors, or assignees in connection with this Contract.

iii. Confidential Information Indemnification

Disclosure or use of State Confidential Information by Contractor in violation of **§10** may be cause for legal action by third parties against Contractor, the State, or their respective agents. Contractor shall indemnify, save, and hold harmless the Indemnified Parties, against any and all claims, damages, liabilities, losses, costs, expenses (including attorneys’ fees and costs) incurred by the State in relation to any act or omission by Contractor, or its employees, agents, assigns, or Subcontractors in violation of **§10**.

iv. Intellectual Property Indemnification

Contractor shall indemnify, save, and hold harmless the Indemnified Parties, against any and all costs, expenses, claims, damages, liabilities, and other amounts (including attorneys’ fees and costs) incurred by the Indemnified Parties in relation to any claim that any Work infringes a patent, copyright, trademark, trade secret, or any other intellectual property right.

## **21. COLORADO SPECIAL PROVISIONS (COLORADO FISCAL RULE 3-1)**

These Special Provisions apply to all contracts except where noted in italics.

**A. STATUTORY APPROVAL. §24-30-202(1), C.R.S.**

This Contract shall not be valid until it has been approved by the Colorado State Controller or designee. If this Contract is for a Major Information Technology Project, as defined in §24-37.5-102(2.6), then this Contract shall not be valid until it has been approved by the State’s Chief Information Officer or designee.

**B. FUND AVAILABILITY. §24-30-202(5.5), C.R.S.**

Financial obligations of the State payable after the current State Fiscal Year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

**C. GOVERNMENTAL IMMUNITY.**

No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, §24-10-101 *et seq.* C.R.S., or the Federal Tort Claims Act, 28 U.S.C. Pt. VI, Ch. 171 and 28 U.S.C. 1346(b).

**D. INDEPENDENT CONTRACTOR.**

Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor and its employees and agents are not

entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Contract. Contractor shall not have authorization, express or implied, to bind the State to any agreement, liability or understanding, except as expressly set forth herein. Contractor shall (i) provide and keep in force workers' compensation and unemployment compensation insurance in the amounts required by law, (ii) provide proof thereof when requested by the State, and (iii) be solely responsible for its acts and those of its employees and agents.

**E. COMPLIANCE WITH LAW.**

Contractor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

**F. CHOICE OF LAW.**

Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this Contract, to the extent capable of execution.

**G. BINDING ARBITRATION PROHIBITED.**

The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this Contract or incorporated herein by reference shall be null and void.

**H. SOFTWARE PIRACY PROHIBITION. Governor's Executive Order D 002 00.**

State or other public funds payable under this Contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this Contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the State may exercise any remedy available at law or in equity or under this Contract, including, without limitation, immediate termination of this Contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

**I. EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. §§24-18-201 and 24-50-507, C.R.S.**

The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would



conflict in any manner or degree with the performance of Contractor's services and Contractor shall not employ any person having such known interests.

**J. VENDOR OFFSET. §§24-30-202(1) and 24-30-202.4, C.R.S.**

*[Not applicable to intergovernmental agreements]* Subject to §24-30-202.4(3.5), C.R.S., the State Controller may withhold payment under the State's vendor offset intercept system for debts owed to State agencies for: (i) unpaid child support debts or child support arrearages; (ii) unpaid balances of tax, accrued interest, or other charges specified in §§39-21-101, *et seq.*, C.R.S.; (iii) unpaid loans due to the Student Loan Division of the Department of Higher Education; (iv) amounts required to be paid to the Unemployment Compensation Fund; and (v) other unpaid debts owing to the State as a result of final agency determination or judicial action.

**K. PUBLIC CONTRACTS FOR SERVICES. §§8-17.5-101, *et seq.* C.R.S.**

*[Not applicable to agreements relating to the offer, issuance, or sale of securities, investment advisory services or fund management services, sponsored projects, intergovernmental agreements, or information technology services or products and services]* Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this Contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Contract, through participation in the E-Verify Program established under Pub. L. 104-208 or the State verification program established pursuant to §8-17.5-102(5)(c), C.R.S., Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract or enter into a contract with a Subcontractor that fails to certify to Contractor that the Subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. Contractor (i) shall not use E-Verify Program or State program procedures to undertake pre-employment screening of job applicants while this Contract is being performed, (ii) shall notify the Subcontractor and the contracting State agency within 3 days if Contractor has actual knowledge that a Subcontractor is employing or contracting with an illegal alien for work under this Contract, (iii) shall terminate the subcontract if a Subcontractor does not stop employing or contracting with the illegal alien within 3 days of receiving the notice, and (iv) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to §8-17.5-102(5), C.R.S., by the Colorado Department of Labor and Employment. If Contractor participates in the State program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision, a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the State program. If Contractor fails to comply with any requirement of this provision or §§8-17.5-101 *et seq.*, C.R.S., the contracting State agency, institution of higher education or political subdivision may terminate this Contract for breach and, if so terminated, Contractor shall be liable for damages.

**L. PUBLIC CONTRACTS WITH NATURAL PERSONS. §§24-76.5-101, *et seq.*, C.R.S.**

Contractor, if a natural person 18 years of age or older, hereby swears and affirms under penalty of perjury that he or she (i) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (ii) shall comply with the provisions of §§24-76.5-101 *et seq.*, C.R.S., and (iii) has produced one form of identification required by §24-76.5-103, C.R.S. prior to the Effective Date of this Contract.

## **22. DEPARTMENT OF HUMAN SERVICES PROVISIONS**

### **A. Exclusion, Debarment and/or Suspension**

Contractor represents and warrants that Contractor, its employees, agents, assigns, or Subcontractors, are not presently excluded from participation, debarred, suspended, proposed for debarment, declared ineligible, voluntarily excluded, or otherwise ineligible to participate in a “federal health care program” as defined in 42 U.S.C. § 1320a-7b(f) or in any other government payment program by any federal or State of Colorado department or agency. If Contractor, its employees, agents, assigns, or Subcontractors, are excluded from participation, or becomes otherwise ineligible to participate in any such program during the term of this Contract, Contractor shall notify the State in writing within three (3) days after such event. Upon the occurrence of such event, whether or not such notice is given to Contractor, the State may immediately terminate this Contract.

### **B. Emergency Planning**

If Contractor provides Work that is an extension of State work performed as part of the State of Colorado Emergency Operations Plan or for a publicly funded safety net program, as defined by C.R.S. § 24-33.5-701 et seq., Contractor shall perform the Work in accordance with the State’s Emergency Operations Plan or continuity of operations plan in the event of an emergency. If requested, Contractor shall provide a plan and reporting information to ensure compliance with the State’s Emergency Operations Plan and C.R.S. § 24-33.5-701 et seq.

### **C. Restrictions on Public Benefits**

If applicable, Contractor shall comply with C.R.S. §§ 24-76.5-101 – 103 exactly as the State is required to comply with C.R.S. §§ 24-76.5-101 – 103.

### **D. Discrimination**

Contractor shall not:

- i. discriminate against any person on the basis of race, color, national origin, age, sex, religion or handicap, including Acquired Immune Deficiency Syndrome (AIDS) or AIDS related conditions.
- ii. exclude from participation in, or deny benefits to any qualified individual with a disability, by reason of such disability.

Any person who thinks he/she has been discriminated against as related to the performance of this Contract has the right to assert a claim, Colorado Civil Rights Division, C.R.S. §24-34-301, et seq.

### **E. Criminal Background Check**

Pursuant to C.R.S. §27-90-111 and CDHS Policy VI-2.4, any independent contractor, and its agent(s), who is designated by the Executive Director or the Executive Director's designee to be a contracting employee under C.R.S. §27-90-111, who has direct contact with vulnerable persons in a state-operated facility, or who provides state-funded services that involve direct contact with vulnerable persons in the vulnerable person's home or residence, shall:

- i. submit to and successfully pass a criminal background check, and

- ii. report any arrests, charges, or summonses for any disqualifying offense as specified by C.R.S. §27-90-111 to the State.

Any Contractor or its agent(s), who does not comply with C.R.S. §27-90-111 and DHS Policy VI-2.4, may, at the sole discretion of the State, be suspended or terminated.

**F. Fraud Policy**

Contractor shall comply with the current CDHS Fraud Policy.

**G. C-Stat - Performance Based Program Analysis and Management Strategy (C-Stat Strategy)**

Without any additional cost to the State, Contractor shall collect and maintain Contract performance data, as determined solely by the State. Upon request, Contractor shall provide the Contract performance data to the State. This provision does not allow the State to impose unilateral changes to performance requirements.

**REST OF PAGE INTENTIONALLY LEFT BLANK**

**23. SAMPLE OPTION LETTER (IF APPLICABLE)**

<b>State Agency</b> Insert Department's or IHE's Full Legal Name	<b>Option Letter Number</b> Insert the Option Number (e.g. "1" for the first option)
<b>Contractor</b> Insert Contractor's Full Legal Name, including "Inc.", "LLC", etc...	<b>Original Contract Number</b> Insert CMS number or Other Contract Number of the Original Contract
<b>Current Contract Maximum Amount</b> Initial Term State Fiscal Year 20xx \$0.00 Extension Terms State Fiscal Year 20xx \$0.00 State Fiscal Year 20xx \$0.00 State Fiscal Year 20xx \$0.00 State Fiscal Year 20xx \$0.00 Total for All State Fiscal Years \$0.00	<b>Option Contract Number</b> Insert CMS number or Other Contract Number of this Option  <b>Contract Performance Beginning Date</b> The later of the Effective Date or Month Day, Year  <b>Current Contract Expiration Date</b> Month Day, Year

**1. OPTIONS:**

- A. Option to extend for an Extension Term
- B. Option to change the quantity of Goods under the Contract
- C. Option to change the quantity of Services under the Contract
- D. Option to modify Contract rates
- E. Option to initiate next phase of the Contract

**2. REQUIRED PROVISIONS:**

- A. **For use with Option 1(A):** In accordance with Section(s) Number of the Original Contract referenced above, the State hereby exercises its option for an additional term, beginning Insert start date and ending on the current contract expiration date shown above, at the rates stated in the Original Contract, as amended.
- B. **For use with Options 1(B and C):** In accordance with Section(s) Number of the Original Contract referenced above, the State hereby exercises its option to Increase/Decrease the quantity of the Goods/Services or both at the rates stated in the Original Contract, as amended.
- C. **For use with Option 1(D):** In accordance with Section(s) Number of the Original Contract referenced above, the State hereby exercises its option to modify the Contract rates specified in Exhibit/Section Number/Letter. The Contract rates attached to this Option Letter replace the rates in the Original Contract as of the Option Effective Date of this Option Letter.
- D. **For use with Option 1(E):** In accordance with Section(s) Number of the Original Contract referenced above, the State hereby exercises its option to initiate Phase indicate which Phase: 2, 3, 4, etc, which shall begin on Insert start date and end on Insert ending date at the cost/price specified in Section Number.
- E. **For use with all Options that modify the Contract Maximum Amount:** The Contract Maximum Amount table on the Contract's Signature and Cover Page is hereby deleted and replaced with the Current Contract Maximum Amount table shown above.

**3. OPTION EFFECTIVE DATE:**

- A. The effective date of this Option Letter is upon approval of the State Controller or \_\_\_\_\_, whichever is later.

<p align="center"><b>STATE OF COLORADO</b> John W. Hickenlooper, Governor INSERT-Name of Agency or IHE INSERT-Name &amp; Title of Head of Agency or IHE</p> <p align="center"><u>SAMPLE ONLY – DO NOT SIGN</u> By: Name &amp; Title of Person Signing for Agency or IHE</p> <p align="center">Date: <u>SAMPLE ONLY – DO NOT SIGN</u></p>	<p>In accordance with §24-30-202 C.R.S., this Option is not valid until signed and dated below by the State Controller or an authorized delegate.</p> <p align="center"><b>STATE CONTROLLER</b> <b>Robert Jaros, CPA, MBA, JD</b></p> <p align="center"><u>SAMPLE ONLY – DO NOT SIGN</u> Name of Agency or IHE Delegate-Please delete if contract will be routed to OSC for approval</p> <p>Option Effective Date: <u>SAMPLE ONLY – DO NOT SIGN</u></p>
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