
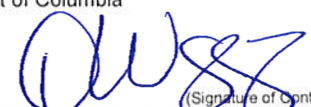


AWARD/CONTRACT		1. Solicitation Number CFOPD-18-R-001		Page of Pages 1 127 + Attachments			
2. Contract Number CFOPD-20-C-014		3. Effective Date 1-Jun-20		4. Requisition/Purchase Request/Project No.			
5. Issued By Code _____ Office of the Chief Financial Officer Office of Contracts 1100 - 4th Street, SW., Suite E610 Washington, DC 20024		6. Administered By (If other than line 5)					
7. Name and Address of Contractor (No. Street, city, country, state and ZIP Code) Fidelity Information Services, LLC 11000 W. Lake Park Drive Milwaukee, WI 53224 Attn: Kim Bynan - SVP, Group Executive, EBT Kim.Bynan@fisglobal.com - 414-577-9861			8. Delivery <input checked="" type="checkbox"/> FOB Destination <input type="checkbox"/> Other (See Schedule Section F)				
			9. Discount for prompt payment				
			10. Submit Invoices to the Address shown in Line 12 Item (2 copies unless otherwise specified)				
Code _____		Facility _____					
11. Ship to/Mark For Code _____ Office of the Chief Financial Officer Office of Finance and Treasury Suite W800 1101 4th Street, S.W. Washington, DC 20024 202-727-6260		12. Payment will be made by Code _____ Office of the Chief Financial Officer Office of Management and Administration Financial Operations/Accounts Payable https://vendorportal.dc.gov 1100 4th Street, SW Suite E600 Washington, DC 20024					
13. Contract Type Requirements with NTE Ceiling		14. Accounting and Appropriation Data					
15A. Item	15B. Supplies/Services	15C. Qty	15D. Unit	15E. Unit Price	15F. Amount		
1	Electronic Benefit Transfer (EBT) Services	1	Lot	NTE \$6,924,504.00	NTE \$6,924,504.00		
Total Amount of Contract					NTE \$6,924,504.00		
16. Table of Contents							
(X)	Section	Description	Pages	(X)	Section	Description	Pages
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
	A	Solicitation/Contract Form	1		I	Contract Clauses	99
	B	Supplies or Services and Price/Cost	2	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS			
	C	Description/Specifications/Work Statement	10		J	List of Attachments	126
	D	Packaging and Marking	84	PART IV - REPRESENTATIONS AND INSTRUCTIONS			
	E	Inspection and Acceptance	85		K	Representations, Certifications and Other Statements of Offerors	127
	F	Deliveries or Performance	88		L	Instructions, conditions & notices to offerors	
	G	Contract Administration Data	89		M	Evaluation factors for award	
	H	Special Contract Requirements	95				
Contracting Officer will Complete Item 17 or 18 as Applicable							
17 <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return <u>1</u> pdf copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				18 <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. Name and Title of Signer (Type or print) Kim Bynan, SVP, Prepaid and Government Solutions - EBT				20A. Name of Contracting Officer Drakus Wiggins, CPPO, CPPB			
19B. Name of Contractor  (Signature of person authorized to sign)		19C. Date Signed 3/12/2020		20B. District of Columbia  (Signature of Contracting Officer)		20C. Date Signed 05/28/20	

SECTION B
CONTRACT TYPE, SUPPLIES OR SERVICES AND PRICE

B.1 GENERAL INFORMATION

B.1.1 The District of Columbia Office of the Chief Financial Officer, Office of Contracts, on behalf of the Office of Finance and Treasury (the “District”) is awarding a contract to provide Electronic Benefits Transfer (EBT) services for the Human Services Benefit programs managed under the DC Department of Human Services (DHS).

B.2 CONTRACT TYPE

B.2.1 The District herein award of a requirements contract with firm fixed price and cost reimbursement components.

B.3 ALL-INCLUSIVE PRICING

B.3.1 The stated Price Per Unit for each Contract Line Item Number (CLIN) shall be fixed, inclusive of all of the Contractor’s direct cost, indirect cost, and profit; including travel, material, and delivery costs. The price shall include all cost associated with the services described in and required by the Contract. The Total Price shall represent the price ceiling, fixed fee, or not to exceed amount of the Contract.

B.3.2 Section 750 of the Consolidated Appropriations Act of 2018 (H.R. 1625) applies to the Contract, which prohibits the Contractor and its subcontractor or Affiliates from charging routing and switching fees for intra- or interstate transactions.

B.4 PRICING SCHEDULES

B.4.1 The Contractor’s pricing shall reflect all system components, hardware, software, interfaces, cards, reporting capabilities, professional services and any other services necessary to meet the Contract requirements. The District shall incur no additional fees not including the Contract Price Schedule.

B.4.2 Payphone Calls: For the Base Period of the contract and the option periods, if exercised, the District will reimburse the Contractor the lower of the FCC default rate or the actual cost for client calls to the Contractor’s EBT helpdesk from payphones billed by payphone service providers. The not-to-exceed amount of payphone calls for the Base Period is \$10,000 and \$5,000 for each option period, if exercised.

B.4.3 The District anticipates purchasing its requirements for the Supplemental Nutrition Assistance Program (SNAP) EBT for mailed card issuance services (referenced in this section as “Services”), as included in the Contract, from the Contractor. The District, at its discretion, may purchase the Services during the term of the Contract. The anticipation of the District to purchase the Services reflects the best estimate available. The estimate shall not be construed as a representation to the Contractor that the Services will actually be required or that conditions

affecting requirements will be stable. The estimate shall not be construed to limit the Services from the Contractor by the District or to relieve the Contractor of its obligation to fulfill all such requirements. Performance of Services shall be made only as authorized in accordance with a proper modification to the Contract, issued during the term of the Contract. Services shall be performed within the term of the Contract.

- B.4.5 The District will purchase its requirements for core EBT services included herein from the Contractor. The core EBT services constitute the services and equipment necessary to be provided by the Contractor for the Contractor to comply with the requirements of the Contract, whereby those services and equipment are not otherwise itemized and priced in the Contract. The estimated quantities, to derive the not to exceed amounts stated herein, reflect the best estimates available. The estimate shall not be construed as a representation that the estimated quantity will be required, or that conditions affecting requirements will be stable. The estimated quantities shall not be construed to limit the quantities which may be required from the Contractor by the District or to relieve the Contractor of its obligation to fill all such requirements. Services shall be performed during the term of the contract.

B.5 CONTRACT PRICING

- B.5.0.1 Unless identified otherwise, the Contractor's pricing herein shall apply for the duration of the Contract's Base Period and for the duration each of the Contract's Option Periods, if exercised, in accordance with Section F of the Contract.
- B.5.0.2 The Contractor shall provide implementation, transition, and conversion at no cost to the District.
- B.5.0.3 The Contractor agrees to perform and meet all obligations under this Contract within the ceiling and/or not to exceed amounts forth in Section B; however, the Contractor is not obligated to continue performance under this Contract in excess of the ceiling and/or not to exceed amounts.
- B.5.0.4 The Parties shall notify the other Party, in writing, whenever the Party has reason to believe that the estimated quantities for performance of this Contract will be greater than the current ceiling and/or not to exceed amounts.
- B.5.0.5 The ceiling and/or not to exceed amounts for performing the Contract may be increased by a modification to the Contract executed by the District.

B.5.1 SCHEDULE 1.1: SNAP EBT TRANSITION AND CONVERSION PRICING - PHYSICAL DISTRIBUTION LOCATIONS

- B.5.1.1 The Contractor herein states its firm, fixed Unit Price for SNAP EBT Transition and Conversion with physical distribution locations in accordance with Section C.5.1. The Unit Price shall include the monthly all-inclusive operation cost of the two physical distribution locations. The price shall include all costs associated with the services described in and required by the Contract. The Total Estimated Price shall represent the price ceiling, fixed fee, or not to exceed amount.

B.5.1.2 Schedule 1.1 – Price Table

Table 1: Schedule 1.1 – Price Table, SNAP Transition & Conversion with Physical Distribution Locations				
CLIN	Item Description	Unit Price	Estimated Quantity	Total Estimated Price
100	SNAP EBT Transition and Conversion with Physical Distribution Locations in accordance with Section C.5.1	\$68,521 per month	24 Months	\$1,644,504

B.5.1.3 Additionally:

- a. The Contractor shall provide the list of deliverables stated in Attachment J.4, Deliverables Table at no cost to the District for each.
- b. This estimated quantity of months to derive the Total Estimated Price reflects the best estimate available. The estimate shall not be construed as a representation that the estimated number of months will be required. The estimated number of months shall not be construed to limit the number of months which may be required by the District from the Contractor for services or to relieve the Contractor of its obligation to fill all requirements of the contract.
- c. The District will eliminate this cost at the time of transition and conversion to mailed card issuance.

B.5.2 SCHEDULE 1.2: SNAP EBT TRANSITION AND CONVERSION PRICING – MAILED CARD ISSUANCE

B.5.2.1 The Contractor herein states its firm, fixed Unit Price for SNAP EBT Transition and Conversion to mailed card issuance in accordance with Section C.5.2. The price shall include all cost associated with the services described in and required by the Contract. The Total Estimated Price shall represent the price ceiling, fixed fee, or not to exceed amount.

B.5.2.2 Schedule 1.2 – Price Table

Table 2: Schedule 1.2 – Price Table, SNAP Transition & Conversion to Mailed Card Issuance					
CLIN	Item Description	Unit Price	Estimated Quantity	Estimated Quantity	Total Estimated Price
200	SNAP EBT Transition and Conversion to Mailed Card Issuance in accordance with Section C.5.2	\$1.50 per card	7,500 new and replacement cards	24 months	\$270,000

B.5.2.3 The Contractor shall not charge the District an implementation fee per milestone for the SNAP EBT transition and conversion activities to move the District’s process to mailed card issuance in accordance with Section C.5.2. The Contractor shall provide the services described in the

Contractor's Project Work Plan and required by the Contract. The Contractor shall provide the deliverables for conversion to mailed card issuance as listed the Contractor's Project Work Plan with no cost to the District for each. The all-inclusive price includes discontinuing physical distribution locations. Additionally:

- a. The deliverables shall include a project schedule, timeline, stakeholder map, communication plan, and a deliverable to demonstrate the achievement when both physical locations have closed and the transition to mail is fully operational.
- b. CLIN 200 shall include the all-inclusive total price of postage, envelopes, and card sleeves and content.
 - i. The estimated quantity of new and replacement cards and months to derive the Total Estimated Price reflects the best estimate available. The estimate shall not be construed as a representation that the estimated number of cards and months will be required. The estimated number of cards and months shall not be construed to limit the number of cards and months which may be required by the District from the Contractor for services or to relieve the Contractor of its obligation to fill all requirements of the contract.
 - ii. The postage charge shall incur once the mail card issuance has proceeded following approval by the District.

B.5.2.4 The SCHEDULE 1.2: SNAP EBT TRANSITION AND CONVERSION PRICING – MAILED CARD ISSUANCE shall be firm, fixed for the Base Period of the Contract, and Option Periods, if exercised, in the event the service occurs in an Option Period of the Contract.

B.5.3 RESERVED

B.5.4 SCHEDULE 1.3: COST PER CASE MONTH

B.5.4.1 The Contractor herein states its Cost per Case Month (CPCM) prices based on the standard CPCM tiered pricing approach for core EBT services. Each price shall represent the unit price per case. The core service requirements include all EBT service requirements as specified in the Contract, excluding Transition and Conversion and Optional Services and Supplies pricing. All on-going costs not identified separately shall be included in the CPCM.

B.5.4.2 The Contractor's price per CPCM shall be on the total number of Active Cases for the District for the billing month and the specified case volume tier. Active Cases are those for which a benefit authorization has been posted and made available during the billing month. A "case" is defined as a single household unit receiving benefits through a single client EBT account. The District shall not incur inactive case charges for cases that have had no benefit authorization activity (credits) posted and made available during the billing month. Monthly benefits posted prior to the end of the month shall not constitute a billable case until the benefit has been made available to the client (e.g., availability date of the benefit has been reached). Active case counts shall be the total unduplicated case count on the Contractor's EBT system for the billing month.

B.5.4.3 The Contractor shall honor the tiers within the CPCM pricing schedule to cover fluctuations in the case volumes.

B.5.4.4 The SNAP only CPCM pricing shall begin at 30,001 active case counts per billing month.

B.5.4.5 Schedule 1.4 – Price Table

Table 3: Schedule 1.4 – Cost Per Case Month Pricing			
Active Cases per Billing Month	SNAP only CPCM	Cash only CPCM	Combined SNAP and Cash CPCM
0-5,000		\$0.65	\$1.75
5,001-10,000		\$0.65	\$1.05
10,001-15,000		\$0.65	\$0.95
15,001-20,000		\$0.65	\$0.75
20,001-25,000		\$0.65	\$0.75
25,001-30,000		\$0.65	\$0.75
30,001-40,000	\$0.75	\$0.65	\$0.75
40,001-50,000	\$0.65	\$0.65	\$0.75
50,001-60,000	\$0.45	\$0.65	\$0.75
60,001-70,000	\$0.45	\$0.65	\$0.75
70,001-80,000	\$0.45	\$0.65	\$0.75
80,001-90,000	\$0.45	\$0.65	\$0.75
90,001-100,000	\$0.45	\$0.65	\$0.75
100,001-greater	\$0.45	\$0.65	\$0.75

B.5.4.6 The Base Period not-to-exceed amount for Cost per Case Month is \$5,000,000. If exercised, each Option Period not-to-exceed amount for Cost per Case Month is \$2,500,000.

B.5.5 SCHEDULE 1.5: POS HARDWARE PRICING

B.5.5.1 The Contractor shall provide wired and wireless point-of-sale (POS) terminal hardware for lease at no cost to the District. The Contractor shall provide the hardware brand, model and with the technical specifications offered in the Contractor’s Proposal. The Contractor providing of the hardware shall include shipping, installation, and training support. The Contractor shall provide maintenance at no cost to the District for the term of the, including option periods, if exercised. The District’s estimated quantity of units is 15 wired and 5 wireless POS terminal hardware for the Base Period and 4 wired and 1 wireless POS terminals for each of the Option Periods. However, there are no guarantees of minimum or maximum lease quantities.

B.5.6 SCHEDULE 1.6: INCREMENTAL CPCM OPTIONAL SERVICES

B.5.6.1 The Contractor hereby provides its price schedule for Incremental CPCM Optional Services that reduce the costs of EBT services to the District or provide increased service (service that exceeds the minimum service requirements specified in the Contract) to the District or its EBT clients.

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B.5.6.2 All cost savings shall be expressed in terms of reduction to the Contractor’s baseline CPCM price for core EBT services, while service enhancements shall be reflected in terms of an increase to the Contractor’s baseline CPCM for core EBT services.

B.5.6.3 The Contractor’s Incremental CPCM Optional Services price schedule:

Table 4: Schedule 1.6 – Incremental CPCM Optional Services		
Optional Service Description	Section(s)/Requirement(s) in the Contract Impacted by the Optional Service (if any)	Incremental CPCM Increase (+) or Decrease (-) to Baseline CPCM Price
1) Accepting client calls to live Customer Service Representatives (CSR) to 8:00 a.m. to 6:00 p.m. Eastern Time each business day, except for reporting lost or stolen EBT cards, which will continue to be 24/7.	C.10.2.1	\$0.00
2) On-line transaction history for 90, 120, 180 days	Exceeds requirements in: Contract Section C.6.5.1	3 years’ rolling activity included in CPCM
3) On shore customer service center	N/A	(+) \$0.20
4) Interpretive Services for CSR support for up to two languages in addition to English, Spanish, Amharic, French, Vietnamese, and Chinese/Mandarin	N/A	(+) \$0.01
5) Two (2) free cash withdrawal transactions per month provided to clients whereby the District pays the contractor per transaction; decrease applicable only in cash CPCM	N/A	(-) \$0.50
6) The District prints training materials supplied by the Contractor	N/A	\$0.00
7) Hologram on card	N/A	(+) \$0.0019
8) Card cancellation and card deactivation via the Cardholder Portal and the ARU	C.10	Included in CPCM
9) Mobile Application for cardholders	C.10	Included in CPCM
10) Elimination of card sleeves and wallet cards with mailed card issuance	C.19.4.4	(-) \$0.0022

B.5.7 SCHEDULE 1.7: FEE FOR SERVICE AND COST PER UNIT – OPTIONAL SERVICES AND SUPPLIES

B.5.7.1 The Contractor herein provides its price schedule for Fee for Service and Cost per Unit – Optional Services and Supplies. This price schedule shall be for services and supplies not provided as Incremental CPCM Optional Services; however, may enhance the core EBT services.

B.5.7.2 Cash Withdrawal Transactions: Clients receiving cash benefits shall be provided with two (2) free cash withdrawals per month per case before the Contractor can assess a transaction fee. These transactions may be occurring at ATMs or POS. The Contractor shall define in this price schedule the per-transaction fee that will be assessed to the client after the two free transactions have been performed. The maximum fee that can be charged to clients is capped at \$.85 per successful cash withdrawal transaction.

B.5.7.3 The Contractor’s Fee for Service and Cost per Unit Optional Services and Supplies price schedule:

Table 5: Schedule 1.7 – Fee for Service and Cost per Unit – Optional Services and Supplies		
Optional Services and Supplies Description	Section(s)/Requirement(s) in the Contract Impacted by the Optional Services and Supplies (if any)	Unit Price
1) Fee Schedule for ad-hoc report requests	C.25.33.1 C.25.35.1	\$125.00 per hour
2) Fee Schedule for ad-hoc IT Enhancement requests	N/A	\$125.00 per hour
3) Optional EBT fee for services	N/A	\$125.00 per hour
4) Optional disaster vault card with pre-assigned PIN stock (tiered pricing)	C.21.9.3	\$0.65 per card (no tier)
5) Optional financial remedies	C.18	(+) \$0.50 CPCM
6) District price for free cash withdrawal transactions (per ATM transaction and POS transaction)	N/A	\$0.85
7) ACH Fee: For direct deposit to client bank account (per ACH origination)	N/A	\$0.10
8) Preparation of IRS 1099 and reporting (per 1099)	C.9.0.4	\$1.50 per form
9) Drop shipping of cards to a District specified location for localized disasters (per drop shipment)	C.21.9.4	\$500.00 per drop shipment
10) Text message communications to cardholders	C.10	\$0.02 per text
11) EMV Cards – Implementation Fee	C.26.0.1	\$500,000 one-time fee

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Table 5: Schedule 1.7 – Fee for Service and Cost per Unit – Optional Services and Supplies		
Optional Services and Supplies Description	Section(s)/Requirement(s) in the Contract Impacted by the Optional Services and Supplies (if any)	Unit Price
12)EMV Cards – Operational cost	C.26.0.1	\$2.00 per EMV card issued
13)Purchase price per wireless EBT-only POS terminal with integrated PIN pad and printer for each subsequent wireless terminal needed after the first 6 terminals which are included in CPCM.	C.7.4.1	\$850.00 (+\$150.00 for set-up, training)
14)Monthly maintenance fee, including cellular service, maintenance and supplies, per wireless EBT-only POS terminal with integrated PIN pad and printer for each subsequent wireless terminal needed after the first 6 terminals which are included in CPCM.	C.7.4.1	\$45.00
15)Allow increase in postage to be passed directly to the District		(-) \$0.20 per mailed card

SECTION C

STATEMENT OF WORK

C.1 EBT INTRODUCTION

C.1.1 The Office of the Chief Financial Officer (OCFO), Office of Contracts, on behalf of Office of Finance and Treasury (OFT), (collectively the District) is awarding a contract Electronic Benefits Transfer (EBT) services for the Human Services Benefit programs managed under the District of Columbia's Department of Human Services (DHS), Economic Security Administration (ESA).

C.2 BACKGROUND & PURPOSE

C.2.1 Operating Environment and Current Services

C.2.1.1 The District of Columbia implemented a District-wide EBT program for the delivery of benefits, to customers, for Human Services Benefit Programs in 1998. The District of Columbia currently operates an established EBT system with an EBT Contractor.

C.2.1.2 SNAP and cash benefits are authorized by the eligibility system (DCAS), and the information is sent, nightly, to the current EBT contractor. The current EBT contractor generates reports and online screens used via the administrative terminal that provide the details of the benefits authorized. The District uses the Benefit Batch (and webservices) Posting Reports produced by the current EBT Contractor to ensure that all benefits transmitted to the EBT System have been posted or otherwise accounted for. DCAS also authorizes benefits to cards created for Fraud Investigator accounts.

C.2.2 Services Provided by Current EBT Contractor

C.2.2.1 FIS Government Solutions, eFunds, operates a turnkey EBT system for the District of Columbia and provides project and retailer management. The EBT system account management, card activation equipment and transaction processing is provided by FIS. UPO, a subcontractor of FIS, manages 2 Card Centers for card recipients where the cards are distributed.

C.2.2.2 FIS Government Solutions currently provides retailer management. FIS has reported the following statistics to the District in regards to EBT-only retailers and EBT-only terminal driving:

Total "exempt" POS equipment – 21

FIS Vouchers - 2

Total Number of TPP "exempt" – 49 as of 2019

i. TPP "exempt" means the number of retailers that are exempt from processing fees. The Contractor shall absorb these processing fees.

The Contractor shall not charge these retailers fees and the retailer cannot charge the cardholder fees.

Total Number “non-exempt” – 65

Total Number “non-exempt TPP – 393

Total Number of Retailers (as of 10/01/2016 per FNS) --- 521

C.2.3 DCAS District Interface Background

C.2.3.1 The District of Columbia has a defined a set of interfaces established between FIS Government Solutions, eFunds and the District’s DCAS that supports the transfer of benefit information and data required to establish accounts in the EBT host system.

C.2.3.2 The primary method of information exchange between the District’s eligibility system (DCAS) and the FIS EBT system is by webservices with some batch processing as well. The descriptions of the webservices and batch file formats are detailed in Attachment J.2, DC DCAS Interface Manual.

C.2.3.3 The District prefers to move towards eliminating batch processes in the future and eventually 100% webservice transactions by the third year of the contract.

C.2.3.4 The EBT Administrative Terminal provided by the current Contractor is used mainly for inquiry access, although there are update functions associated with the administrative terminal application.

C.3 DISTRICT BENEFIT PROGRAM/TRANSACTION PROFILES

C.3.0.1 The District of Columbia currently has eight benefit programs on EBT, the Supplemental Nutrition Assistance Program (SNAP), Disaster Supplemental Nutrition Assistance Program (D-SNAP), the Temporary Assistance to Needy Families (TANF) program, Interim Disability Assistance (IDA) program, the General Assistance for Children (GC) program, the Refugee Cash Assistance (RE) program, the Rental Vendor Payment (RV) Program, Low Income Heating Assistance Program (LIHEAP) and a Local SNAP Supplement (LSS). Each is discussed separately.

C.3.0.2 The District reserves the right to add new programs to the EBT system within the scope of the contract based on the pricing structure outlined in Section B.

C.3.1 Supplemental Nutrition Assistance Program (SNAP)

C.3.1.1 SNAP benefits are used to supplement the food buying power of eligible low-income households. The purpose of SNAP is to improve the levels of nutrition among low-income households and to strengthen the agricultural economy through normal commercial channels.

C.3.1.2 DHS, Economic Security Administration (ESA) determines eligibility, authorizes benefits, and operates the program. To determine eligibility, the District of Columbia operates the District of Columbia Access System (DCAS).

C.3.1.3 The Department of Human Services operates two offices charged with investigating clients who are suspected of fraudulently obtaining benefits. One office is the ESA Eligibility Review and Investigation Unit and the other is the Office of Program Review Monitoring and Investigation.

C.3.1.4 Attachment J.3 contains Historical Data for Caseloads for SNAP. However, the data contained in Attachment J.3 are no indication or guarantee of future SNAP caseloads.

C.3.1.5 As a food assistance program, the SNAP benefits are restricted to the purchase of eligible food items in authorized food retail locations.

C.3.2 Temporary Assistance to Needy Families (TANF)

C.3.2.1 TANF is a cash assistance program administered by the Department of Health and Human Services (DHS). The program is operated in the District by ESA. TANF is a cash assistance program designed to assist families with minor dependent children in the District. TANF is a block grant administered by the Department of Health and Human Services. To determine eligibility, the District of Columbia operates the District of Columbia Access System (DCAS).

C.3.2.2 Attachment J.3 contains Historical Data for Caseloads for the TANF program. However, the data contained in Attachment J.3 are no indication or guarantee of future TANF program caseloads.

C.3.2.3 This program also requires cash payments to EBT cards that shall be tracked separately.

C.3.3 Interim Disability Assistance (IDA)

C.3.3.1 IDA is a District benefit program that started in February 2002. IDA is short-term cash assistance for clients who are waiting to get federal disability benefits. The District's Department of Human Services administers the IDA program. To determine eligibility, the District of Columbia operates the District of Columbia Access System (DCAS).

This program also requires cash payments to EBT cards that shall be tracked separately.

C.3.4 Rental Vendor Payment Program

C.3.4.1 The Rental Vendor Payment Program is a program operated by ESA and is only available to current TANF customers. This cash program is designed to provide rental payments to landlords via ACH by deducting the rent amount directly from the DHS customer's monthly TANF grant. The remaining benefits are placed on the recipient EBT card.

C.3.4.2 This program also requires cash payments to EBT cards that shall be tracked separately.

C.3.5 LIHEAP Program

C.3.5.1 Low Income Home Energy Assistance Program (LIHEAP) is a Federally-funded cash assistance program that helps low-income households with their home energy bills. To determine eligibility, the District of Columbia operates the District of Columbia Access System (DCAS).

C.3.5.2 This program also requires cash payments to EBT cards that shall be tracked separately.

C.3.6 Local SNAP Supplement (LSS) Program

C.3.6.1 The supplemental program is ESA-administered and provides cash assistance to SNAP recipients who receive less than \$30.00 monthly. To determine eligibility, the District of Columbia operates the District of Columbia Access System (DCAS).

C.3.6.2 This program also requires cash payments to EBT cards that shall be tracked separately.

C.3.7 General Assistance for Children

C.3.7.1 The General Assistance for Children program is a cash assistance program established to provide the same benefits for a child as the child would receive under TANF if the child's caretaker could demonstrate a family relationship with the child that is required in the TANF program. To determine eligibility, the District of Columbia operates the District of Columbia Access System (DCAS).

C.3.7.2 This program also requires cash payments to EBT cards that shall be tracked separately.

C.3.8 Refugee Assistance

C.3.8.1 Refugee Assistance is a cash assistance program to assist refugees who are not eligible for other programs. The Office of Refugee Resettlement (ORR) serves to transition District of Columbia Refugees from dependency on public assistance to self-sufficiency. To determine eligibility, the District of Columbia operates the District of Columbia Access System (DCAS).

C.3.8.2 ORR provides employment services, service to victims of human trafficking, refugee assistance, medical assistance, repatriation services and oversees the Refugee Unaccompanied Minor Program. These services are provided in collaboration with a network of service providers to ensure that the necessary support and assistance is given to refugees.

C.3.8.3 This program also requires cash payments to EBT cards that shall be tracked separately.

C.3.9 Disaster Supplemental Nutrition Assistance Program (SNAP)

C.3.9.1 This program code is only used when a federal agency declares the District or a part of the District to be a disaster area. These benefits shall be tracked separately from regular SNAP benefits. The Disaster Plan must include details for storage of a stockpile of Disaster cards, details for distribution during disasters, and details for usage during disasters. The special requirements for this program are further described in the Contract.

C.4 REQUIREMENTS

C.4.0.1 The District requires the EBT system to be an industry standard application, which primarily uses existing commercial networks and the installed base of ATMs and retailers' Point of Sales (POS) devices. The EBT system shall have as little disruption as possible to the District's EBT interface with the Department of Human Services, Economic Security Administration, and District of Columbia Access System (DCAS).

C.4.0.2 Nationwide interoperability, in accordance with Federal regulation 7 CFR 274.8(b)(10), is required.

C.4.0.3 The Contractor shall utilize the existing DCAS interface design.

C.4.0.4 Please note that in the following SOW, the District of Columbia is sometimes referred to as a "State". The United States Department of Agriculture does not differentiate The District from any other State and it shall be understood that all Federal requirements that apply to a "State" apply to the District as well.

C.4.1 EBT Access Card

C.4.1.1 The Contractor shall utilize the existing card base and replace it as necessary. The EBT system shall provide online, real time access to clients' EBT accounts via a benefit access card containing a magnetic strip that supports electronic transactions.

C.4.1.2 The Contractor shall ensure that the EBT card complies with the specifications prescribed in the USDA Food and Nutrition Service (FNS) regulations (Section 7(h)(9) of the Food and Nutrition Act of 2008, Quest Operating Rules, International Standards Organization (ISO) and American National Standards Institution (ANSI) standards relating to cards used for financial transactions.

C.4.1.3 All EBT benefit cards shall have the client's name and the Primary Account Number (PAN) embossed on the face of the card. The Contractor shall maintain at least two card embossers at each physical distribution location. The toll-free numbers and website for Client and Merchant Assistance shall be printed on the card. A signature panel shall be provided on the back of the card. To promote national recognition and acceptance, cards manufactured under the Contract shall include the Quest™ logo for SNAP transactions.

C.4.1.4 Each client shall be able to report a compromised PIN by calling the Customer Service Help Desk. The number of calls to a live operator will not be limited per month. The

client can select his or her own PIN with the use of an Automated Response Unit (ARU) selection. This is further described in the ARU requirements section.

C.4.2 Track 2 Format

C.4.2.1 The Contractor shall encode Track 2 of the EBT benefit card(s) in accordance with ISO 7813. The maximum character count in Track 2 shall not exceed 40 characters, including all control characters. The layout of the Track 2 for the current EBT card is as follows:

<u>Field No.</u>	<u>Field Name</u>	<u>Length</u>
1	Start Sentinel	1
2	Primary Account Number	16
3	Field Separator	1
4	Expiration Date	4
5	Service Code	3
6	Card Authentication Value	3
7	Discretionary Data	2
9	Longitudinal Redundancy Check	1

C.4.2.2 The Contractor shall use the current encryption keys utilized by the current Contractor. The Contractor shall continue to encode the Card Authentication Value (CAV) field on Track 2 with a cryptographic value to validate the Track 2 data contents. The Service Code field is encoded with a value of “120” characters.

C.4.2.3 The Contractor shall continue to have a non-expiring expiration date encoded on Track 2.

C.4.3 Card Number/BIN Number

C.4.3.1 The District of Columbia has an established BIN/IIN for EBT that is a 16 digit PAN. The Contractor shall utilize the District of Columbia BIN/IIN for EBT cards to generate the PANs for new EBT cards being issued.

C.4.4 EBT Administrative Terminal & Investigation/Program Integrity Monitoring

C.4.4.1 The Contractor shall provide administrative terminal access of the Contractor’s EBT system to the District of Columbia staff. The District is requiring the ability to access and download reports.

C.4.4.2 The Contractor shall advise, assist and appropriately act to aid the District of Columbia in detection and investigation of abuses by stores, recipients or workers, including but not limited to, reporting activity that is outside of normal parameters (“unusual”). This may entail cooperation with various authorities of the District of Columbia and Federal agencies that are responsible for compliance with laws and regulations surrounding the programs. Retailers authorized by the Food and Nutrition Service to accept SNAP

benefits may become subject to monitoring and investigations by the District of Columbia, FNS Retailer Investigations Branch, USDA/OIG, IRS, Secret Service, or local police departments. Recipients are subject to investigation by the District of Columbia program authorities and occasionally others. The District of Columbia must cooperate with Federal agencies in creating cases, providing cards, and providing information in an orderly process for these responsibilities to be conveyed to the contractor. Access to information concerning these matters will be restricted both at the District level and the contractor level so that the investigations are not compromised.

C.4.4.3 The Contractor shall provide to the DHS investigation department:

- a) Reports detailing investigations of benefit cases and cards to be used by investigators, as described in the reports section;
- b) Posting benefits to the investigative cases, possibly on an irregular basis as needed by the investigators;
- c) Training, card issuance, and PIN selection for investigators using the cases;
- d) Reports on the investigative cases as described in the Reports section.
- e) Information from the system, as needed, for evidentiary purposes within 24 hours;
- f) ALERT files (per C.8 FEDERAL REPORTING/FEDERAL SYSTEM REQUIREMENTS C.8.7)
- g) Retention of all records for a minimum period of seven (7) years or longer if notified by the District.

C.4.4.4 The Contractor shall provide EBT administrative terminal access and communication protocols to specified District of Columbia offices. Administrative terminal functionality shall include multi-level access controls to ensure that only authorized individuals can process administrative transactions or access client account information through EBT administrative terminals. The District of Columbia requires a browser based administrative terminal application utilizing the internet to a Secure Socket Layer or Virtual Private Network (VPN) protected application that is compatible with the standard District of Columbia desktop configurations and does not require installation of VPN client software. The Contractor must work with the District of Columbia to ensure adequate firewall protection on each side. See Attachment J.2 DC DCAS Interface Manual for Configuration/ Hardware Requirements.

C.4.4.5 The contractor shall establish a file confirmation process such that files initiated by the contractor are confirmed and validated on number of records and dollar value back to DHS and DHS files sent to the contractor as an additional security measure.

C.4.4.6 The Contractor shall provide a security system for the EBT administrative terminal whereby user profiles can be established based upon the specific administrative terminal functions required by the user to perform his/her respective job. Each Administrative Terminal user shall be assigned a specific user profile based upon the requirements for his/her job. The District of Columbia, EBT Unit will define the user profiles with the

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assistance of the Contractor. It is estimated that approximately thirty (30) to forty (40) user profiles will be required by the District of Columbia.

C.4.4.7 The administration of the Administrative Terminal security system shall lie with the District EBT Administrative Security Officer in the Office of Finance and Treasury. The Contractor is responsible for training the District EBT Administrative Security Officer.

C.4.4.8 Contractors shall provide administrative terminal functionality in terms of navigation and data presentation. The transaction set that shall be supported by EBT administrative terminals includes:

- a) EBT Account Maintenance;
- b) Benefit Cancellation (before availability date);
- c) Benefit Hold Apply and Remove (after availability date);
- d) Card Status Change;
- e) Card Issuance and Replacement;
- f) Client Search (by name, card number, case number, SSN#);
- g) Client Account Information Inquiry (Client demographics, Benefit data);
- h) Card Inquiry;
- i) Transaction History Inquiry (by PAN, Case number, and FNS number);
- j) Repayment Functionality;
- k) Retrieval of Archived Data;
- l) Benefit Conversion - the administrative functionality shall support conversion of benefits from the District's old system to the new system. For example, if the old system had \$10 on an EBT SNAP card, the new system should be able to show that this old benefit is still on the card (from the old system) and usable.;
- m) Functionality to assess or waive replacement card fees;
and
- n) Functionality to track mail card issuance through the mail.

- C.4.4.9 The Contractor shall provide a customer service help desk to accept calls from administrative terminal users for both the EBT clients and the retailers accepting the District of Columbia EBT card.
- C.4.4.10 The Contractor shall provide administrative terminal access to Federal agencies as designated by the District of Columbia. This access must be available when the District of Columbia's EBT system is implemented. FNS will require on-line access to the administrative terminal system, and support as required. At a minimum FNS staff will require access in designated field offices, the regional office, the FNS Compliance office, and the OIG investigative office. The Contractor shall also provide FNS communication protocols necessary to connect staff on the FNS and OIG networks to the EBT administrative terminal system via the Internet to a Secure Socket Layer or Virtual Private Network (VPN) protected application that is compatible with the standard FNS/OIG desktop configurations and does not require installation of VPN client software. The Contractor shall work with FNS to ensure adequate firewall protection on each side.
- C.4.4.11 In accordance with FNS regulations, the Contractor shall allow FNS to set up its own individual inquiry only user accounts in a manner similar to that described above, including the functionality to add, delete, deactivate and reactivate IDs, and to assign and reset passwords. Rights to updated federal IDs must be partitioned so that FNS security administrators cannot access or affect District of Columbia IDs. FNS must be provided with at least two user profiles, one for security administration and one with inquiry only access to all screens. The Contractor shall add access to the District of Columbia existing centralized FNS security process.

C.4.5 Fraud Investigations and Quality Assurance

- C.4.5.1 The Contractor shall support the District with the function of creating and maintaining EBT accounts for use in the SNAP Program fraud investigations. Fraud accounts are set up through the batch and webservices interfaces between DCAS and the Contractor's EBT System with a unique District identifier. The District shall monitor fraud activity through online access and reports.
- C.4.5.2 The Contractor shall define and set up EBT accounts through the EBT batch and webservices interfaces. The District of Columbia shall add the benefit authorizations for the fraud accounts through the DCAS system.
- C.4.5.3 The contractor shall to ensure that the chain of custody is preserved when transaction logs are required for court.

C.4.6 Fraud Prevention

The Contractor shall support the District function to monitor, investigate and report all fraud activity that occurs as a result of EBT card usage and card issuance. The contractor shall provide report solutions of fraudulent activity that meet federal guidelines. The report solution shall include the following;

- a. The contractor shall provide reports, that provide information on each cardholder's card issued history
- b. The contractor shall provide reports that identify cardholders with four or more EBT cards issued within 12 months. The contractor shall provide information on how often and what address EBT cards are delivered.
- c. The contractor shall provide reports that highlight EBT out-of-state card deliveries.
- d. Each report shall be formatted to show, cardholder name, card number, case number, address, date and time of transaction, and retailer.
- e. Provide reports on client-initiated dispute calls to IVR and status information.

C.5 EBT CARD ISSUANCE & CARD MANAGEMENT

C.5.1 EBT Card Issuance – Over the Counter

- C.5.1.1 The Contractor shall issue EBT cards at two physical locations. The EBT card issuance solution shall meet all District of Columbia and Federal requirements for security, accuracy, non-duplication, and issuance by the application of proven card management, card inventory, and card security practices.
- C.5.1.2 The Contractor shall provide an EBT card distribution plan, which shall include location of distribution points, timelines for distribution and line items for rent costs.
- C.5.1.3 The Contractor shall view the training section to understand which materials shall be included in the card delivery package.
- C.5.1.4 The Contractor shall issue EBT cards at the physical locations until such time during the contract the District requires the Contractor to switch to mailing cards services.
- C.5.1.5 The Contractor EBT system shall allow for the client to obtain a card on the same day that the caseworker approves the client's application at the Department of Human Services (DHS).

C.5.2 Card Issuance Process for Mail Card Issuance

- C.5.2.1 During the term of the Contract, the Contractor shall be prepared to make the switch to mail issuance when the District is ready to convert. The Contractor shall proceed with its District approved mail card issuance conversion plan at the discretion of the District. This will be a contract modification at the time of implementation, but pricing for mail must be included in the Contract Pricing Schedule.
- C.5.2.2 The contractor shall provide a plan to transition from physical distribution locations to a mailing strategy within 30 days from award.
- C.5.2.3 The contractor shall mail by USPS cards using the client address on file.

- C.5.2.4 Replacement EBT cards will be issued by mail. The replacement EBT card will be mailed with PIN remaining unchanged. Replacement EBT cards issued by mail shall require activation by client via ARU.
- C.5.2.5 The card issuance process shall be independent of the approval and issuance of benefits to the card that takes place at DHS. The District of Columbia considers the EBT card issuance process to be successfully completed when:
- C.5.2.6 The recipient has 1) received a permanent EBT access card; 2) the card has been activated; 3) the PIN has been assigned; 4) an account has been established in the EBT system database; 5) the account can be accessed via the EBT card and the PIN; and 6) administrative procedures governing the process and outlined in the Contractor's issuance plan have been followed.

C.5.3 PIN Selection

- C.5.3.1 The Contractor shall support the functions related to the PIN. Each EBT card must require a PIN (personal identification number) in order to access benefits. The Contractor shall provide at least two PIN select devices at each physical distribution location.
- C.5.3.2 The Contractor shall support PIN selection through an Automated Response Unit (ARU) for new EBT card issuance. The client will select their PIN by entering a four (4) digit number with the ARU. The ARU shall require that the PIN be entered two (2) times by the client for verification purposes. The Contractor's system shall support card activation during PIN selection. The date and time of card activation shall be maintained on the system and displayed on the administrative terminal.
- C.5.3.3 The District shall have the option for the Contractor's system (devices and ARU) related to PIN selection to ensure that sequential or repeating (four of the same digits) PINs are rejected or blocked and not allowed. The pricing for this option shall be mutually agreed upon by the parties.

C.5.4 Security for Blank EBT Cards

- C.5.4.1 The Contractor shall provide a plan that describes how the blank EBT cards will be secured on a daily basis. The procedures shall include:
1. A vault to safeguard the EBT blank card inventory at two (2) EBT Card Centers.
 2. Provide the technology at the EBT Card Center sufficient to shred/destroy damaged cards.
 3. Ensure that all policy and procedures set forth by the Office of Finance and Treasury on Blank Card Security are followed.
 4. Verify the total numbers of cards issued per reconciliation records are reconciled to the Contractor's source system of record and provide evidence to the District monthly.

C.5.4.2 The Contractor's supervising staff positioned at each location shall:

1. Ensure the accuracy of the Card Processor's daily "Balance Sheet" and verify the accuracy of the daily reconciliation by reconciling the cards removed from the Site Inventory Log with card stock returned to Inventory Stock.
 2. Ensure that the following forms are maintained and reconciled to the Card Stock Inventory.
 - i. Site Inventory Log
 - ii. Balance Sheet (proposed rename Card Processor's Card Activity Daily Reconciliation)
 - iii. Recon Form (proposed rename, Summary of Daily Reconciliations)
 - iv. Bulk Card Inventory Log
 - v. EBT Card Destruction Log
 3. Ensure that Card Processor will account for the removal of card stock from inventory, by completing the Site Inventory Log. The Site Inventory Log will have the following columns, and the Card Processor will provide signature as receiver of the inventory with a witness present.
 - a. Beginning Inventory Balance
 - b. Total Card issued
 - c. Total Cards Destroyed (from both Daily Reconciliation report/Recon Form)
- and
- d. Ending Inventory Balance
 4. Ensure the Summary of the Daily Reconciliation is complete and used to prepare the monthly EBT Card inventory reconciliation.
 5. Conduct monthly reconciliation counts to ensure that the number of cards in stock reconcile to the monthly reconciliation report.
 6. Reconcile Site Inventory Log monthly for both sites (to be derived from the Summary of Daily Reconciliation Report, EBT Bulk Card Stock Inventory Log and the EBT Card Destruction Log). The calculation should include the following:
 - a. Beginning Inventory Balance (Site Inventory Log)
 - b. Add (+) EBT cards received from Contractor's source system.
 - c. Less (-) total number of cards allocated to the Card Centers and cards stored in the EBT Inventory Stock Drawer
 - d. Add (+) ending inventory balance
 - e. Ending balance of inventory for both location
 - f. The Site Inventory Log report should be signed by the preparer and the Program Manager or site Supervisor.
 7. Manage EBT Card Destruction Logs, for each site. The logs should include the following;
 - a. Date of Destruction
 - b. Card Processor ID
 - c. Total number of cards, and card details
 - d. Card destroyer signature
 - e. Witness Signature

C.5.5 RESERVED

C.5.6 **Volume of Replacement Cards**

- C.5.6.1 The District anticipates a monthly card replacement rate of three percent (3%) for lost and stolen cards. The Contractor will ensure that an ample card stock will be maintained throughout the life of the contract. The Contractor shall monitor the number of replacement cards issued, determine the patterns for the card loss and report that to the District on a monthly basis in a format to be defined during implementation.
- C.5.6.2 Client training shall instruct a client to report a lost, stolen or non-functioning EBT card to the toll-free customer service help line for deactivation.
- C.5.6.3 The Customer Service Representative shall verify the client’s identity prior to deactivating the card.
- C.5.6.4 The Contractor shall maintain the card issuance and replacement history for each Cardholder for display on-line upon inquiry for eighteen (18) months and up to six years off-line for fraud prosecutions.

C.5.7 **Card Replacement Fees**

- C.5.7.1 Consistent with the 7 CFR 274.6(b) (3) Providing Replacement EBT cards or PINS, the District currently charges recipients a \$2.00 card replacement fee for the second and subsequent cards to be replaced. In accordance with Federal regulations, if a fee structure is implemented, fees shall be automatically debited from the customer’s account and are required to be returned to the District.

C.5.8 **Authorized Representatives**

- C.5.8.1 The District of Columbia provides a SNAP client the option of selecting one authorized representative to receive an EBT card. The Contractor shall provide a card for the authorized representative that has a unique card number and PIN. The case/client file transmitted to the Contractor will contain the authorized representative’s name followed by the suffix “AR”. Therefore, the authorized representative’s name will be embossed in this manner. The authorized representative will use his own name along with the primary client’s SSN and Date of Birth (DOB) for verification of identity.

C.6 **EBT ACCOUNTS & ACCOUNT MANAGEMENT**

- C.6.0.1 The Contractor shall use the District of Columbia current interface with (DCAS) (see Attachment J.2, DC DCAS Interface Manual). The contractor shall make the fewest number of changes to the current interface as possible, so the least amount of work on the DCAS side is needed.
- C.6.0.2 The Contractor shall also link multiple card numbers to a single account in the event the primary card recipient is incapacitated to use their EBT card at a retail store; for example, requires an authorized representative to act on behalf of the family member.

C.6.1 Posting Benefits to EBT Accounts

- C.6.1.1 The Contractor shall establish a unique eight (8) digit EBT Account number for use in identifying the EBT account on the Contractor's system.
- C.6.1.2 The contractor shall match the existing format of the file in which the account numbers are provided to the District is contained within Attachment J.2 Case/Client Demographic File.
- C.6.1.3 The District generates both daily and monthly issuance files. Daily files are posted Monday thru Friday, and monthly benefits will become available based on the issuance schedules supplied by the District, below: For more details on the daily and monthly files please refer the Attachment J.2, DC DCAS Interface Manual.

C.6.2 Card Issuance and Posting of Benefits

- C.6.2.1 The account set-up and maintenance function require generating an account set-up record for the EBT system. The District of Columbia performs these functions based upon activity occurring within the eligibility system.
- C.6.2.2 The District of Columbia will transmit an account set-up record to the Contractor and the Contractor shall establish an EBT account and associated client record(s). The EBT account is the record kept and maintained by the Contractor for each benefit type (i.e. Cash Assistance or Food Assistance) that the client receives.

C.6.3 Daily Posting of Benefits and Benefit Authorization

- C.6.3.1 The Contractor shall receive, and process Benefit Authorization records transmitted by the District of Columbia, DHS.
- C.6.3.2 The Contractor shall process Benefit Authorizations and post the authorized benefit amounts to the appropriate EBT accounts, based on the unique EBT Account Number, benefit type, case number, and unique authorization number generated by the District for each benefit authorization.

C.6.4 Monthly Posting of Benefits and Benefit Availability

- C.6.4.1 Monthly ongoing Supplemental Nutrition Assistance Program benefits shall be made available on a staggered schedule.
- C.6.4.2 The District of Columbia will provide an availability date, which is included in the benefit detail record passed to the Contractor in the monthly batch and webservices file (See Attachment J.2 for the contents and format of the Benefit File).
- C.6.4.3 The staggered schedule begins on the 1st calendar day of each month and ends on the tenth calendar day. On the specified availability date, benefits shall be accessible no later than 12:01 a.m. Eastern Standard Time.

C.6.4.4 Any other benefit record is considered a daily batch and webservices update and shall be made available to the client no later than 12:01 a.m. Eastern Standard Time on the day following the day the Contractor receives the batch and webservices update file.

C.6.4.5 For all batch transactions, any benefits or rental vendor payments posted shall be made available to the client with two business days.

C.6.5 Access to Balance Information

C.6.5.1 Current EBT account balances and a rolling 90-day transaction history for each account shall be maintained for on-line access through the EBT administrative terminals. After 90 days, transaction history data shall be off-line for three (3) years, or longer if required by FNS or federal legislation. At a minimum, data within the transaction history inquiries shall include:

- a) PAN (card number);
- b) EBT account number;
- c) Client case identification numbers;
- d) Benefit program identifier;
- e) Retailer identification numbers (both FNS and acquirer) and Reg. E data for retailer information;
- f) Terminal identification number;
- g) Transaction type;
- h) Transaction amount;
- i) Balance by benefit type;
- j) Manual voucher information;
- k) Transaction date and time; and
- l) Transaction results (approval code or denial reason).

C.6.6 Expungement Processing

C.6.6.1 On a monthly basis the Contractor shall send to the District of Columbia an extract file of all benefits falling into the aging periods as specified by the District of Columbia. The Contractor shall support one aging period for reporting on benefits not utilized by a client. To facilitate any action required by the District of Columbia for stale benefits, the Contractor shall send to the District of Columbia a Benefit Aging File. The file will include a header record, a detail record for each benefit being reported on, and a trailer record. The detail record will include the remaining balance that is being aged. When benefits are added to the database, the Benefit last used timestamp will be set to the

Benefit Available timestamp. All benefits on a case shall be utilized first in, first out (FIFO).

C.6.6.2 During the monthly benefit-aging run, benefits on a case will be retrieved in order of the benefit available timestamp. When the oldest benefit on the case reaches the 365th day without being used, those benefits that have reached 365 days for that case shall be removed from the Contractor's system and the aged balances shall be returned to the District. The Contractor shall perform this process on a monthly basis. The benefits being removed will be reported on the benefit aging report, as well as on the transaction history file and reported to the ESA system. The customer cannot request replacement or restoration of any unused benefits removed under this policy.

C.7 EBT TRANSACTIONS WITH VENDORS, ATMs, AND OTHERS

C.7.0.1 The Contractor shall perform the following actions for all retailers, ATMs, and other systems:

- a) Perform a detailed assessment of the FNS certified retailers;
- b) Assess the existing POS infrastructure by analyzing the availability of equipment in the current environment of chain stores, independents, and third part processors;
- c) Assess the current EFT environment with the goal of utilizing existing equipment and network facilities;
- d) Train retailers with a complete understanding of the equipment features and steps they can take to ensure recipients' PINs are not compromised during lane checkout;
- e) Make it possible for a retailer, ATM, or other system to provide the recipient a printed receipt showing the amount of the purchase, remaining balance of the EBT account, and a truncated card number;
- f) Prepare and provide a formal report described in the reporting section;
- g) Maintain responsibility for the authorization of client-initiated SNAP and cash transactions. The Contractor shall have the capability to receive and process client transactions from both ATM and POS devices. The Contractor shall ensure that clients access their SNAP benefits only at POS terminals in authorized food retailer locations. Cash benefits may be accessed through participating ATMs or POS terminals with restrictions, see ACF regulations <http://www.acf.hhs.gov/programs/ofa/resource/q-a-ebt-transactions>
- h) Allocate each transaction to either the cash or Supplemental Nutrition Assistance Program account. Benefits within the EBT account shall be distributed on a first in, first out basis;
- i) Accept transactions coming from an authorized transaction acquirer;
- j) Authorize or deny transactions;
- k) Send response messages to the transaction acquirer authorizing or rejecting client transactions;

- l) Log the authorized/denied transactions for subsequent settlement and reconciliation processing, transaction reporting, and for viewing through transaction history; and
- m) Apply a series of purchase validation to determine whether a transaction processed by a client shall be approved. These purchase validations shall include determining whether the merchant has a valid FNS authorization number and is it a:
 - 1. Supplemental Nutrition Assistance Program transaction;
 - 2. The card number (PAN) is verified and the card is active;
 - 3. The number of consecutive failed PIN tries has not been exceeded;
 - 4. The PIN is verified as being entered correctly;
 - 5. The account is active; and
 - 6. The EBT account holds a sufficient balance in order to satisfy the transaction request.

C.7.0.2 If any one of the above conditions is not met the Contractor shall deny the transaction. The Contractor shall ensure that client benefit accounts are not overdrawn and shall assume all liability if an account overdraft does occur. The system must return a message to the retailer/provider indicating the reason for denial (e.g. invalid PAN, invalid PIN, NSF, etc.)

C.7.1 EBT Transactions at Point of Sale & ATMs

C.7.1.1 The Contractor shall be able to process, at a minimum, the following Supplemental Nutritional Assistance Program transaction types.

- a) SNAP Purchase;
- b) SNAP Merchandise Return (credit funds back to card);
- c) Manual Authorization (use of paper voucher to process transactions);
- d) Balance Inquiry;
- e) Voids or Cancellations;
- f) Reversals;
- g) Store and Forward (when retailer system is down, they can store transactions and forward later for payment); and
- h) Key-entered transactions.

C.7.1.2 The Contractor shall be able to process, at a minimum, the following cash transaction types:

- a) Cash Purchase;
- b) Purchase with Cash Back;
- c) Cash Withdrawal;
- d) Balance Inquiry;
- e) Voids or Cancellations;
- f) Reversals; and
- g) Key-Entered Transactions

C.7.1.3 The Contractor shall accept and process EBT transactions for which the card number (PAN) has been manually entered (key-entered) into the POS device. Transactions may be key-entered at times when a card presented by a client is damaged and/or the POS device is unable to accurately read the magnetic strip. The validation of the client's PIN is still required on key-entered transactions. If a PIN pad is defective or for other reasons a PIN does not accompany the transaction to the EBT host for processing, the Contractor shall deny the transaction.

C.7.1.4 The Contractor shall adopt other security measures to prevent client and retailer abuse/misuse of the key-entry feature. The Contractor shall ensure that the PAN printed on the transaction receipt is truncated, and the Contractor shall be able to selectively disable or deny the capability of an EBT-only POS device from completing key-entered transactions. Finally, the Contractor shall track key-entered transactions by card number and by retailer site.

C.7.2 Transaction Fees

C.7.2.1 FNS regulations prohibit the charging of a fee for any Supplemental Nutrition Assistance Program transactions. The EBT system must provide clients with two (2) successful cash withdrawal transactions per month per case without assessment of transaction fees by the Contractor. For any transaction after that point, the Contractor may charge the client a reasonable fee.

C.7.2.2 Transactions that are reversed or voided, either partially or completely, shall not count as one of the free cash withdrawal transactions. Once the client has performed the two (2) free cash withdrawal transactions, the client will be responsible for any additional fees associated with cash withdrawals as charged by the Contractor. Clients shall not be charged for cash withdrawal transactions that are subsequently reversed or voided, either partially or completely.

C.7.3 Point of Sale (POS) Terminals

- C.7.3.1 According to Federal regulation at 7 CFR 274.3(b), POS terminals shall be deployed. The Contractor isn't responsible for supplying POS device to a non-exempt retailer at no cost.
- C.7.3.2 All SNAP authorized retail stores must ensure benefit redemption amounting to 15 percent or more of total food sales must ensure they provide adequate EBT service with equipment at a sufficient number of registers to provide comparable checkout service to SNAP and non-SNAP customers.
- C.7.3.3 For newly authorized food retailers, the Contractor and the food retailer shall negotiate a mutually agreed level of terminal deployment up to the number of lanes per store. If the Contractor and the food retailer are unable to reach a mutual agreement, the District will make the decision.
- C.7.3.4 The Contractor shall be allowed to provide additional POS equipment to Retailers that wish to obtain additional equipment from the Contractor. The Contractor is free to charge the retailer for providing and supporting this additional equipment. However, any agreement covering such an arrangement shall be between the Contractor and the retailer; the District will not be party to any such agreements.
- C.7.3.5 The District of Columbia retains the rights to authorization telephone numbers for subsequent conversions.
- C.7.3.6 RESERVED
- C.7.3.7 The Contractor shall be responsible for installing, maintaining and supporting Contractor-provided EBT only POS equipment and ensuring terminals have unique ID numbers.

C.7.4 Farmer's Market POS

- C.7.4.1 For an authorized Farmer's Market operated in the District of Columbia with SNAP benefit redemption the Contractor shall provide, at the request of the Farmer's Market, wireless EBT-only POS devices.
- C.7.4.2 For an authorized Farmer's Market with more than one location operated in the District of Columbia the Contractor shall provide, at the request of the Farmer's Market, wireless EBT-only POS devices for each location.
- C.7.4.3 The cost of the devices shall be borne by the District in accordance with the Section B, Price Schedule.

C.7.5 ATM Transaction Sets

- C.7.5.1 The Contractor shall maintain an EBT system that will process and authorize cash withdrawal transactions originating from ATMs. The Contractor must ensure that the

EBT system will deny transactions if the balance of the Cash Account will not support both the requested withdrawal/transaction and all allowable charges/fees.

C.7.6 ATM Cash Transaction Types

C.7.6.1 The Contractor shall have the capability to process the following ATM transaction types:

- a) Withdrawal from Cash Account;
- b) Balance Inquiry from Cash Account;
- c) Adjustments;
- d) Reversals; and
- e) Cancellations.

C.7.7 Direct Deposit of Cash Benefits

C.7.7.1 The District of Columbia EBT system must support the direct deposit of cash benefits into the client's bank accounts, if the client elects this option.

C.7.8 Third Party Processing

C.7.8.1 The Contractor shall describe how it will certify and assure that Third Party Processors (TPPs) connected to the EBT system complies with FNS regulations and other District of Columbia requirements.

C.7.8.2 All TPP agreements between the District's EBT Contractor and TPPs or their retailers will be reviewed and approved by the District and FNS. At the District's request, the EBT Contractor must attempt to enforce the agreements if problems are discovered in TPP activities.

C.7.8.3 RESERVED

C.7.8.4 Requirements include, but are not limited to:

- a. **Terminal Ids** – TPPs must give each terminal a unique ID and include those terminals IDs as part of their transaction messages. The Contractor must include those IDs in the ALERT data submitted to FNS;
- b. **Transactions** – TPPs must be able to support the entire transaction set included in the FNS regulations. The Contractor must be able to process all of these transactions listed in Section C.7
- c. **Interoperability** – TPPs must be able to process transactions for cards issued by all States for all point-of-sale equipment they support;
- d. **Balance information** – TPPs must be able to display remaining balance on the printed receipt for all point-of-sale equipment they support;

- e. **Serving only FNS-authorized retailers** – TPPs must only route SNAP transactions for retailers authorized by FNS to redeem Supplemental Nutrition Assistance Program benefits.

C.7.8.5 Regulations at 7 CFR 274.3 (a) (ii), Retailer Participation, specify that whenever a retailer chooses to employ a third-party processor to drive its terminals or elects to drive its own terminals, access to the system shall be accomplished within a 30 day period or a mutually agreed upon time to enable the third party interface specifications.

C.7.8.6 The District of Columbia and the Federal Government shall have the right to inspect, review, investigate, and audit all parts of the facilities of the Contractor or any subcontractor (including third party processors) engaged in performing EBT services. In such capacity, the District or its representatives shall have access to facilities, records, reports, personnel and other appropriate aspects of the EBT system. Note: This requirement must be included in all third-party agreements.

C.7.8.7 The Contractor shall submit to the District annually a Statement of Auditing Standards No. 70 (SSAE 16/SOC 2) in accordance with Supplemental Nutrition Assistance Program regulations at 7 CFR 274.1 (i) State Monitoring Examination and Audits as amended February 29, 2000.

C.7.9 Adjustment Processing

C.7.9.1 The Contractor and/or retailer/TPP shall build functionality to initiate an adjustment to resolve errors and out-of-balances related to system problems. The Contractor, on behalf of a client complaint, can initiate an adjustment to resolve a transaction error. The adjustment will reference an original settled transaction, which is partially or completely erroneous.

C.7.9.1.1 When a client is victim to a transaction error due to human error, the client can initialize the dispute onsite with the retailer by talking with the retail manager or cashier supervisor. If there is no resolution onsite, the client shall be able to put in a formal request with the Contractor to dispute the transaction. In compliance with the Quest Operating Rules and the prescribed timeframes, from receipt of the dispute request, the Contractor shall investigate the transaction and shall notify the DC EBT Operations Administrator of their decision to uphold the dispute or deny the dispute. Within five (5) calendar days of the Contractor's decision, the DC EBT Operations Administrator will notify the client of the Contractor's decision and inform the client that they can further present their case of a denied dispute to Fair Hearing.

C.7.9.2 The Contractor shall have the capability to process the adjustment and have this reflected in the client's account.

C.7.9.3 Federal regulations regarding the recording, tracking and processing of these types of adjustments can be found at <http://www.fns.usda.gov/ebt/ebt-rules-regulations>. Adjustments made by the Contractor must be in compliance with these regulations. Adjustments made by the Contractor will cause money to be moved either to or from the client's EBT Account, and will impact the daily settlement. Notification of pending

debit adjustments must be provided to the District so that notification can be provided to the client.

C.7.9.4 Federal regulation 7 CFR 278.1(ii) requires that any retailers that deploy their own terminals within 30 days of the start of the contract, the Contractor shall provide the District with interface specifications that would enable these retailers and third-party terminal drivers to interface directly with the Contractor to perform Supplemental Nutrition Assistance Program EBT transactions. The Contractor shall provide these specifications to retailers and third-party terminal drivers as well. The Contractor shall not unduly withhold certification for retailers and third parties that enter into direct connect arrangements with the Contractor.

C.7.9.5 The District requires that the acquiring institution ID (bit 32), and the card acceptor terminal id (bit 41) remain unchanged during the life of a transaction. The District of Columbia must have the ability to require the processor to decertify a TPP if demands for defect correction go unheeded.

C.7.10 District Data Files

C.7.10.1 The Contractor shall provide four (4) types of transactions to the District on a regular basis. The data is transmitted via webservice or batch files. These transactions are:

- a) Case/Client Demographic File;
- b) Benefit File;
- c) Inactive/Dormant File; and
- d) Account Activity File.

C.7.10.2 The Contractor shall provide data to the District in the format defined in Attachment J.2. The District defined formats are established for the exchange of Case/Client Maintenance Demographic records and Benefit Issuance records. These records are detailed within Attachment J.2.

C.7.10.3 Benefit/Case/Client Maintenance data will be transmitted to the EBT Contractor daily. The District transmits files that include both expedited and daily cash and SNAP benefits to the EBT Contractor by 11:00 p.m. Eastern Standard Time.

C.7.10.4 The Contractor must be prepared to set up a future webservice that allows system-to-system checks on EBT balances that the District could plug into future mobile applications. This webservice is not required at the time of award, but if the District

decides to modify the contract to include this work in the future, the Contractor must be prepared.

C.7.11 File Transmissions

C.7.11.1 The District of Columbia shall transmit demographic and benefit issuance data files on District business days. The District of Columbia will transmit data once a day. The District data transfer method of choice is Web Service (SOA and/or REST protocols); however legacy system batch and webservices file transfers are acceptable. Each batch and webservices will include a header and trailer record for proper controls. The header record will contain batch and webservices control number and transaction type identifier. The trailer record will contain a record count and dollar amount that summarizes the transactions in that batch and webservices for verification upon receipt. The DCAS webservice and batch transactions will be transmitted to the EBT Contractor by 11:00 p.m. Eastern Standard Time every District business day. Separate data transmissions are sent from DCAS for cash and SNAP benefits.

C.7.11.2 The monthly benefit transactions are produced from DCAS near the end of the prior month and transmitted with benefit availability dates that correspond to the monthly issuance schedules for Supplemental Nutrition Assistance Program and Cash Assistance.

C.7.12 Online Purchases

C.7.12.1 FNS is currently conducting a pilot to test and evaluate the acceptance of SNAP benefits [and cash EBT] to pay for online food purchases. Federal SNAP legislation requires that FNS use the pilot results to determine whether to require all States to allow online purchasing with SNAP benefits. DC has chosen to wait until FNS makes that determination and issues final guidance on requirements.

C.7.12.2 The Contractor shall implement these requirements within the mandated timeframe imposed by FNS guidance. At a minimum, the Contractor shall:

1. Program the EBT system to recognize, accept and permanently store codes and data elements related to online transactions (as specified in X9.58-2013) including delivery street address and ZIP code
2. Accept online SNAP [and cash EBT] transactions only through FNS-approved secure online PIN-entry service providers; reject all online transaction requests coming from any other TPPs
3. Enable new transaction type/code to allow cash refunds for online retailers
4. Display/include cash refunds with other transaction types where appropriate for existing screens, reports and files
5. Enable new transaction method code/description to identify that the transaction was performed through an online website, rather than by swiping the card or key-entry of the card number
6. Display the new method code or description on all screens that would normally indicate the transaction was swiped or keyed

7. Include the new method code in all reports and State data files that normally indicate the transaction was swiped or keyed
8. Enable process that allows online retailers to submit SNAP [and cash EBT] refund that do not contain a PIN value
9. Examine each incoming transaction to determine if it is coded as an online transaction and take appropriate actions as follows:
 - a. Compare all SNAP [and cash EBT] online transactions to the REDE file to validate that the retailer's FNS number is classified as an Internet Retailer (IR) store type; if not then deny the transaction.
 - b. Validate that retailers classified as IR only perform authorized online transactions (no voucher, [cash back, cash withdrawal,] store and forward or in-store/wireless POS)
 - c. Deny PIN-less transactions from retailers not classified as IR
10. For online refund transactions from retailers classified as IR:
 - a. Validate card and FNS numbers against the original purchase transaction
 - b. Ignore State-designated refund limits
11. Include all required data elements for online transactions in the ALERT file transmitted to FNS, utilizing version 2.00 of the ALERT specification.
12. Provide the standard [daily and monthly] online transaction summary totals report that was required to be developed for the pilot
13. Provide the standard [daily and monthly] online transaction detail file in CSV format that was required to be developed for the pilot
14. Display delivery street address and ZIP code on transaction detail screens
15. Include delivery street address and ZIP code in the daily activity file

C.7.12.3 For online refund transactions from retailers classified as IR, the cardholder is not usually present (online) to enter a PIN or current card number at the time of a refund transaction. Instead, the online retailer identifies the specific purchase transaction that will receive a full or partial refund. The FNS-approved secure PIN-entry service provider matches the refund request back to the purchase transaction and ensures that the refunded value does not exceed the original amount. If there are multiple refunds for the same purchase, the service provider ensures that the total value of all refunds does not exceed the original purchase amount. They deny any excessive refunds. The service provider submits the card number and FNS number from the original purchase transaction in the authorization request to the EBT processor. There may be instances where one or both of these values is no longer valid.

C.7.12.4 Because there may be times (e.g., when a large order is cancelled) that a large refund would be warranted. This validation process described provides better controls and therefore is an acceptable replacement for the State-imposed refund limit.

C.8 FEDERAL REPORTING/FEDERAL SYSTEM REQUIREMENTS

C.8.1 National Network Interoperability Requirements

C.8.1.1 The Contractor must meet the National Network Interoperability Requirements:

1. The Contractor's EBT system shall be interoperable across all 50 states, and the U.S. Virgin Islands, excluding Puerto Rico.
2. Interoperability regulations shall be referenced in retailer and third-party agreements.

C.8.1.2 Interoperability regulations must be referenced in retailer and third-party processor agreements. Third party processor (TPP) agreements shall specifically state that the TPP is required to load and update BIN numbers for all states, excludes Puerto Rico.

C.8.1.3 The Contractor shall support the federal requirement of processing interoperable Supplemental Nutrition Assistance Program transactions, including Supplemental Nutrition Assistance Program transactions acquired at a District retailer where the client has benefits issued by a state other than the District of Columbia. In addition, the Contractor shall have the capability of accepting and processing client transactions occurring at non-District retailers. The Contractor shall outline its plan for supporting interoperable transactions for both District and non-District clients and retailers.

C.8.1.4 The Contractor shall provide data to FNS in the formats FNS requires for the following system interfaces:

- a) AMA, daily batch and webservice update;
- b) ASAP, daily draw;
- c) STARS, daily or weekly transmittal of Supplemental Nutrition Assistance Program redemption by food retailer for each day; and
- d) ALERT, monthly transaction activity used for retailer compliance activity

C.8.1.5 In addition, the contractor shall access FNS's REDE (Red Alert File) system to obtain up-to-date information on FNS authorized retailers. Files must be provided in the format required by FNS, within established timeframes, and accurately. Failed or inaccurate transmissions must be resolved in a timely manner by the Contractor, working in conjunction with the appropriate federal technical staff.

C.8.2 Settlement/Reconciliation

C.8.2.1 The District of Columbia requires the Contractor to provide a Settlement Manual delineating the Contractor's settlement and reconciliation process.

C.8.3 Reconciliation Requirements

C.8.3.1 The Contractor shall meet the reconciliation requirements outlined below.

- a) Provide a system report on all transmissions, with a 'record reject' report for all unsuccessful transmissions, as described in the reporting section

- b) Provide system reports confirming when specific benefits are posted to client cards, as described in reporting section.
- c) Unused benefit report, as described in the reporting section Settlement report, as described in **Section C.25**

- C.8.3.2 The EBT Contractor shall meet SNAP reconciliation requirements of 7 CFR 274.4, Reconciliation and Reporting, and the FNS Reconciliation Guidance. The EBT Contractor shall also use the SNAP reconciliation requirements to perform reconciliation for all EBT programs. At a minimum, Contractors shall propose procedures for reconciling:
- a) Client accounts daily beginning balance and net draws versus the ending balance;
 - b) Client net redemption versus acquirer settlement values;
 - c) Total funds entering, exiting, and remaining in the system each day, and
 - d) Total net change in system wide obligations outstanding to the sum of the net change in obligations outstanding for all benefit programs.
 - e) The Contractor's EBT system shall operate on a 24-hour processing cycle. At a designated cutoff time each day, the Contractor shall close out the current processing day and commence the next processing day.
- C.8.3.3 The Contractor shall designate a standard daily cutoff time for EBT transaction processing. The 24-hour period between the cutoff time on Day 1 and Day 2 constitutes the EBT transaction day.
- C.8.3.4 The specified cutoff time must allow the Contractor sufficient time to originate ACH payments for next day settlement. It is also preferred that the EBT cutoff coincide as closely as possible with the cutoff time of the prevailing EBT transaction switch and/or regional ATM/POS networks as appropriate to minimize the need for carry over or suspense accounting.
- C.8.3.5 The Contractor shall maintain ledger accounts at the program and District levels. Subsequent to the daily settlement cutoff, the EBT system must be balanced and reconciled. The Contractor shall compute the end-of-day net position or balance for each benefit program. An audit trail shall exist so that reconciliation can be performed at the individual EBT account level up through the program and District levels. For each level, the end of day net position is equal to:
Opening balance + credits - debits = End of day balance
- C.8.3.6 On a daily basis, the Contractor shall ensure that the EBT system as a whole is in balance. The balancing functions performed by the Contractor shall ensure that the change in the net position in the sum of client accounts equals the change in the net position of program accounts at a summary level. The Contractor shall also ensure that the change in the net position in the sum of the program accounts is equal to the change in the net position (obligations outstanding) for the funding agencies. The Contractor shall specify procedures for maintaining audit trails throughout the settlement processes.

C.8.4 Reconciliation

The Contractor shall meet the Supplemental Nutrition Assistance Program reconciliation requirements of 7 CFR 274.4, Reconciliation and Reporting. At a minimum, Contractors shall propose procedures for reconciling:

- a) Client account daily beginning balance and net draws versus the ending balance;
- b) Client net redemption versus retailer/acquirer settlement values;
- c) Total funds entering, exiting, and remaining in the system each day;
- d) Total net change in system-wide obligations outstanding to the sum of the net change in obligations outstanding for the Supplemental Nutrition Assistance Program;
- e) Total net change in system-wide obligations outstanding to the sum of the net change in obligations outstanding for all Government agencies; and
- f) The net settlement value of all transactions to the sum of the net settlement value for the District.

C.8.5 Contractor Responsibilities for Fund Settlement

C.8.5.1 The Contractor is responsible for the daily settlement of funds to benefit providers (retailers and ATM owners); either directly or through financial intermediaries such as Third-Party Processors (TPPs) and ATM Networks. The Contractor shall own and reconcile the clearing bank account used for the daily settlement. The Contractor is responsible for handling both credit and debit adjustments to the client's EBT account in the manner and timeframe dictated by Federal regulations and Quest Operating Rules.

C.8.5.2 The Contractor shall ensure that Settlement reports should include; at a minimum; a line item for each program listed in section C.3.0.1. Each line item should reflect a daily settlement total, and every program listed should reflect a month to date total and a year to date total. The report must be received by the District of Columbia by 7:00a.m. Eastern Standard Time.

C.8.5.3 The Contractor is responsible for providing detailed and accurate reports that allow the District of Columbia to reconcile benefit postings to the EBT system, settlement of benefits utilized by clients, and the outstanding liability remaining on the EBT system at the end of the processing day. Upon mutual agreement, the Contractor shall be responsible for performing the draw down from the appropriate Federal system for Supplemental Nutrition Assistance Program benefits utilized by clients. The cut-off time used for financial settlement by the current Contractor is 7:00 p.m. Eastern Standard Time. The District will pay the Contractor in a one-day arrears through a wire transfer for daily TANF settlements

C.8.5.4 Settlement to retailers, Third Party Processors (TPPs) and ATM networks shall be through the existing commercial banking ACH infrastructure. The Contractor shall have an originating and receiving relationship with the Automated Clearing House (ACH), either directly or through one of its subcontractors. For transaction processing

and settlement purposes, the Contractor shall also be a member of the appropriate regional network(s) and be capable of settling both ATM and POS transactions.

- C.8.5.5 For retail merchants, third parties, or other benefit providers that are directly connected to the Contractor's system, the Contractor shall originate an ACH credit for the total balance due for EBT benefits provided during the just closed EBT processing day. The benefit provider credits shall be entered into the ACH for settlement on the next banking day.
- C.8.5.6 Credits due EBT benefit providers who are connected to the Contractor through a transaction switch, TPP, or national network will settle utilizing the Quest Operating Rules.

C.8.6 AMA File

- C.8.6.1 On a daily business day, the District's Contractor shall provide data necessary to support increases/decreases to the projects ASAP account balance to the Federal Reserve Bank of Richmond. The Federal Reserve Bank (FRB) of Richmond serves as Account Management Agent (AMA) for the SNAP Supplemental Nutrition Assistance Program EBT Benefit account and the AMA system interfaces with the Treasury Department's Automated Standard Application for Payment (ASAP), monitors ASAP funding limits, based on projected SNAP activity established by FNS for each State, and performs reconciliation required by FNS. Consequently, it will be necessary for the Processor to interface with the AMA and provide data necessary for funds projection and SNAP reconciliation.
- C.8.6.1 The Contractor shall provide summary information by availability (effective) date on increased benefits authorizations; on expungements, and on other returned benefits. The transmission of issuance and returned benefit data elements shall be accomplished through automated batch and webservices processing in a file format specified by FRB. This method allows for the automated flow of the State's issuance data, through the Contractor's EBT system, to the AMA. Therefore, the Contractor must be able to accommodate batch and webservices processing. File specifications may be obtained by contacting the Federal Reserve Bank (FRB) of Richmond on (804) 697-8384. In addition, the Contractor must be responsive to requests from the State or FNS to research and resolve discrepancies discovered in reconciliation of State-reported issuance data and the data provided to AMA by the Contractor.
- C.8.6.2 AMA also uses the summary level retailer credit data provided by the Contractor to the FNS Benefit Redemption Systems Branch in Minneapolis to reconcile funds drawn from the EBT benefit accounts in ASAP. Discrepancies will be brought to the attention of Contractor staff for prompt research and resolution.
- C.8.6.3 Upon implementation of batch and webservices processing, States and their Contractors must be certified by FNS, to ensure the accuracy of data transmission. The on-line method of entering AMA issuance shall serve as a back-up to batch and webservices processing; any manual data entry will require State on-line certification before it will

be allowed to update ASAP and requires special equipment and software provided by FRB. The technical requirements for the on-line data entry capability are available from FRB of Richmond as well.

C.8.6.3 ASAP Information for State agencies and EBT Contractors: The Treasury web address <http://www.fms.treas.gov/asap/> has two sections: Payment Requestors and Recipient Organizations; and Enrollment Handbook for Payment Requestor/Recipient Organization.

C.8.7 ALERT File

C.8.7.1 The EBT Contractor shall provide transaction data, starting at implementation, of store transaction history on a monthly basis to FNS through the ALERT file. The State must ensure that the Contractor provides data to FNS in the formats FNS requires for the following system interfaces:

C.8.7.2 ALERT, monthly transaction activity used for retailer compliance activity in addition, the State must require the processor to access FNS's REDE system to obtain up-to-date information on FNS authorized retailers.

C.8.8 REDE Interface

C.8.8.1 The REDE interface specification and files must be provided in the format required by FNS, within established timeframes, and accurately. Failed or inaccurate transmissions must be resolved in a timely manner by the Contractor, working in conjunction with the appropriate federal technical staff.

C.8.8.2 The Contractor must access the FNS REDE system daily to obtain updates of the national and/or District REDE files used to validate authorized FNS retailer numbers. The Contractor shall verify the retailer identification number is that of an FNS-authorized retailer prior to completing its processing of a transaction.

C.9 MANAGING RETAIL ACCESS TO THE EBT SYSTEM

C.9.0.1 The Contractor shall be responsible for managing retailer participation in the District of Columbia EBT program.

C.9.0.2 The Agricultural Act of 2014, P.L.113-19 states that after March 21, 2014, some store types will continue to be exempt from retailer cost provisions. Those store types that are exempt are:

- a) Drug and/or Alcohol Treatment Program;
- b) Non-profit food buying Co-op;
- c) Shelter for Battered Women and Children;
- d) Communal Dining Facility;
- e) Direct Marketing Farmer or Farmers' Markets;
- f) Group Living Arrangement;

- g) Homeless Meal Provider;
- h) Military Commissary;
- i) Meal Delivery Service
- j) Senior Citizen's Center/Residential Building.

C.9.0.3 The Contractor's primary roles and responsibilities include:

- a) Providing every FNS authorized retailer with the opportunity to participate in the EBT system;
- b) Providing ideas/proposals to prevent relocation and/or replicating of government supplied equipment for the purposes of violating the program and to monitor such abuses if they occur.
- c) Ensuring, to the extent possible, that the District's EBT system is interoperable with other States' EBT systems as defined in 7 CFR 274.8(b) Performance and Technical Standards.
- d) Assuring that a sufficient number of retailers have agreed to participate in the system to allow clients adequate access to both cash and Supplemental Nutrition Assistance Program benefits, including those clients that normally shop across District borders in the so-called "border stores" and at "non-traditional" retailers such as farmers' markets.
- e) Assuring that the participating retailers understand their responsibilities in regard to the policy, operating rules, and operations of the EBT system. The Contractor shall enter into an agreement with the retailer in accordance with 7 CFR 274.3 Retailer Management.
 - i. Maximizing the use of the existing commercial point-of-sale terminals.
 - ii. Installing, maintaining and otherwise supporting Contractor provided EBT-only POS equipment as necessary in accordance with FNS policy for retailer participation as defined in 7 CFR 274.3 Retailer Management.
 - iii. Providing help desk services to retailers for resolving issues/problems on Contractor supplied EBT-only POS equipment and helping resolve settlement and dispute questions and issues

C.9.0.4 The Contractor shall mail 1099 forms to applicable retailers as needed.

C.9.1 Engaging Retailers for a Successful Implementation

C.9.1.1 Retailers authorized by FNS to accept SNAP benefits are required to comply with program rules. This may include traditional and non-traditional merchants as defined by FNS. Any retailer listed on the FNS retailer database will be included in the deployment of Point of Sale (POS) equipment. SNAP benefits can be used only to purchase food items designated as eligible food items by FNS. The Department of Agriculture's Office of the Inspector General (OIG), FNS Retailer Investigations Branch, Secret Service, and District or local law enforcement officials are responsible for retailer fraud investigations.

C.9.1.2 SNAP benefits are 100% funded by the Federal Government. Benefit funds are not disbursed until the client uses the EBT card, a debit is posted to the account and an

Automated Clearing House (ACH) settlement transaction has occurred. The Federal and District Governments generally share the cost of operating the SNAP equally.

C.9.2 **Retailer Agreements**

C.9.2.1 Federal regulation at 7 CFR 274.3. (a)(ii) Retailer Participation requires that newly authorized retailers shall have access to the EBT system within two weeks after the receipt of the FNS authorization notice. If a retailer chooses to employ a third-party processor to drive its terminals or elects to drive its own terminals, access to the system shall be accomplished within a 30 day period, or a mutually agreed upon time, to enable any required functional certification to be performed by the Contractor.

C.9.2.2 Federal regulation in 7 CFR 274.8(b) Performance and Technical Standards requires that for leased line communications, 98 percent of EBT transactions shall be processed within 10 seconds or less, and 100 percent of EBT transactions will be processed within 15 seconds. For dial-up systems, 95 percent of EBT transactions shall be processed within 15 seconds or less, and 100 percent of EBT transactions shall be processed within 20 seconds.

C.9.3 **Other FNS Certified Providers**

C.9.3.1 All group homes must be authorized by FNS. In addition to the traditional retail merchants, SNAP merchants may include drug/alcohol treatment centers, blind/disabled group living facilities, battered women and children shelters, homeless meal providers, restaurants, elderly/disabled communal dining facilities, meal delivery services, and route vendors. Being designated a SNAP merchant may not necessarily require the installation of POS equipment. However, group homes which meet the monthly minimum SNAP redemption total and authorized by the Food and Nutrition Service, United States Department of Agriculture, as retailers in the Supplemental Nutrition Assistance Program shall have the option to receive EBT-only POS devices. To support these facilities, the Contractor shall install POS devices in the facilities. This allows the benefits from the client's account to be deposited into the facility's bank account at its financial institution as is performed for any other authorized merchant.

C.9.4 **Merchant Validation (FNS Retailer Numbers)**

C.9.4.1 For all Supplemental Nutrition Assistance Program transactions, the Contractor shall validate the transactions originated at an FNS authorized retail location. The Contractor shall maintain a database of authorization numbers for all FNS authorized retailers in accordance with the Retailer Validation Requirements specified in 7 CFR 274.3 Retailer Management.

C.9.5 **EBT-only POS Terminals**

C.9.5.1 During the conversion of EBT-only equipment it is critical that clients not be negatively impacted in their ability to redeem their benefits due to conversion and that business operations of stores using EBT-only terminals not be negatively impacted due to the

conversion to new terminals and terminal drivers. Therefore, 95% of all existing EBT-only terminals shall be converted prior to the database conversion.

C.10 CUSTOMER SERVICE

C.10.0.1 The Contractor shall provide Customer Service Representatives (CSRs) to resolve client issues that cannot be resolved by the Automated Response Unit (ARU), including requests for adjustments. The Contractor shall provide sufficient CSR capacity to meet the contractual service standards for client calls referred to a CSR. Required languages for CSR shall be English, Spanish, Amharic, French, Vietnamese, and Chinese/Mandarin. The Contractor shall provide customer service for retailers as well.

C.10.1 Customer Service Functions

C.10.1.1 Customer Service Center shall support the following functions:
The Contractor, through its Customer Service Representatives (CSR) shall cause the lost or stolen EBT card to be immediately deactivated under the following conditions: when a card is reported lost, stolen, damaged or non-functioning.

C.10.2 Availability of Customer Service

C.10.2.1 The Contractor shall provide Client Customer Service 24 hours a day, 7 days per week, the purpose of which is to provide current EBT account and benefit access information via a toll-free, "1-800" number. See Attachment J.3 for Historical Data on Case Loads, Customer Service Call Detail Report, and Card Replacement.

C.10.2.2 The District will retain the rights to the client and the retailer customer service telephone numbers.

C.10.2.3 The Contractor shall provide a client help desk that meets or exceeds the following service requirements (standards):

C.10.2.4 Performance standards regarding number of rings prior to answer and average time on hold shall be consistent with call center industry standards. For reporting purposes, the Contractor shall provide Automated Response Unit (ARU) and Customer Service Center activity data (refer to Customer Service Call Detail Report, Attachment J.3). Additionally, TTY (Teletypewriter) capability must be provided to clients with hearing disabilities.

C.10.2.5 Help desk access and support for clients using rotary phones.

C.10.2.6 The caller's identity must be confirmed prior to disabling the card. Prior to replacing a card, the client's social security number and date of birth must be confirmed.

C.10.2.7 "Current Balance" shall provide "real-time" account balance information.

C.10.2.8 "Account History" shall enable a caller to request a two (2) month statement of account history by program.

- C.10.2.9 Callers selecting this option shall be transferred to a Customer Service Representative for assistance in reporting unauthorized card use. The District shall have the option for the Contractor to notify the District, at a mutually agreed upon timeframe, of misappropriated funds and a corresponding detailed report. The pricing for this option shall be mutually agreed upon by the parties. The Contractor shall notify the client to inform the incident to DHS/ESA in order for appropriate action to be taken.
- C.10.2.10 The District reserves the right to review and approve the transaction flow and content of all ARU messages, prompts, and customer service scripts a minimum of 30 days prior to their implementation. The CSR scripts shall include information around card cloning and client-initiated adjustments in accordance with DC's policy. The District shall have the option to include information around cloning and client-initiated adjustments in the IVR scripting. The pricing for this option shall be mutually agreed upon by the parties.
- C.10.2.11 The Contractor shall not change ARU messages or menu functions without prior approval of the District of Columbia.
- C.10.2.12 The Contractor shall ensure through technical design, resource allocation, and staffing that each retailer call is answered in accordance with the performance requirements in Section C.18.
- C.10.2.13 For reporting purposes, the Contractor shall provide ARU and Retailer Customer Service Center activity data (refer to Customer Service Statistics Reports, Section C.25).
- a) Toll-free and without charge or fee to the retailers;
 - b) Accessible to all Quest retailers;
 - c) Used exclusively for retailer support, and
 - d) Operated and staffed in an industry standard manner.
- C.10.2.14 The Contractor shall provide via the Retailer Helpdesk, the following services for EBT-only retailers:
- a) Support and problem resolution on EBT-only POS equipment;
 - b) Settlement information and reconciliation procedures;
 - c) Support on system adjustments and resolution of out-of-balance conditions;
 - d) General information regarding EBT policies and procedures. And
 - e) Voucher authorization processing.

C.11 CONTRACTOR RESPONSIBILITIES AND ERRORS

C.11.0.1 The Contractor shall be responsible for the following errors:

- a) The Contractor, its agents, or retailers, shall assume liability on manual transactions, unauthorized over issuance, and transaction processing errors.
- b) Disbursement or authorization of funds. Liability with regard to authorization of District administered programs into a client account as described in OMB Circular A-87, 45 CFR 200, 45 CFR 74, and 7 CFR 276. The District is responsible for losses resulting from the provision of erroneous information by the District to the Contractor.
- c) Any account overdrafts;
- d) Federal funds may not be drawn for over issuance or transactions in excess of authorized recipient benefit allotments;
- e) Any duplicate or erroneous postings to a client account;
- f) Any losses from funds drawn from an account after the client notified the Contractor that the card had been lost or stolen;
- g) Any losses from transactions performed with cards issued but not activated by the client and/or the Contractor;
- h) Any damages or losses suffered by a Federal or District Agency due to negligence on the part of the Contractor; and
- i) Any loss of benefits caused by fraud or abuse by the Contractor or its representatives or subcontractors.

C.12 ACCOUNTING AND AUDIT REQUIREMENTS

C.12.0.1 The books, records, documents, and accounting practices of the Contractor, subcontractors, and third-party processors relevant to the contract shall be subject to audit, at any reasonable time and upon reasonable notice by the District of Columbia, USDA, or their duly appointed representatives. In the event of any audit, claim, negotiation, litigation or other action, records shall be retained for the duration of the event. The Contractor shall preserve the chain of evidence, regarding transaction logs for court.

C.12.0.2 Financial records pertaining to the Contractor shall be maintained for three (3) years following the end of the District's Fiscal Year (i.e. October 1 to September 30) during which the Contract is terminated or District and Federal audits of the Contract have been completed, whichever is later.

- C.12.0.3 The Contractor shall have an annual SOC 2 audit performed on its EBT operations and shall provide the report to the District within 30 days of the completion of the audit.
- C.12.0.4 Federal Regulation 7 CFR 274.1(i) State Monitoring, Examinations, and Audits requires the District to obtain a SSAE 16/SOC2 examination annually from the EBT Contractor regarding the issuance, redemption, and settlement of SNAP /TANF benefits.

C.13 ADP SYSTEM SECURITY REQUIREMENTS AND REVIEW PROCESS

- C.13.0.1 Federal Regulation 7 CFR 277.18(p) (1-5) ADP System Requirement and review process requires the District to implement and maintain a comprehensive ADP Security Program. In support of the program, the District shall conduct risk analyses and biennial ADP System Security Review of ADP System Security of sites involved in the administration of the Supplemental Nutrition Assistance Program including contractor sites. Sites will be subject to on-site review, at any reasonable notice by the District, USDA, or their duly appointed representatives.
- C.13.0.2 The Contractor shall be compliant with all security guidelines listed by FNS in the Attachment J.7, EBT Security Guidelines Handbook V6, last updated February 2004.

C.14 Applicable Documents and Governing Regulations

- C.14.0.1 The Contractor shall comply with the following rules and regulations that govern EBT systems and operations. FNS EBT regulations take precedence over other rules.

C.14.1 FNS Regulations and Standards

- C.14.1.1 The Contractor shall be compliant, at all times, with pertinent USDA Food and Nutrition Service Federal Regulations regarding the Supplemental Nutrition Assistance Program (7CFR) and the Agriculture Improvement Act of 2018 (the Act), and specifically:
 - a) Section 7 CFR 274.8 Functional and Technical EBT System Requirements;
 - b) Final Rule re: Supplemental Nutrition Assistance Program: Electronic Benefit Transfer Benefit Adjustments; Federal Register, Vol. 65, No. 129, Wednesday, July 5, 2000;
 - c) Section § 246.12 and 246.13, Financial Management System.
 - d) RESERVED
 - e) Interim Rule re: Supplemental Nutrition Assistance Program: Electronic Benefit Transfer (EBT) Systems Interoperability and Portability; was published as a final rule on 06/25/03, Vol. 68, No. 122
 - f) Final Rule re: Supplemental Nutrition Assistance Program, Regulatory Review: Electronic Benefit Transfer (EBT) Provisions of the Personal Responsibility and

Work Opportunity Reconciliation Act of 1996; Vol. 65, No. 193, Wednesday,
October 4, 2000.

- g) Final Rule re: SSAE 16/SOC 2 type audit required annually.
- h) The Contractor agree to comply with the most current (i.e. latest version) of The American National Standards Institute (ANSI) X9.93 standards, as specified by FNS, and that all software and automated data processing equipment ownership rights shall be as prescribed in Federal regulations and as further clarified or negotiated with the State.
- i) All changes, updates, revisions, and policy interpretations of the Federal regulations as enacted by law or FNS and applicable to 7CFR and the Act.

C.14.2 **Quest Rules**

C.14.2.1 The Contractor must be compliant with Attachment J.6, Quest Rules, Version 2.2, dated September 2014, plus all subsequent revisions and amendments to these rules.

C.14.3 **District of Columbia Rules**

C.14.3.1 The Contractor shall follow all applicable District law, rules, or policies relating to EBT, including terms and conditions within the EBT contract.

C.15 **Performance Requirements**

C.15.0.1 The EBT Contractor shall comply with District and Federal business requirements, program rules, and guidelines specified in this Contract.

C.15.1 **EBT Contractor Liabilities**

C.15.1.1 The EBT Contractor shall have financial liability for Contractor or system processing errors and omissions including fraud and abuse. Federal funds may not be drawn down for over-issuance or transaction in excess of the authorized recipients' benefit allotment. The EBT Contractor shall be responsible for the following:

- a) EBT Contractor Errors in the Disbursement or Authorization of Funds.
- b) The EBT Contractor shall be liable for Contractor errors in the authorization or disbursement into a client account of funds related to state-administered programs as described in OMB Circular A-87, 45CFR 200, 45 CFR 74, and 7 CFR 276.
- c) The District of Columbia is responsible for losses resulting from its providing erroneous information to the EBT Contractor.

C.15.2 **EBT Contractor Errors in Transaction Processing and Settlement**

C.15.2.1 EBT Contractor shall bear all liability for any losses resulting from errors or omissions including fraud and abuse on the part of the Contractor or its representatives or subcontractors. These liabilities shall include, but are not limited to:

- a) Any duplicate or erroneous posting to a client account.
- b) Any losses from funds drawn from an account after the client notified the Contractor that the card had been lost or stolen.
- c) Any losses from transactions performed with cards issued but not activated by the client and /or the Contractor.
- d) Any damages or losses suffered by a Federal or District of Columbia agency due to negligence on the part of the Contractor.
- e) Any loss of benefits caused by fraud or abuse by the EBT Contractor or its representatives or subcontractor.

C. 15.3 Invoicing for EBT Services

- C.15.3.1 The Contractor shall invoice District of Columbia. The District of Columbia will make monthly payments to the EBT Contractor for services rendered during the previous calendar month. At the end of each calendar month, the EBT Contractor shall prepare an invoice for services rendered during the month and submit it to the District of Columbia. Invoices must be received by the District within two (2) weeks of the close of the month being billed. The invoice must be accompanied by supporting documentation that substantiates each individual line item on the invoice. Invoice charges must be validated and substantiated, including pass-through expenses to the District of Columbia. At a minimum the EBT Contractor's invoice shall include the period of service covered by the invoice and shall itemize the following: total number of active cases served for the District of Columbia segmented by SNAP cases, cash only cases, and combined Food and cash cases, the cost per case per month (CPCM) for SNAP, cash and combined cases, total CPCM pricing for all cases served; equipment by type, number of units and cost per unit, and total cost by type of equipment; any other fees or services, adjustments, applicable District of Columbia and local taxes and total amount due.
- C.15.3.2 A "case" shall be defined as a single beneficiary unit receiving benefits through a single EBT account for one or more benefit programs. For invoicing purposes, active cases shall be those cases for which a benefit authorization has been posted to the account during the month. Disaster cases, if any, shall be included in the total billing month case count. For clarification, the following examples of active cases by case type (SNAP only, cash only, and SNAP and cash combined) are provided.
- C.15.3.3 **Example 1 – SNAP:** Case: Client has SNAP benefits authorized and posted to their EBT account on the 2nd of the month. On the 15th of the month, supplemental food benefit is authorized and posted to the same EBT account. The EBT Contractor would bill for one active SNAP case at the end of the month.
- C.15.3.4 **Example 2 – Combined Case:** Client has SNAP benefits posted to their EBT account on the 2nd of the month. On the 15th of the month, cash benefits are authorized and posted to the same account. The EBT Contractor would bill for one active combined case at the end of the month.

C.15.3.5 **Example 3 – SNAP or Combined Cases:** Client has a closed case. No benefits are posted for the billing month. However, due to a fair hearing, client is awarded back SNAP and/or cash benefits for the last 8 previous months. The EBT Contractor would bill for one active SNAP case if only SNAP benefits are posted or one active combined case if both SNAP and cash benefits are authorized and posted.

C.15.3.6 **Example 4 – SNAP and Cash Direct Deposit Case:** Same scenarios as example 2 but the household has opted to have its cash benefits processed via ACH direct deposit by the EBT Contractor. The EBT Contractor would bill for one active SNAP case and for each ACH deposit processed for the household at the end of the month.

C.16 RESERVED

C.17 CONTRACT PERFORMANCE REQUIREMENTS

C.17.0.1 To ensure that the EBT Contractor provides uninterrupted services to clients and meets the performance standard set forth in USDA, FNS regulations, the District of Columbia has established a set of EBT system and service performance standards. It is the intent of the District to remedy EBT Contractor non-performance through specific remedies and a payment “hold-back” protocol. The District may include additional performance remedies with this contract in order to recoup the District’s losses incurred due to Contractor non-conformance with performance standards.

#	<u>Operating Performance Standard</u>	<u>Performance Deficiency</u>
<u>1</u>	<p><u>EBT Central Computer Uptime</u> The EBT Central Computer shall be up and available 99.9% of the scheduled uptime. 24 hours per day, seven days per week measured on a monthly basis, in accordance with processing specifications and requirements. Scheduled uptime shall mean the time the database is available and accessible for transaction processing and excludes scheduled downtime for routine maintenance. The EBT Central Computer consists of all system functions over which the Contractor/Subcontractor has direct control, either directly or through a subcontractor relationship.</p>	<p>Failure of EBT Central Computer to be up 99.9% with scheduled uptime measured on a monthly basis.</p>
<u>2</u>	<p><u>EBT System Uptime</u> The total EBT system, including the host server, any network, intermediate processing facilities or gateway, shall be available 99% of scheduled uptime, 24 hours per day, 7 day per week, in accordance with processing specifications and requirements</p>	<p>Failure of the total EBT system to be “up” 99% of the scheduled uptime measured on a monthly basis.</p>

<p><u>3</u></p>	<p><u>EBT System Modifications</u> The EBT System shall not be modified without notifying the District of Columbia.</p>	<p>Modification to the system without prior notification to the District of Columbia which adversely affects the District operations or their clients.</p>
<p><u>4</u></p>	<p><u>EBT Switching Services</u> The Debit Switch service shall be available 99.8% in any calendar month after deduction for scheduled downtime or failure of communication lines or telecommunications equipment out of the reasonable control of the Contractor, in accordance <u>with contract requirements</u>.</p>	<p>Failure to provide Debit Switch availability 99.8% of the time in any calendar month.</p>
<p><u>5</u></p>	<p><u>Settlement and ACH Processes</u> 1. The timeframe for ACH settlement window will be met 99.9% of the time measured within a 30 day rolling window. 2. AMA and ASAP entries will be made with 100% accuracy. 1. STARS daily redemption totals will be provided to the Benefit Redemption System Branch (BRSB) and the transmission of the ALERT with 100% accuracy. 2. The EBT Contractor shall notify the District of Columbia of any settlement or reconciliation discrepancies within 12 hours.</p>	<p>Failure to meet timeframe for ACH settlement window 99.9% of the time measured within a 30 day rolling window. Two or more errors in providing AMA data to the FRB of Richmond over a two-month period. Two or more errors in the daily redemption totals provided to the BRSB over a 60 day rolling period. Failure to provide notice of discrepancy within 12 hours.</p>
<p><u>6</u></p>	<p><u>Acceptance of Data or File Transmission</u> The EBT Contractor's system shall be available to accept account set-up benefit authorization files or data transmissions 24 hours per day; seven days per week. The EBT System shall be made available within 60 minutes of being notified by the District that their system was not available to accept a file or data transmission</p>	<p>Failure of the EBT System to be available to accept account set-up or benefit authorization files or data transmissions 24 hours per day, seven days per week.</p>
<p><u>7</u></p>	<p><u>Card Specification</u> The EBT Contractor shall provide the District of Columbia with an annual attestation indicating that all cards provided to the District during the preceding year, including disaster card inventories, meet the card specifications required in the Contract. In addition the EBT Contractor shall randomly select the District's card inventory and have it tested by an independent lab and shall provide the results of the test to the District of Columbia. In particular,</p>	<p>Failure to provide annual attestation. Failure to conduct annual test of randomly selected cards within 90 days of the contract anniversary date. Failure to provide independent test results within 90 days of the contract anniversary date. Failure to meet card specifications required in this Contract.</p>

	the test results shall indicate the coercively level and rating of each tested card.	
<u>8</u>	<p><u>Benefit Availability</u> Daily benefits received by 11:00 pm will be in the clients' accounts by 12:01 am the next morning.</p>	Failure to have benefits available by 12:01 am for two or more days within a calendar month.
<u>9</u>	<p><u>Transaction Response Time</u> For leased line communications, 98% of EBT transactions shall be processed within 10 seconds or less, and 100% of EBT transactions shall be processed within 15 seconds. For dial up systems 95% of EBT transactions shall be processed within 15 seconds or less, and 100% of EBT transactions shall be processed within 20 seconds.</p>	Failure to complete 98% of client EBT only POS transactions within 20 seconds for a month.
<u>10</u>	<p><u>Inaccurate Transactions</u> No more than 2 inaccurate transactions per every 10,000 EBT transactions processed including all types of SNAP and cash assistance transactions permitted at POS terminals and processing through the host computer, manual transactions entered into the system, credits to household accounts, and funds transfers to retailers. Accuracy shall be measured on a monthly basis.</p>	Failure to maintain an accuracy standard of no more than 2 errors per every 10, 000 EBT transactions within a 30 day rolling period.
<u>11</u>	<p><u>Customer and Retailer Help Desks Performance</u> 1. 85% of all calls answered within 4 rings measured over a 2-month period. (4 rings are defined as 25 seconds.) 2. 97% of all calls for Customer Service Representatives (CSR) answered within 2 minutes measured over a two-month period.</p>	<p>Failure to answer 85% of calls within 4 rings measured over a 2-month period.</p> <p>Failure to answer 97% of all calls for CSR within 2 minutes measured over a 2-month period.</p>
<u>12</u>	<p><u>Customer Service Complaints</u> The EBT Contractor must respond to customer service complaints within the following timeframes:</p> <ul style="list-style-type: none"> • Priority One: 48 hours (e.g. card and account issues that negatively impact a cardholder's ability to access benefits.) • Priority Two: 5 business days (e.g. rudeness, or other issues that do not impact a cardholder's ability to access benefits.) 	<p>Priority One: Failure to respond within 48 hours.</p> <p>Priority Two: Failure to respond within 5 business day.</p>
<u>13</u>	<p><u>Host Response Time for Administrative Terminal Transactions</u></p>	

	Host response time for all administrative terminal transactions shall not exceed 2 seconds 98% of the time measured on a monthly basis.	Failure to respond to administrative terminal transactions within 2 seconds 98% of the time measured on a monthly basis.
14	<p><u>Equipment Installation for EBT-only Retailers</u> 100% of POS terminals shall be installed and operational within 14 days of when the Contractor receives notification of retailer authorization from FNS measured within a 90 day rolling period. Retailer initiated delays are not included.</p>	Failure to install 98% of the terminals within 14 days of the Contractor's receipt of notification from FNS measured within a 90 day rolling period, not including a delay in signing the contract by the retailer. Failure to follow up with a retailer who has not returned a contract within the allotted 10 calendar days.
15	<p><u>EBT Only POS Equipment Replacement</u> The EBT Contractor must ship, via overnight express, replacement POS equipment within 48 hours of a request for a replacement.</p>	Failure to ship replacement POS equipment via overnight express within 48 hours of a request 98% of the time measured within a 30 day rolling period.
16	<p><u>Card and PIN Issuance</u> Cards issued by mail, the EBT replacement cards, will be issued pinned and shall require activation by client via ARU.</p> <ol style="list-style-type: none"> When the cards are issued by mail, the EBT Contractor shall mail cards no later than the next business day after receipt of a card issuance request. 	<p>Failure to issue cards through the mail. Failure to mail cards in accordance with contractual requirements 98% of the time measured on a monthly basis.</p>
17	<p><u>Access to System by Retailers Using a Third-Party Processor or Driving Their Own Terminals</u> When a retailer chooses to employ a third-party processor to drive its terminals or elects to drive its own terminals, access to the system shall be accomplished within 30 day period or a mutually agreed upon time, to enable any required functional certification to be performed by the Contractor</p>	Failure to provide access to the system within a 30 day period, or within the mutually agreed upon time period, to 95% of the retailers using third party processors or driving their own terminals.
18	<p><u>Project Status Reporting – After Conversion</u> 1. The Management Reports defined in this Contract shall be provided on a timely basis to the District. Weekly reports shall be provided by close of business on Mondays. Monthly reports shall be provided by the 15th of the following month. 2. Customer Service Statistics Reports shall be provided by the 15th of the following month.</p>	<p>Failure to deliver reports to the District within the required timeframe unless the District receives advance approval. Failure to deliver reports to the District within the required timeframe unless the District receives advance approval.</p>
19	<p><u>Response to Enhancement/Change Requests</u> The Contractor shall respond to Enhancement and Change requests with the estimated hours and time</p>	Failure to provide a response to any Enhancement and/or Change request within the promised timeframe on a monthly basis.

	<p>frame to complete the Enhancement and/or Change Request within two weeks of receiving the request. All change requests will have an approved start and completion date.</p> <p>In consultation with the District of Columbia, the EBT Contractor will designate Enhancement/Change Requests as low, medium, or high priority. Low priority changes shall be initiated within 180 calendar days of written approval by the District. Medium priority changes shall be initiated by the Contractor with 60 calendar days of written approval by the District, and high priority changes will be initiated by the Contractor within 30 calendar days of written approval by the District.</p> <p>Progress on open change requests must be included in the regularly scheduled Status Reports.</p>	<p>Failure to initiate a low priority request within 180 calendar days of written approval by the District.</p> <p>Failure to initiate a medium priority request within 60 calendar days of written approval by the District.</p> <p>Failure to initiate a high priority request within 30 calendar days of written approval by the District.</p> <p>Failure to complete any change request by the approved completion date.</p> <p>Failure to report progress in Status Reports.</p>
<p>20</p>	<p><u>End of Contract Transition</u> After Completion of the contract established through this solicitation, the EBT Contractor shall cooperate with the District of Columbia during conversion.</p>	<p>Failure to provide information requested by the District of Columbia, and its designees that impairs in any way the transition of EBT services to a subsequent contractor.</p>
<p>21</p>	<p>ALERT</p> <ul style="list-style-type: none"> • The EBT Contractor shall provide a timely ALERT file to FNS. • The EBT Contractor shall correct data, as required, within one month of a State request to correct data in the ALERT file 	<p>Failure to provide the ALERT file within 2 business days.</p>
<p>22</p>	<p><u>Viruses and/or Bombs</u> The EBT Contractor shall warrant that the software provided by the Contractor to the District of Columbia, including any software provided by third parties under this contract, shall contain no viruses, backdoors, bombs, or other software mechanisms, techniques, or devices designed to intercept and retransmit data, provide unauthorized use of system resources, disrupt, disable, or stop its processing of data.</p> <p>Any third-party software warranties against viruses or disruptive software which is provided by the manufacturer, licensor, or seller of such software shall include the District of Columbia as a direct beneficiary.</p>	<p>Failure to provide software, including third party software, free of disruptive viruses, bombs, backdoors or other invasive or destructive techniques.</p> <p>Failure to include the District as a direct beneficiary of any third-party software warranties.</p>
	<p style="text-align: center;">Conversion Performance Standard</p>	<p style="text-align: center;">Conversion Deficiency</p>
<p>23</p>	<p><u>EBT-only Retailer Conversion</u></p>	

	95 percent of EBT-only Retailer POS equipment must be transitioned to the Contractor’s EBT system one week prior to database conversion.	Failure to transition 95 percent of EBT-only Retailer POS equipment one week prior to database conversion.
<u>24</u>	<u>Transition and Conversion Timeframes</u> Once established and approved, the EBT Contractor shall be required to complete conversion and transition activities within agreed upon timeframes.	Failure to meet agreed upon transition and conversion timeframes.
<u>25</u>	<u>Database Conversion</u> Once database conversion timeframes are established and approved, the EBT Contractor shall be required to complete conversion and transition activities within agreed upon timeframes	Failure to meet agreed upon database conversion timeframes.
<u>26</u>	<u>Project Status Reporting – Prior to Conversion</u> Prior to conversion, a weekly Status Report shall be provided to the District.	Failure to deliver status report to the District on a weekly basis.

C.18 PENALTIES FOR NON-COMPLIANCE WITH PERFORMANCE STANDARDS

C.18.0.1 The District will notify the Contractor of the first incident of failure to meet one or more of the defined performance standards and request a corrective action plan. The District of Columbia will set a date for submission of the plan. If the District does not receive the plan by the due date and no extension has been granted, the District may, at its discretion, invoke hold back provisions.

C.18.1 Hold Back Remedies for Non-Compliance

C.18.1.1 Performance deficiencies in any of the above listed performance standards shall be subject to remedy through hold-back provisions. The remedies set forth do not preclude the use of any other remedy provided by the District of Columbia contracts or applicable law. The District of Columbia agree to invoke the hold-back remedies as their first avenue in seeking to resolve performance deficiencies, except in instance set for the in the Contract Terms and Conditions. The District’s election not to invoke hold-back remedies in any instance of performance deficiency shall not be deemed to be a waiver of the District’s right to invoke hold-back remedies in any other instance

C.18.1.2 The District will notify the EBT Contractor of any deficiency in meeting one or more of the defined performance standards. It may be necessary for the EBT Contractor to correct a deficiency immediately through a remedial change. For all deficiencies, the District will request a corrective action plan and will set a due date for submission of the plan. If the District does not receive the plan by the due date and no extension has been granted, the District may invoke hold-back remedies per the schedule set forth in this section. If the District receives the plan by the due date, it will work with the EBT

Contractor to mutually agree on a final corrective action plan and a schedule to correct the deficiency. The District may invoke hold-back remedies if the Contractor does not meet the schedule and no extension has been granted.

- C.18.1.3 The District will notify the Contractor when it is satisfied that the problem has been corrected. If the District determines that the deficiency has not been corrected according to the schedule specified in the corrective action plan, the District may invoke hold-back remedies that shall be applied to Contractor payments if deficiencies are not corrected within the timeframes specified in the corrective action plan:
- a) First month – in the first month in which a deficiency is not corrected within the timeframe specified in the corrective action plan, the District may hold-back payment of ten percent (10%) of the total payment owed to the Contractor by the District.
 - b) Second consecutive month – the District may hold-back payment of twenty-five percent (25%) of total payments owed to the Contractor by the District.
 - c) Third and additional consecutive month – The District may hold-back payment of fifty percent (50%) of total payments owed to the Contractor by the District.
- C.18.1.4 Payments may be held-back until the District of Columbia is reasonable assured that the EBT Contractor has fully complied with the performance standards. Upon such assurance the deficiency has been remedied, the District shall promptly pay the Contractor all outstanding payment amounts previously held-back.

C.18.2 Financial Remedies for Conversion Delays

- C.18.2.1 If a transition and conversion is required, an on-time, successful, and problem free transition from the current EBT Contractor to the Contractor selected as a result of this procurement (succeeding EBT Contractor) is critical to the EBT program within the District of Columbia. Because of the importance of the conversion, several deliverable (Section C.6.1) are considered critical: 1) the District specific approved Project Work Plan; 2) the District specific approved Conversion Plan and 3) the conversion of the District's EBT database from the current Contractor's EBT system to the succeeding Contractor's EBT system.
- C.18.2.2 For each design, development, implementation and conversion task, the District will impose on the succeeding EBT Contractor a remedy of \$5,000 per day for each day of delay in the conversion of the District's EBT database beyond the date specified in the approved Project Work Plan and/or Conversion Plan. Any additional costs incurred by the District as a result of the failure by the succeeding EBT Contractor to convert the database on the scheduled conversion date, including, but not limited to, additional costs for the continuation of EBT services, shall also be the responsibility of the succeeding EBT Contractor. These remedies shall apply to all EBT programs and benefit delivery methods including EBT card, director deposit and branded debit card.

C.18.3 Optional Financial Remedies for Non-Compliance

C.18.3.1 Any delay or failure by the Contractor in a timely execution of its obligations in accordance with dates in a District’s approved Work Plan and/or in accordance with the specified performance standards will interfere with the proper and timely implementation of the EBT system and services, to the loss and damage to the District. Further, the District will incur significant cost to maintain the functions that would have otherwise been performed by the EBT Contractor. The following sections describe the liquidated damages that the District may impose at their option as a result of delays or failure of the EBT contractor to perform its obligation.

C.18.3.2 For the amount of any such damages, the District shall have the right to reduce the amount of payment to the Contractor for monthly payments and/or require direct payment from the Contractor to the District. Damages are difficult to establish and the below stated damages are a reasonable approximation of the damages.

C.18.3.3 The following represent circumstances under which liquidated damages may be imposed on the EBT Contractor by the District of Columbia.

C.18.4 Downtime

C.18.4.1 Subject to the aggregate monthly cap on liquidated damages in below Section 18.9, in any week(s) where the EBT Contractor’s unscheduled downtime i.e. unavailability for the EBT host processor, is in excess of 30 minutes, the liquidated damages shall be as follows:

31-60 minutes	\$500 each minute over 30
61-90 minutes	\$1,000 each minute over 60
91-120 minutes	\$1,200 each minute over 90
121+ minutes	\$1,500 each minute over 121

C.18.5 Inaccurate Transactions

For each failure of the Contractor to limit inaccurate transactions to no more than two inaccurate transactions per 10,000 transactions, measured and reported on a rolling 30 day basis, the District may hold-back payments to the Contractor according to the following schedule:

- a) For the first month the Contractor does not meet their Performance Standard, the District may hold-back payment of twenty-five percent (25%) of total payments then owed to the Contractor by the District of Columbia.
- b) For the second consecutive month the Contractor does not meet this Performance Standard, the District may hold-back payment of fifty percent (50%) of total payments then owed the Contractor by the District of Columbia.
- c) For the third consecutive month the Contractor does not meet this Performance Standard the District of Columbia may hold-back payment of one hundred percent (100%) of total payments than owed the Contractor by the District.

- d) Payments may be hold-back until the District of Columbia is reasonably assured that the Contractor shall comply with this Performance Standard. Upon such assurance, the District shall promptly pay to the Contractor all outstanding payment amounts being held back.

C.18.5.A Late Deliveries

- C.18.5.A.1 In the event the EBT Contractor fails to receive a deliverable acceptance from the District of Columbia by the due date specified in the District approved Work Plan due to the EBT Contractor's fault, the District may impose liquidated damages of \$1,000 per day each day beyond the scheduled due date for the deliverable.

C.18.6 Failure to Meet Transaction Response Time

- C.18.6.1 In the second consecutive month and in successive consecutive months following a failure to meet the system processing speed standards for EBT transactions as specified in 7 CFR §274.8, Functional and Technical EBT System Requirements, the District may hold-back payments of twenty five percent (25%) of total payments then owed to the Contractor, Payments may be held-back until the District is reasonably assured by the Contractor that the system will meet the system response time Performance Standards. Upon such assurance, the District shall promptly pay all outstanding payment amounts to the EBT Contractor.
- C.18.6.2 In any month in which the Contractor's EBT host processor fails to process and respond to transactions as specified in 7 CFR §274.8, Functional and Technical EBT System Requirements, measured on a monthly basis, the District may impose liquidated damages equal to five percent (5%) of the total invoice amount for that month's transaction processing. The maximum liquidated damages assessable in a one month period for failure to meet the EBT host transaction processing speed requirements with be \$25,000.

C.18.7 Overpayment of Benefits

- C.18.7.1 In the event of an overpayment of benefits due to an inaccurate transaction, in the EBT Contractor's reasonable control, the EBT Contractor shall be responsible for all incurred costs resulting from the overpayment and may not seek to recover such costs from benefit recipients unless the overpayment can be removed prior to the availability date. The EBT Contractor shall also be responsible for actual damages, if any, suffered by the District resulting from the overpayment, including all expenses incurred that would not have been incurred but for the Contractor's overpayment of benefits.

C.18.8 Customer Service Performance Standards

- C.18.8.1 During any consecutive two-month period in which 85% of all client, retailer and District of Columbia calls to the EBT Contractor's toll free call center are not answered within four rings and a CSR does not respond to 98% of all calls within two minutes of a call being put on hold, the EBT Contractor shall submit a corrective action plan. The corrective action plan shall be submitted to the District within 15 days following the end

of the second month. The EBT Contractor shall achieve full compliance with this Performance Standard within 15 days of the submission of the corrective action plan. If the EBT Contractor does not meet this Performance Standard within 15 days of submission of the plan, the District may hold-back 25% of total payments then owed to the EBT Contractor by the District. Payments may be held back until the District is reasonably assured that the EBT Contractor shall comply with this Performance Standard. Upon such assurance, the District shall promptly pay to the EBT Contractor all outstanding payment amounts being held back under this Section.

C.18.9 Maximum Liquidated Damages

C.18.9.1 The maximum total aggregate liquidated damages assessable in one calendar month will be 35% of the total contract revenue to the Contractor in that month.

C.18.10 Payments

C.18.10.1 Amounts imposed by the District of Columbia as liquidated damages may be deducted by the District from any money payable to the EBT Contractor, or the District may bill the EBT Contractor as a separate item therefore and the EBT Contractor shall immediately, and in all cases within 30 days of receipt of such bill, make full payment on such bills. The District shall make its claims against the EBT Contractor for liquidated damages in a reasonable time after discovery of an instance of non-conformance with performance standards.

C.18.11 Payment Hold Backs

C.18.11.1 The District of Columbia shall have the right to hold back payments to the EBT Contractor if the Contractor fails to perform its obligations, to the extent of amounts in dispute from such failures to perform, until the dispute is resolved.

C.18.12 Reductions in Payments

C.18.12.1 If the Contractor's nonconforming performance results in District of Columbia expenses or liquidated damages, the District shall be entitled to those expenses from the amount due the Contractor.

C.18.13 Procurement of Cure Services

C.18.13.1 If, in the reasonable judgment of the District of Columbia, a default by the EBT Contractor is not so substantial as to require termination, reasonable efforts to induce the EBT Contractor to cure the default are unavailing, and the default is capable of being cured by the District or by another resource without unduly interfering with continued performance by the EBT Contractor, the State may provide or procure the services reasonably necessary to cure the default, other than with respect to the EBT host processor, in which event the Contractor shall reimburse the District for the actual cost of the services. This remedy is not available for curing any defaults with respect to the EBT host processor or access to the software used on the EBT host processor.

C.18.14 Right to Inspect, Correct or Stop Services

- C.18.14.1 The deliverables and services being provided by EBT Contractor and its subcontractors, if any, shall be available for inspection and review at any reasonable time by representatives of the District.
- C.18.14.2 In addition to its other remedies described herein, the District shall have the right, at any time, to order the services of the EBT Contractor or any of its subcontractors or suppliers to be fully or partially suspended or stopped, if, in the judgment of the District of Columbia the deliverables or services fail to conform to specifications and requirements.
- C.18.14.3 The District shall also have the right to fully or partially suspend or stop services for its own convenience. The EBT Contractor shall receive notice of the reasons for such an order. The project shall be delayed on a day-for-day basis if the District has issued a stop work order to the EBT Contractor and such stop work order is causing delays in completing services in accordance with the Project Work Plan.

C.18.15 Deductions for Errors in Processing

- C.18.15.1 The EBT Contractor shall be liable to the District for any errors in processing benefits or reimbursements, including without limitation any overpayments or duplicate payments, except to the extent such errors arise from the actions of the District or Federal agencies. Such liabilities may, at the District's option, be deducted from the EBT Contractor payments. This liability of the EBT Contractor shall be in addition to any other liability for processing errors established by operation of law.

C.19 TRAINING FOR ALL USERS

C.19.1 Content of Training

- C.19.1.1 The Contractor shall provide training that includes the following:
- a) Use of the District of Columbia EBT card at the point-of-sale, including the type of benefit transactions that can be processed at POS terminals;
 - b) Use of the District of Columbia EBT card at ATMs, including the type of benefit transactions that can be processed on ATMs;
 - c) Use and safeguarding of the card and PIN;
 - d) Card replacement and PIN change methods and procedures;
 - e) Manual SNAP transaction procedures;
 - f) Guidance on reporting problems with the card or its use and on reporting a lost or stolen District EBT card;
 - g) Dos and Don'ts of EBT fraud and SNAP trafficking of EBT cards.

- h) signed acknowledgement from EBT cardholder to the trainer to validate the receipt of training;
- i) Use of transaction receipt to track balances;
- j) Use of the Automated Response Unit (ARU);
- k) Customer service functions, including a prominent display of the toll-free Customer Service Help Desk number;
- l) Account Activity Procedures;
- m) Benefit amount is reported as inactive after 60 days;
- n) Benefit amount becomes dormant after 120 days;
- o) Benefit amount will be removed on a month-by-month basis after reaching 365 days of inactivity and when Farm Bill guidance regarding expungement is released, clients receive training of the change (the Contractor shall update the new printed training material and online training information with the language); and
- p) A list of points of contact by issue

C.19.2 Retailer Training

C.19.2.1 The Contractor shall provide training and training material to all retailers participating in the EBT program. Training shall cover information on operating the POS machine for both the cash and SNAP. FNS Federal Regulation 7.CFR.274.3 (e) (8) Managing Retailer Participation requires that retail store employees be trained in system operation prior to implementation. Such training shall include the provision of appropriate written and program specific materials.

C.19.2.2 Training material shall include:

- a) Merchant Help Desk toll-free number;
- b) Use of the ARU;
- c) Manual Voucher Processing Procedures;
- d) Procedures on installation of the POS, and
- e) Procedures on operating the POS.

C.19.3 Training for Customer Service Representatives

C.19.3.1 Training material provided by the Contractor shall be online and cover all of the functionality supported by the EBT administrative terminal for the District of Columbia. The material shall cover accessing the administrative terminal functions, security features within the system, and detailed explanation of the screens and functions supported by the Administrative Terminal application. Training material shall include the Administrative Terminal Manual. The Administrative Terminal shall be printable.

C.19.4 Recipients to Be Trained

C.19.4.1 The District services over 80,000 households representing over 130,000 individuals. The District will identify anticipated caseload going forward as best as possible. The Contractor shall provide new EBT clients with access to training material via mail or eLearning tools.

C.19.4.2 The Contractor shall provide written training for EBT recipients. The training shall be effective and easily understood training curriculum. The training materials must be written at a fifth-grade reading level and must be in compliance with FNS, SNAP regulations. Training materials must be prepared in English, Spanish, Vietnamese, Chinese/Mandarin, Amharic and French.

C.19.4.3 The physical EBT card delivery package shall contain training materials explaining the following topics:

- a) How to activate the EBT card;
- b) How to select a PIN number and no sequential or repeating four of the same digits PINs (the Contractor shall include language in new print training material stock and online training information);
- c) Important information about safeguarding the card and PIN number;
- d) A prominent display of the Quest logo;
- e) A prominent display of the toll-free Customer Service Assistance center;

C.19.4.4 Card Sleeves - All cards shall be issued with a protective sleeve that bears the following training points at a minimum:

- a) “Do not write your PIN number on your EBT card or on this card sleeve”;
- b) Wallet Card - All new cards distributed to EBT clients shall contain a wallet card. The wallet card shall be a tri-fold glossy designed to fit in a wallet for ease of reference. The wallet card shall contain instructions for use of the EBT card and shall include, at a minimum, the following topics:
 - i. How to find out the EBT Card balance;
 - ii. How to use the card when buying food;
 - iii. A prominent display of the toll-free Customer Service Assistance center telephone number;
- c) Questions and Answers Brochure - All cards distributed to EBT clients shall contain a Questions and Answers Brochure that can serve as a training guide for clients. At a minimum, the training pamphlet shall include the following topics:

- i. Use of the District EBT card at the point-of-sale;
- ii. Statement to keep brochure for future reference prominent on front cover;
- iii. Use and safeguarding of the card and PIN;
- iv. Procedures for card replacement, PIN selection, and PIN changes;
- v. How to inquire about the benefit availability date;
- vi. Manual SNAP transaction procedures;
- vii. Guidance on reporting problems with the card or its use;
- viii. Guidance on resolving retailer disputes;
- ix. Guidance on reporting a lost or stolen District EBT card;
- x. How to track balances;
- xi. Use of the ARU;
- xii. Customer service functions, including a prominent display of the toll-free Customer Service Assistance center telephone number.

C.19.4.5 The Contractor will provide an eLearning training video for the purpose of training customers. The training video shall be no more than 15 minutes and directed to a fifth-grade education level. It must be provided in both English and Spanish with at least one open-captioned version of each. This video shall be accessible to the public online.

C.19.5 Department of Human Services (DHS) Staff Training

C.19.5.1 The Contractor shall provide a training program on the use of the administrative terminal that is web-based, for DHS, ESA staff.

C.19.5.2 The Contractor shall provide written and eLearning training materials about the EBT system to be used by District of Columbia staff. Updates and revisions of both sets of training materials shall be provided in a timely manner whenever the Contractor modifies functionality of the EBT system.

C.19.5.3 The Contractor will provide an eLearning training video online for the purpose of training the District of Columbia staff to access reports, access client information, and complete all DHS functions. The training video shall be no more than 15 minutes in length and must cover the same topics listed above for the written training materials.

C.20 Project Management/Deliverables

C.20.0.1 The District envisions the EBT project consisting of the following high level phases in sequence (although there may be some overlap) phases. These phases are:

- a) Requirements Analysis
- b) Design
- c) Development

- d) QA Testing
- e) UAT Validation
- f) Pre-Production Environment Live Case Testing (for converted data)

C.20.0.2 These phases include conversion activities as well and may be broken down further depending on the initial analysis and direction

C.20.0.3 Because of the many possible factors impacting the timeline required for the design, development, and transition to the Contractor's system, the District of Columbia does not intend to prescribe any set period of time for each of the respective phases. However, the transition must be completed prior to the end of the District's existing contract.

C.20.0.4 The Contractor that wins this award will be responsible for 1) cooperating with the next Contractor and 2) a full reconciliation prior to the transfer of the system.

C.21 PLANNING DOCUMENTS & PROJECT STATUS REPORTING

C.21.0.1 All planning documents, Functional Design Documents, Technical Design Documents, Project Status Reports, and project-related deliverables must be approved in writing by the relevant District stakeholder before being invoiced and executed.

C.21.1 Project Work Plan

C.21.1.1 The Contractor shall provide a Project Work Plan. The plan shall include, at a minimum, a schedule of all tasks and deliverables required through the project. The plan shall identify the individual tasks and deliverables by project phase. This plan shall identify all critical path and dependency tasks and delineate the responsibilities of the Contractor, the District of Columbia and Federal agencies. The Contractor shall submit a preliminary Project Work Plan no later than three weeks after signing a contract. The District shall review and comment on the plan within ten working days. The final Project Work Plan shall be provided ten working days following the receipt of the comments from the District.

C.21.1.2 The Contractor's Project Work Plan for SNAP shall include a detailed schedule that includes task descriptions for completing each deliverable, a timeline for completion of each task, involved parties, and people responsible for completing each task. The schedule shall be submitted in sufficient detail to allow the evaluators full visibility into the planned activities, responsibilities, and dependencies. The schedule shall include project milestones and be developed utilizing MS Project. The submission shall include a description of any known risk areas and the Contractor's approach to mitigating the risks.

C.21.2 Project Management Plan

C.21.2.1 The project management plan shall describe the project management principles to which the Contractor will adhere. The plan shall be submitted to the District at the same time as the Project Work Plan and will be reviewed by the District within the same timeframe as the Project Work Plan. The plan shall also describe escalation pathways, project management tools the team expects to use, District Subject Matter Expert (SME) management procedures, and any other expectations of any District Employees (whether for technical, audit, policy, operational, or other expertise) needed to achieve project timelines and milestones.

C.21.3 Transition Plan

C.21.3.1 The Contractor shall be responsible for the migration of the client and retailer database from the current EBT system to the Contractor's EBT system. The Contractor shall prepare a migration plan that covers at a minimum each of the following activities:

- a) Migration of transaction acquirers;
- b) POS device deployment and installation
- c) Migration of the client database; and
- d) EBT card replacement.

C.21.3.2 Database conversion (conversion from existing database to new database) shall take place overnight on a weekend. The Contractor shall analyze monthly transaction volumes and select a weekend when the least number of retailer and clients will be impacted. The entire conversion shall be completed in ten hours or less. During conversion no stand-in of clients' transactions will be required. Conversion will also include.

- a) ARU transaction testing;
- b) Migration of transaction acquirers;
- c) POS device deployment and installation;
- d) Migration of client database;
- e) EBT card replacement testing; and
- f) Customer service/help desk script testing.

C.21.3.3 The plan shall address the processes to be used for the migration, how the processes shall be tested, and contingency plans for problems and issues that may occur during the migration. The migration plan shall also address the verification and validation of the migration process, in particular the validation of the clients' account balances that are

converted to the Contractor's system. The Contractor shall submit the final Transition Plan for Federal and District of Columbia approval.

C.21.3.4 The Transition Phase consists of the activities required to convert the EBT processing for the District of Columbia to the Contractor. It is anticipated that some of the Transition Phase activities, specifically the EBT-only retailer conversion, will begin prior to the end of the Development Phase. However, it is expected that none of the database conversion activities shall occur until the development activities have been completed, and specifically the Transition Testing has been completed and a sign-off has been received from the District. The activities within the Transition Phase consist of the following:

- a) EBT-Only Retailer Conversion;
- b) Cardholder Database Conversion, which includes;
- c) Transaction history;
- d) Client card and demographic data;
- e) Benefit data; and
- f) EBT Card re-issuance.

C.21.3.5 The activities taking place during the Transition Phase shall follow the process defined within the District approved Transition Plan submitted during the Design Phase.

C.21.4 EBT Database Conversion Plan

C.21.4.1 Database conversion (conversion from existing database to new database) shall take place no earlier than 9:00 pm on a Saturday night. The Contractor shall analyze monthly transaction volumes and select a weekend when the least number of retailer and clients would be impacted. The entire conversion shall be completed in ten (10) hours or less. During conversion no stand-in of clients' transactions will be required.

C.21.4.2 The Contractor shall:

- a) Perform significant testing of the conversion process, including performing test transactions against the converted database in the Test System.
- b) Testing shall also validate that PINs have been converted successfully;
- c) Accept three years of transaction history to be transferred from the current EBT Contractor;
- d) Provide for conversion of six months of online transaction history onto the Contractor's system;
- e) Have checkpoints and reconciliation procedures built into the conversion process to ensure that no benefits or records are dropped; and

- f) Have a contingency fallback plan in case the conversion cannot be completed in a timely manner due to problems.

- C.21.4.3 The Contractor shall provide the District a detailed conversion plan for changing processing platforms and converting the database files or a transition plan for moving equipment, people, data, processes, operations, and so forth, as a deliverable with all associated activities needed for the migration from the District's current EBT system to the Contractor's system with minimal disruption. The plan shall include a description of the overall approach, the order in which the activities will occur, tasks to be performed, the parties responsible for performing each task, and a back-up plan, shall any or all of the activities be delayed. The plan shall include however not limited to:
- a. Migration of transaction acquirer
 - b. POS devices deployment and PIN pad installation
 - c. State, Client and retailer Training
 - d. Client and Retailers notification of database conversion outage
 - e. Testing procedure, verification and validation of the migration process
 - f. Customer service/help desk

C.21.5 Life Cycle Testing Approach Plan

- C.21.5.1 The Contractor shall provide a System Life Cycle Testing Plan. The basic premise of the life cycle testing approach is that any changes made, whether they be by the Contractor's system or the District of Columbia system, shall be properly tested prior to being introduced into a production environment. The plan shall include, at a minimum, the tests identified in Test Plan, of this section, as appropriate, for each of the project's four phases. The plan shall address the extent of integration testing that is to occur to ensure that all systems properly interface and operate as designed.

C.21.6 Test Plan

- C.21.6.1 The Contractor shall develop system test plans during the Design Phase. Test plans shall, at a minimum, outline the test purpose, methodology, environment, approval rating system and Regression Testing requirements. Test plans shall be developed for the Functional Demonstration, System Acceptance Test, System and Network Capacity Test, ARU Test, Regression Test and the System Interface Test.

C.21.7 Back-up and Recovery Plans

- C.21.7.1 The District of Columbia requires the Contractor to operate a hot-back-up site as well as provide updates to contingency plans as necessary. The Contractor will provide an evaluation of the types of service interruptions that may impact the EBT system's operations and therefore require the use of a backup and recovery process. For each potential interruption type, the Contractor shall, at a minimum, detail the steps to recover from the interruption. The plan shall include provisions to ensure that benefits continue to be accessible to cardholders. The District reserves the right to assign penalties due to lack of performance as outlined in Section C.18.

C.21.7.2 In addition, the Contractor shall outline the resources committed to each proposed contingency plan (i.e., people, systems (including internet and mobile applications, telephone lines, and operation sites) and indicate whether the contingency plan has been tested under real or simulated conditions. The final Back-up and Recovery Plan shall be submitted no later than three (3) months after contract signing.

C.21.7.3 Disaster preparation and contingency planning cover three areas. The first is the Contractor's system; the second is the State's eligibility systems; and the third is disasters impacting a large number of the State's population.

C.21.8 Contractor Backup Systems Plan

C.21.8.1 The Contractor shall provide a plan for alternate means of authorization of EBT transactions during short-term outages, when switching over to the back-up site is not considered appropriate. The response to this requirement shall also include how the Contractor will notify both the District and the retailer community that an outage is occurring, and alternate means of authorizations are currently in place.

C.21.8.2 However, in the event of a disaster impacting the availability of the Contractor's primary data processing site, the Contractor shall have available a back-up site for host processing and telecommunications network services. The Contractor shall have the EBT back-up site begin processing transactions within one hour of a disaster declaration.

C.21.8.3 The Contractor's disaster recovery plan shall also include a District of Columbia notification process as well as disaster declaration criteria and timeframes that are acceptable to the District. The Contractor shall notify the District immediately upon Contractor's decision to move to a disaster back-up site to provide EBT services. If the Contractor is providing EBT services to multiple States; the disaster recovery plan shall address the timing and order of recovery of the District as compared to the other agencies being processed. The recovery of the District of Columbia's EBT system shall not be delayed because the Contractor is recovering other States' EBT systems. The disaster back-up site shall be tested annually, and the Contractor shall provide the District with copies of such test results within thirty (30) days of receipt of the test results.

C.21.8.4 The Contractor shall support the recovery of the District's eligibility and EBT interface systems at a back-up site in the event of a disaster at the District's primary data center. This support shall consist of providing connectivity to the District's back-up site to support the transmission of data files and reports between the District and the EBT Contractor. Initial support may consist of only dial-up access until a more robust solution can be implemented. The connectivity during the initial days of a disaster may also consist of passing recorded media between the Contractor and the District. In either case, the Contractor shall provide support to the District in ensuring that benefits are still being provided to clients through the EBT system during the recovery of the District's data processing systems. Following the declaration of a disaster by the District and movement to a back-up data center, the Contractor shall work with the District technical staff to provide EBT administrative terminal support.

C.21.9 Disaster Plan

- C.21.9.1 The EBT Contractor shall provide benefits to District’s clients subsequent to the occurrence of a disaster within the District. The basic assumption in this scenario is that there is sufficient infrastructure available within the retailer community to support EBT as a means for benefit payments. This section provides the requirements to the EBT Contractor for providing these benefits.

- C.21.9.2 The District’s plan in supporting disasters is to maintain an inventory of pre-embossed and pre-encoded EBT cards within the District that would be used in the event of a disaster. Following the declaration of a disaster supporting expedited issuance of Supplemental Nutrition Assistance Program benefits by USDA, the District would issue the disaster EBT cards to eligible clients within the disaster areas. Following the issuance of the card, the District would update the respective EBT account on the Contractor’s EBT system through the batch and webservices interface with the associated demographic information, including the assigned case number and client name. Benefits would also be added to the EBT account through the batch and webservices interfaces.

- C.21.9.3 To support the District’s plan for EBT disaster services, the Contractor shall establish and maintain on the EBT database predefined disaster accounts and the related EBT card. The Contractor shall create 25,000 EBT accounts to be used for disaster services and the associated EBT cards and system assigned PINs. These EBT accounts shall remain on the Contractor’s EBT system until utilized for a disaster. The EBT cards and PIN mailers shall be delivered to the District in ascending EBT account number sequence. The District will store the cards and related PIN mailers until they are needed for a disaster. The EBT account number shall be used as an identifier on both the Card and PIN mailer, so the two can be matched and provided to clients during a disaster. The Contractor shall work with the District during the design phase of the project to finalize and document these requirements. The Eligibility System must be checked for duplicate participation at the time of issuance when using EBT Administrative Terminal to issue Disaster SNAP benefits.

- C.21.9.4 For localized disasters impacting a small geographic area, such as an area hit by a Tornado, the Contractor shall support the option of drop shipping all requested EBT cards to a specified address within the impacted area. The impacted area would be identified by zip code. Following written notification by the District, the District requires that all EBT cards, that would normally be mailed to clients within the impacted zip codes instead be drop shipped to the location specified by the District. The EBT cards would be drop shipped until written notification is received from the District to discontinue drop shipping and begin mailing cards again. This is a Fee for Service option that shall be priced separately in the Contractor’s pricing.

C.21.10 System Security Plan

- C.21.10.1 The Contractor shall prepare a security plan detailing, at a minimum, the security provisions and proposed system configurations established within the EBT system. The

Contractor shall submit the final System Security Plan for Federal and District review. The Contractor shall refer to EBT Security Guidelines and Federal Regulations 7 CFR 277.18(p) requires all state contractors to comply with EBT security requirements.

C.21.11 Training Plan

C.21.11.1 The Contractor shall prepare and submit a Comprehensive Training Plan that identifies the proposed deadlines and supportive tasks for the planning, design, development, production and distribution of all training materials. The training plan shall address the timeline for creation of the deliverables and the timeframe for training the client, District staff and retailers. Training materials for retailers shall include complete information on installation and operation of the POS. The plan shall outline deliverable dates of training products with sufficient time allowed for District and Federal review and approval.

C.22 RETAILER AND TPP AGREEMENTS

C.22.0.1 The Contractor shall provide District copies of the retailer and TPP agreements that will be utilized within the District for review and approval by the District. FNS will also review these agreements.

C.23 INFORMATION TECHNOLOGY DEVELOPMENT & TESTING PHASE

C.23.0.1 Required system tests and demonstrations, which shall be conducted by the Contractor during the Development Phase are included in Attachment J.4.

C.23.0.2 The EBT Contractor shall allow an appropriate time for District and Federal review and comment for various documents including the Detailed Design document, Retailer Agreements, Acceptance Test Plans and System Security plans. The Contractor shall complete system testing, as well as provide the final training materials during the Development Phase. The Development Phase shall commence following the completion of the Design Phase. All deliverables for the development phase identified within the Project Work Plan are subject to the District and Federal review for approval. During this phase of the project, the Contractor shall configure and test the District EBT system according to the system specifications defined and agreed upon during the Design Phase

C.23.0.3 See Attachment J.5 Food and Nutrition Services, Electronic Benefits Transfer, (EBT) System Transition Guide, Version 2.0, June 6, 2005 for additional details on transition planning.

C.23.1 Design Phase

C.23.1.1 The timeframe for the deliverables from the Project Design Phase shall be based upon tasks and deliverables identified within the Project Work Plan. The Design Phase shall commence with the signing of a contract and shall continue for the timeframe identified within the Contractor's response and proposed work plan and mutually agreed upon by

the District and the Contractor. All deliverables are subject to District of Columbia and Federal review and approval.

C.23.1.2 The Contractor shall allow appropriate time for District of Columbia and Federal review and comment for deliverables. The Contractor shall address the following items within their Project work plan.

- a) Host System Database;
- b) Functional Demonstration;
- c) Test Plan;
- d) System Resource Requirements;
- e) Prototype Retailer Agreement;
- f) Prototype TPP Agreement;
- g) Prototype Paper Voucher Procedures;
- h) Assess Retailer Environment;
- i) Draft Retailer Training Plan/User Manual;
- j) Caseload Conversion Plan;
- k) Implementation Plan;
- l) Client Training Plan;
- m) Draft EBT Card;
- n) EBT Card Management Procedures;
- o) Data Center Preparation;
- p) Configuration Management Plan;
- q) Contingency Plan; and
- r) System Security Plan.

C.23.2 Functional Design Documents

C.23.2.1 This document shall, at a minimum, provide a functional overview and a description of the operating environment, procedures and workflow of the EBT system. The Contractor shall submit the final Functional Design Document for Federal and District review.

C.23.3 Detailed (Technical) Design Documents

C.23.3.1 The Detailed Design Document shall describe the total system configuration including system hardware, functionality, file layouts, message and file flows, ARU Scripts, data elements, system interfaces, settlement and reconciliation functions, and the system security plan. The Contractor shall submit the final document for Federal and District review.

C.23.3.2 The District of Columbia requires that data sent from the District to the processor be sent in encrypted format. Also recommend that all Master Key and Key Exchange Keys be inserted into cryptographic equipment by three officers of the winning firms and that no one person has knowledge of the entire key.

C.23.3.3 Cryptographic equipment shall be tamper resistant and shall erase its memory in the event that a tampering attack is detected. Cryptographic equipment shall be placed in

rooms that can only be entered through cyber locks and as a rule will be manned 24 hours a day.

C.23.3.4 Processors shall be required to send PINs encrypted with a zone key and PINs encrypted with a master key to the cryptographic box for a determination of a match.

C.23.3.5 Processors shall not use the cryptographic box to decode the zone key encrypted PIN, encrypt with the master key and compare the master key encrypted PIN with the master key encrypted PIN residing on the on-line database. Specific controls shall be specified if the processor plans to use a subcontractor to manufacture cards and PINs.

C.23.3.6 Specific controls shall also be in place for reduced access to retailer contracts and their voided checks.

C.23.4 Development Process

C.23.4.1 The Contractor must adhere to coding best practices, standards and conventions and provide documentation of adherence.

C.23.5 Change/Enhancement Requests

C.23.5.1 For enhancements and change orders that occur during development, or later, in the operations phase, the Contractor shall provide to the District its cost estimate including programming time and/or any incremental change for the District's review prior to implementing any District-requested changes. The cost estimate shall be provided by the hour utilizing the hourly rate for the labor grades provided in the Contractor's pricing. The Contractor shall respond to enhancements and change orders requested by the District within two weeks of receiving the request. If the Contractor is unable to provide an accurate estimate within two weeks, the Contractor shall provide within the two weeks a timeframe of when a complete estimate will be delivered to the District. Work shall not begin on the enhancement and/or change order by the Contractor until written approval is received from the District. The Contractor shall provide hourly rates for contractor's labor grades in "Other" line item of printing pricing.

C.23.5.2 The Contractor shall establish requirements for contractor initiated changes, and develop a notification and approval process.

C.23.6 System Testing

C.23.6.1 System testing must be performed on all components and functional areas of the EBT application system before delivery of the system. Upon completion and approval of the design documents, the Contractor shall update the System Test Plan as appropriate. The Contractor shall provide system test scripts detailing step-by-step instructions on the actual test and system functions to be demonstrated. Test scripts shall describe the expected outcomes and record the actual test results". Actual test results shall be compared against expected/ desired outcomes and an explanation or problem report

shall be created for any differences. The Contractor shall develop and control test data and DC staff will review test scripts, results and fixes.

C.23.7 Functional Demonstration

C.23.7.1 The functional demonstration shall provide District of Columbia and Federal representatives the opportunity to review and observe planned EBT system operations. The Contractor shall prepare a report of the demonstration results including any system modifications that were identified. The Functional Demonstration shall occur as early as possible but no later than six (6) weeks prior to the System Acceptance Test to ensure the design is proceeding according to the expectations of the District and Contractor.

C.23.8 Interface Testing

C.23.8.1 The Contractor shall conduct a test between the District's MIS Management Information System (MIS) (currently DCAS and the Contractor's EBT system to ensure that all files sent between the two systems are properly received, accepted, and processed. Files to be tested include, at a minimum: eligibility, certification, and claim files. The District is requiring the testing of other interfaces such as third party, REDE, ASAP/AMA at a minimum.

C.23.9 System (User) Acceptance Test

C.23.9.1 The Contractor shall schedule a formal User Acceptance Test (UAT) event with participation by both State and Federal representatives. This test shall consist minimally of functional requirements, system security, recovery, system controls, and "what if" testing.

C.23.9.2 During the scripted portion of the formal UAT, testing participants will follow the detailed test scripts developed by the Contractor and reviewed and approved by the State and FNS. The UAT test scripts must cover all facets of the system's operations and test all of the system processing options and environmental conditions.

C.23.9.3 To the extent possible, the formal UAT environment shall mirror production. At least 30 days prior to the formal UAT, the Contractor shall provide a draft UAT Plan that describes the week's agenda; test hardware that will be available and how it will interface with the Contractor's test platform; the roles of various Contractor staff participants as far as UAT management, quality assurance, reconciliation and reports review, and hardware/interface problem resolution; the process for recording test problems, ranking their severity and tracking their resolution; sample problem report and what-if forms; and other pertinent UAT information.

C.23.9.4 The final UAT Plan must be provided at least 10 days prior to the start of the UAT. At a minimum, the formal UAT environment shall consist of at least two test team

workstations for each program with an administrative terminal and POS terminal at each.

- C.23.9.5 In addition, another State's test system, test cards and POS terminals (including one restaurant terminal) shall be made available to test interoperability in both directions for various POS and voucher transactions. Other required components include a multilane store POS configuration, an ATM/TPP simulator and the ability to print screenshots from both workstations for documentation purposes.
- C.23.9.6 All POS terminals shall use dial-up or broad band communications and connect to the Contractor system through their production gateway or its test platform. The UAT test environment shall be self-contained, so that no other Contractor testing can be performed simultaneously during the UAT. The test environment, to the extent practical, shall begin with a clean test database. Documentation of the starting database contents must be provided on day one of the test.
- C.23.9.7 The system acceptance test provides both District of Columbia and Federal representatives, the opportunity to test the EBT system functionality and ensure compliance with the system design requirements. The test shall be performed on-site in the District.
- C.23.9.8 In addition, as part of the system acceptance testing the Contractor must demonstrate the methods and processes for performing daily reconciliation between the District and Contractor interface and processing activities including financial settlement.
- C.23.9.9 During the formal test script portion of the acceptance test, testing representatives will follow detailed test scripts developed by the Contractor. The test scripts shall cover all facets of the system's operations and test all of the system processing options and environmental conditions (e.g., POS hardware and communications failure and entry of erroneous data). The scripts should include testing that covers:
- a. Batch processing;
 - b. System security and user access;
 - c. User inquiries of case, client, card, and benefit information;
 - d. The addition and update of a client;
 - e. Benefit issuance, status change, and card replacement (including the replacement fees, fee waivers, and fee credits);
 - f. Transaction history review;
 - g. Repayment of benefits;
 - h. System audit and control;
 - i. Backup and recovery;
 - j. Demonstration of POS operation; and
 - k. Settlement and reporting.
- C.23.9.10 The Contractor shall allow for an ad hoc or "what if" portion of the acceptance test to provide the District and Federal representatives the opportunity to include various

transaction sets and sequences that have not been included in the test scripts and to challenge the system's operations and design.

C.23.10 **Performance (Stress) Testing**

C.23.10.1 The purpose of this test is to ensure that there is sufficient capacity within the EBT system being provided to the District to handle the expected transaction volume. Test results from the stress test shall be used to formulate a system capacity model to determine the appropriate hardware and software requirements and configuration so that the District EBT system can accommodate the anticipated transaction volumes.

C.23.10.2 The Contractor may, as an option, choose to use current production data in order to develop a system capacity model for determining the anticipated transaction volumes. If the Contractor is anticipating utilizing this option, the Contractor shall provide a description of how the modeling will be performed, and how the results of the modeling exercise will be reported to the District.

C.23.10.3 The Contractor shall specify minimum benchmarking figures or performance standards for system capacity.

C.23.11 **ARU Testing**

C.23.11.1 The Contractor shall test the ARU system to ensure the system properly accepts, processes, and transfers both retailer and client calls per the system requirements and within the specifications defined in Sections C.17.0.1(11).

C.23.12 **Transition Testing**

C.23.12.1 The Contractor shall be required to demonstrate to the District the process of conversion from the current EBT system to the Contractor's EBT system for Supplemental Nutrition Assistance Program (SNAP) only. Part of the conversion test is a validation of conversion results, and the ability to perform test transactions against the converted database. Test transactions performed against the converted database shall include both client transactions (e.g., SNAP and cash transactions) and administrative transactions (e.g., benefit updates and card replacement transactions).

C.23.13 **In-Person Demonstration**

C.23.13.1 The District of Columbia is requiring that an In-Person Demonstration be performed prior to conversion. The In-Person demonstration shall be interactive and not be pre-recorded.

C.23.14 **Test Reports**

C.23.14.1 The Contractor shall be required to provide reports describing the results of each test that is performed, as well as any additional re-testing that is required to satisfy the test objectives. The test reports shall also describe the intended scope and results from the tests, and any system modifications that are identified as necessary to resolve system

errors and deficiencies found during the testing. The test reports will include an updated list of open and closed issues identified during testing. The Contractor shall submit interim test reports no later than two weeks following the completion of the respective test being performed. Final System Test Reports shall be provided no later than nine (9) months after contract signing.

C.23.15 Updates to Detail Design

C.23.15.1 The Contractor shall revise the Detailed System Design documents to reflect any system modifications identified and/or made as a result of the system testing. If revisions are required, the Contractor shall submit the updated Detailed System Design no later than one (1) month following the completion of the EBT system testing process.

C.23.16 Project Design/Development Reports

C.23.16.1 This weekly report is a summary by task of major completed activities during reporting period. The Contractor shall include problem identification, required corrective action and timeframe for resolution. The report shall also include tasks required by Federal and District agencies, as well as reports of delayed tasks, reason and revised completion date(s), and the scheduled activities for the next reporting period.

C.23.17 Project Implementation/Conversion Reports

C.23.17.1 This weekly report is a summary of major tasks and scheduled activities completed during the reporting period for the conversion activities. The report shall also include the status of:

- a) POS device deployment and installation;
- b) Training (District, county, clients and retailers);
- c) Card issuance; and
- d) Retailer agreements.

C.23.17.2 The report shall include problem identification, required corrective action and timeframe for resolution. The report will also include tasks required by Federal and District agencies, as well as reports of delayed tasks, reason and revised completion date(s), and the scheduled activities for the next reporting period.

C.23.18 Project Status Report

C.23.18.1 This monthly report is a summary of significant events/accomplishments during the month, status of outstanding issues and problems, and the status of pending enhancement requests and system change orders. Following the conversion to the Contractor's EBT system, the Contractor shall include in the Project Status Report the detail data that documents the performance of the EBT system over the last month.

- C.23.18.2 The Contractor shall meet or exceed the standards, requirements and definitions specified in 7 CFR 274.8, Functional and Technical EBT System Requirements.
- C.23.18.3 Specifically the Project Status Report shall detail the performance of the system as against the following processing requirements:
- a) EBT central computer shall be available 99.9 % of scheduled up time;
 - b) EBT transaction switch shall be available 99.8% of scheduled time;
 - c) The total system under the Contractor's control, either directly or contractually, including central computer, any network, intermediate facilities, or processor, shall be available 98% of scheduled up time;
 - d) The host computer shall permit no more than two (2) inaccurate transactions per 10,000 transactions processed; and
 - e) Benefit authorizations to EBT accounts and ACH settlement shall occur accurately and on schedule 99% of the time.

C.24 MANUALS

C.24.1 System Operations/Interface Procedures Manual

- C.24.1.1 The Contractor shall provide a manual on Systems Operations/Interface Procedures that shall include an introduction giving the purpose, audience, organization, related documents and feedback. This manual shall include:
- a) Batch and webservices Files and the times of transmission;
 - b) Administrative Terminal configuration;
 - c) Problem Resolution and Escalation Procedures; and
 - d) Batch and webservices Maintenance Record Formats.
- C.24.1.2 The Problem Resolution and Escalation Procedures shall define the process by which the District would report System and Operational problems to the Contractor, and the process by which these problems would be resolved.
- C.24.1.3 Define how the Contractor would notify the District of problems and system changes and the resolution reported back to the District.
- C.24.1.4 The procedures shall include a priority scheme for identifying the relative severity of the problem as well as the expected timeframes for the resolution of the problem based upon that severity.

C.24.2 Reports Manual

C.24.2.1 A Reports Manual shall be provided by the Contractor, describing all standard and any specialized reports required by the District of Columbia. The Reports Manual shall also provide a brief description of the data files provided to the District for internal report generation. The Contractor shall submit the final Reports Manual no later than six (6) months after contract signing.

C.24.3 Settlement/Reconciliation Manual

C.24.3.1 The Contractor shall provide a Settlement/Reconciliation Manual that provides guidance and procedures to the District of Columbia on performing a daily reconciliation of the Contractor's EBT System as defined within 7 CFR 274.4 Reconciliation and Reporting and consistent with FNS reconciliation guidance of March 29, 2007. The manual shall identify the specific EBT reports from the Contractor's system that are required for settlement and reconciliation of the Contractor's EBT system.

C.24.4 Administrative Terminal Manual

C.24.4.1 The Contractor shall provide an Administrative Terminal Manual, which provides guidance and procedures for District of Columbia staff on the functionality of the Administrative Terminal.

C.25 OPERATIONS PHASE & REPORTS

C.25.0.1 The Operations Phase begins after the Cardholder Database has been converted from the previous EBT system to the Contractor's system. During the Operations Phase the Contractor shall maintain ongoing communication with the District on EBT operations and immediate notification to the District of any issues or system problems. The Contractor assigned project manager shall be the point person for ongoing communications to the District for all EBT system and operational issues.

C.25.0.2 The ongoing communications required from the Contractor includes a monthly status report containing open and closed issues, monthly status meeting with Contractor, and other District reports/meetings at the District's request. Of particular importance is the advance notification of scheduled system downtime to the District by the Contractor. A System Availability Report will ensure compliance with the system availability requirements specified in this document, the FNS regulations, and the Quest Operating Rules, the Contractor shall provide a monthly report of the system availability, including detailed documentation and explanation of both scheduled and unscheduled downtime and processing interruptions.

C.25.0.3 During the Operations Phase, the Contractor shall maintain and update as required the key design and operational manuals delivered during the Design and Development Phase. These manuals include:

- a) Detailed Design Document;
- b) Back-up and Recovery Plans ;
- c) System Security Plan;
- d) System Operations/Interface Procedures Manual;
- e) Reports Manual;
- f) Settlement/Reconciliation Manual; and
- g) Administrative Terminal Manual.

C.25.0.4 The Contractor shall provide updated manuals to the District prior to implementing system and operational modifications into production.

C.25.0.5 All reports must be tested and approved by the relevant District stakeholder before being officially executed or invoiced.

C.25.1 EBT Reporting

C.25.1.1 The Contractor shall accommodate the informational needs of the District of Columbia and FNS in its reporting package. This information shall be provided electronically (via administrative terminals or electronic files transmitted to the District) or through other media that are mutually agreed upon. The Contractor shall provide the capability for all reports to be available on-line.

C.25.1.2 The Contractor shall be responsible for distributing appropriate daily, weekly and monthly reports to FNS and the District of Columbia. The distribution of the reports shall be in an electronic format, but the method for distribution of reports will be finalized during system design/development activities. The Contractor shall also be able to support the retransmission of previously produced reports to the District as requested.

C.25.1.3 The Contractor shall support requests for two previous generations for monthly reports (e.g., last two months), and last seven days for daily reports. Reports provided to the District in a file transmission shall use standard ANSI carriage control for controlling the formatting of reports being printed. The latest version of ANSI X9.58-2013 for SNAP can be downloaded at:
<http://webstore.ansi.org/RecordDetail.aspx?sku=ANSI+X9.58-2013>

C.25.1.4 The Contractor shall provide report training and report manuals for District staff prior to EBT operations as described under the Training Requirements (**Section C.19**). The reporting system shall produce information at the program and local office (e.g., county) summary levels. Settlement and reconciliation reports shall be consolidated at the District Level by program.

C.25.1.5 The Contractor shall provide to the District a daily transaction history file of all transactions impacting benefit authorizations for reconciliation, audit, and investigative purposes. The file structure for the file provided by the current EBT processor is defined in Attachment J.2 Account Activity File. Other files received and processed by the District include:

- a) Benefit File; and
- b) Case/Client Demographic File.

C.25.1.6 The formats of these files are also defined in Attachment J.2. The District of Columbia requires that the Contractor provide the same information in the format defined in Attachment J.2. General categories of the District of Columbia reports currently being received have been identified and are described below. Although it is not expected that the formatting of the reports be duplicated, it is expected and required that the Contractor duplicate the data.

C.25.1.7 The contractor shall provide pricing for additional reports the District may ask for. The price shall be a flat rate for an ad hoc report and a flat rate for an additional canned report. The pricing description may limit the report parameters if needed.

C.25.1.8 All reports shall be downloadable in Excel (XLSX), comma separated values (CSV), and portable document format (PDF) formats.

C.25.2 Financial audit reports

C.25.2.1 Financial audit reports are those reports needed by the District of Columbia in order to account, reconcile and balance, and audit the EBT system processing and operations presented. The District shall have approval rights over all reports being provided by the EBT Contractor.

C.25.3 Account Activity Reports

C.25.3.1 The Contractor shall provide daily account activity reports reflecting all account actions received from the District of Columbia via batch and webservices and/or on-line during an EBT processing day, or taken on behalf of the District by the Contractor (i.e., account expungements or Supplemental Nutrition Assistance Program conversions). The reports shall provide detail on every transaction that impacts an EBT account balance. The reports shall show the amount of the transaction (i.e., account action), type of transaction, date and time of transaction, and who originated the transaction (batch and webservices or on-line).

C.25.3.2 The contractor shall provide system reports confirming when specific benefits are posted to client cards. The reports shall allow DHS to be able to see when individuals had their monthly SNAP/TANF/IDA/GC/RCA benefits post to their account and for DHS to be able to understand which benefits are associated with each program.

C.25.3.3 The contractor shall provide a daily report detailing every DCAS transaction (either positive or negative) per case, its amount, its time/date, and which benefit program the transaction is associated with. This information shall also be saved and viewable for the duration of the contract.

C.25.4 Terminal Activity Reports

C.25.4.1 The Contractor shall provide daily terminal activity reports showing all transactions that will result in funds being moved (i.e., settled) to a retailer, third party processor, or ATM network. The report shall list, at a minimum, the transaction type, amount, transaction date and type, settlement date, merchant and terminal identifier, and benefits impacted. The report shall provide settlement totals for each entity for which funds will be moved, as well as suspense totals, if any, for transactions that will not be settled until the next processing day. Suspense totals for transactions not being settled in the current business day shall be reported by individual benefit types, and rolled up into the program types (i.e., cash, Supplemental Nutrition Assistance Program, and other applicable programs).

C.25.5 Settlement Report

C.25.5.1 This Contractor shall provide this report at a summary level the total funds that are being settled for the processing day by program type (i.e., cash and Supplemental Nutrition Assistance Program, and other applicable programs), which require funding. This report shall balance with the totals from the terminal activity reports.

C.25.6 Database Value Report

C.25.6.1 This report shall provide the value of the outstanding liability for unused benefits residing on the EBT system at the end of the processing day. The Contractor shall maintain totals by benefit type, and rolled up into the program types. The ending balance for the previous day shall become the beginning balance for the current processing day. The Contractor shall reconcile ending balance for the current processing day by taking into account the beginning balance for the processing day (which is the ending balance from the previous day) and adding or subtracting as appropriate the account activity detailed from both the Terminal Activity and Account Activity Reports.

C.25.7 Reports Support

C.25.7.1 Support reports are those reports used by the District of Columbia to control and account for activity taking place on the EBT system, such as card issuance, but are not specifically used in the financial settlement and reconciliation process.

C.25.8 Administrative Action Reports

C.25.8.1 The Contractor shall provide a daily administrative action report that lists all users ID's performing an administrative action attempted or completed either by the system or users logged onto the EBT system. The report shall identify the transaction type and the

EBT account affected. Administrative actions include changes to client, case, or account data (e.g., client name or address), account closure, and benefit expungements.

C.25.9 Card/PIN Issue Date Report

C.25.9.1 The Contractor shall provide to the District of Columbia with a daily report showing when new and replacement cards and PIN issuances were completed.

C.25.10 Batch and webservice Processing Reports

C.25.10.1 The Contractor shall propose a standard set of batch and webservice processing reports to be used by the Contractor and the District to ensure the complete and accurate transfer of data during nightly batch and webservice processing. The reports shall include a Summary Report by file transmission that provides a confirmation for the processing of the batch and webservice file(s). The Summary Report shall contain summary verification data, including the total number of records received in the batch and webservice and the number of records by record type (e.g., number of 'adds', 'changes, and 'deleted records'). The report shall contain a summary of the processing of the transmission (i.e., number of records accepted and number of records rejected).

C.25.10.2 Over time, these reports will contain a growing amount of information. The Contractor's solution shall allow the District to query and run reports against this information. The solution must enable the District to review and audit these reports over time.

C.25.11 Batch and webservice Exception Reports

C.25.11.1 The Contractor shall provide a batch and webservice exception report for all batch and webservice files received by the District of Columbia. Batch and webservice exception reports shall contain a listing of all records received within a batch and webservice, which were not processed by the Contractor. Each record included on the exception report will have a corresponding reason code indicating the cause of the rejection. In particular, the Contractor shall clearly identify, duplicate case exceptions shall be clearly identified.

C.25.12 Administrative Terminal Benefit Authorization Report

C.25.12.1 The Contractor shall provide a report of all benefit authorizations that are added to the EBT system through the administrative terminal functionality. This audit report shall include, at a minimum, the benefit amount, benefit type, and the User ID of the administrative terminal operator adding the benefit.

C.25.13 Merchant Voucher Report

C.25.13.1 The Contractor shall provide a daily report of all voice authorizations of SNAP Program transactions performed by retailers. The report shall contain, at a minimum, the merchant name and FNS number, the transaction amount and type, the date and time,

the client performing the transactions, and whether the merchant is a traditional or non-traditional merchant.

C.25.14 Monthly Out-of-District Activity Report

C.25.14.1 The Contractor shall provide a monthly report of all client transactions occurring outside of the District.

C.25.15 Benefit Aging Reports

C.25.15.1 The Contractor shall provide a report of clients who have not accessed their benefits for the last 60 days. The Contractor shall clearly identify the aging category the EBT account is within (120 days), and shall have page breaks by caseworker within local office.

C.25.16 Card Issuance/Re-issuance Reports

C.25.16.1 The Contractor shall provide audit and statistical reports of cards being issued and/or reissued to clients as well as if any card replacement fee was charged. Audit reports shall provide detail data by card issued, such as reason for issuance (i.e., initial issuance or replacement for lost/stolen, damaged card). Statistical reports shall provide data needed to manage the EBT program, such as the card reissue rate, the reasons for re-issuance, etc.

C.25.17 Transaction Denial Summary Reports

C.25.17.1 The Contractor shall provide a monthly statistical report that provides the number and percentage of client transactions denied and the reason for the denials (i.e., non-sufficient funds, invalid PIN, etc.)

C.25.18 Fraud Reports

C.25.18.1 The Contractor shall recommend a set of fraud reports that will help the District of Columbia manage and detect fraud within the Supplemental Nutrition Assistance Program.

- a) Even Dollar Transactions,
- b) Excessive Large Dollar Transactions,
- c) Multiple Withdrawals/Same Day,
- d) Out-of-state usage,
- e) 4x Card Replacement Report,
- f) Use of Card at Restricted Retailer Locations and,
- g) Manual Card Entry Reports.

C.25.18.2 The contractor shall provide reports on the investigative cases showing the amounts funded to the cases and the transaction histories of the funds on a monthly basis

C.25.19 Host Response Time Report

C.25.19.1 The Contractor shall provide a monthly report providing a summary of Contractor Host response times within pre-established tiers for both client transactions (POS & ATM transactions) and for Administrative Terminal transactions. The report shall be used to monitor the Contractor's compliance with Contractor Host response times.

C.25.20 Statistical Reports

C.25.20.1 Statistical reports are those reports that assist with the management of the EBT System.

C.25.21 Monthly Utilization Reports

C.25.21.1 The Contractor shall provide a report detailing the number and type of transactions performed from each EBT-only terminal provided to SNAP Program retailers.

C.25.22 Network Statistics Report

C.25.22.1 The Contractor shall provide a monthly report providing a summary of transactions by time of day and day of month. The purpose of the report is to show the peak processing time for the EBT system.

C.25.23 Management Statistics Report

C.25.23.1 The Contractor shall provide a monthly summary report of transaction activity on the EBT system. Statistics provided shall include, at a minimum, benefits authorized for the previous month, transactions performed by transaction type (i.e., SNAP Program purchases, cash purchases, and cash withdrawals), the number of active cases on the system, number of active cards on the system, and the number of cards issued during the month.

C.25.24 Monthly Transaction Fee Report

C.25.24.1 The Contractor shall provide a monthly summary report of transaction fees charged against the client by the Contractor, as well as transaction surcharges levied against the client by the ATM owner for cash withdrawals. Transaction fees shall be reported by category, and shall include ATM cash withdrawal fees, POS cash withdrawal fees, and card replacement fees (as well as any other specific fees directly charged against the client's EBT account). The report shall also include ATM surcharges levied against the client as a separate category for any transaction where the surcharge is separately identified.

C.25.25 Administrative Terminal Security Reports

C.25.25.1 The Contractor shall provide Administrative Terminal Security Reports that identify users of the EBT Administrative Terminal; the access provided these users, and an audit trail of the transactions performed by the users.

C.25.26 Access Definition Report

C.25.26.1 The Contractor shall provide a report detailing each authorized administrative terminal user, with the ability to access the EBT data. The report shall also detail the level of access afforded the user through the EBT administrative terminal.

C.25.27 Failed Logon Report

C.25.28.1 The Contractor shall provide a daily report of users failing in their attempt to logon to the EBT System.

C.25.28 User Session Activity Report

C.25.28.1 The Contractor shall provide an audit report by User ID of all actions taken by the user on the EBT System from the EBT Administrative Terminal. This report will include user dormant reactivation activity.

C.25.29 Management Reports

C.25.29.1 The management reports shall be produced by the Contractor and shall provide to the District the current status of the EBT project. The following project status reports will be provided to the District of Columbia on a weekly and/or monthly basis.

C.25.30 Customer Service Statistics Reports

C.25.30.1 The Contractor shall provide on a monthly basis statistical reports that report on the statistics and effectiveness of the customer service functions for both the client customer service and retailer help lines. Statistics for both the ARU and Customer Service Representatives (CSR) shall be reported. The Contractor shall deliver the following reports.

C.25.31 Monthly Client Help Desk Statistics

C.25.31.1 This monthly report shall provide a summary of the number of calls received on the client hotline by reason (lost/stolen card, balance inquiry, transaction history, etc.) for both ARU and CSR. Daily statistics regarding the help desk performance (i.e., number of calls, number of rings before answered, number of abandoned calls, number of busy signals received) shall be collected and reported. The Contractor shall provide statistics regarding language selected for both ARU and CSR. The District shall have the option for the Contractor to provide the Monthly Client Help Statistics to include a report detailing transaction disputes that come into the ARU and CSR. The report shall include enough details to allow the District to be aware of all client-initiated disputes and if dispute status information were opened or not. The pricing for this option shall be mutually agreed upon by the parties.

C.25.32 Monthly Retailer Help Desk Statistics

C.25.32.1 This monthly report shall provide a summary of the number of calls received on the retailer hotline by reason (i.e. Supplemental Nutrition Assistance Program voice

authorization, terminal problems, settlement questions, etc.) for both ARU and CSR. Statistics regarding retailer help tickets, including number of tickets opened, tickets closed, and reason for ticket, shall be provided. The Contractor shall collect and report daily statistics regarding the help desk performance (i.e., number of calls, number of rings before answered, number of abandoned calls, number of busy signals received) shall be collected and reported. Statistics regarding language selected for both ARU and CSR shall be provided.

C.25.33 **Billing Reports**

C.25.33.1 The Contractor shall provide to the District of Columbia in an electronic format detail reports substantiating the monthly billing for EBT services. The billing reports shall include detail information to allow the District to validate the bill for EBT services, as well as pass through expenses being charged to the District, such as payphone surcharges on calls made to the client help desk. Although requests for ad-hoc reports will not be often, there are times when additional reporting regarding data on the EBT System is required. The Contractor shall support these requests for ad-hoc reports on a timely basis. The Contractor shall provide in their response the process to be used to request ad-hoc reports and the expected timeframe in which the request will be satisfied.

C.25.34 **Contractor Reports**

C.24.34.1 The Contractor shall provide a formal report that identifies the retailers authorized by FNS to participate, the number of in-house processors, and third party processors with existing hardware already providing service.

C.25.35 **Ad-Hoc Reports**

C.25.35.1 The Contractor shall either provide access to raw data for the District to use to create its own dashboard and conduct data analysis as needed. Or, the contractor shall propose a methodology to develop up to 20 ad-hoc reports throughout the duration of the contract. The District may request any of these ad hoc reports be replicated on a regular basis and the Contractor shall also have a procedure prepared to handle these requests.

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SECTION D

PACKAGING AND MARKING

D.1 PACKAGING

All reports and deliverables that are in “hard copy” and physically transported through the U.S. mail or private courier services are to be securely packaged using the Contractor’s best practices.

D.2 MARKING

- D.2.1 Unless otherwise specified herein, all reports and deliverables delivered under this contract must be plainly marked, stating the Contractor’s name, contract number and addressed to the recipient, including the name of the office or floor, and the recipient’s office telephone number as noted in the contract.
- D.2.2 In case of carload lots, the Contractor shall tag the car, stating Contractor’s name and contract number. Any failure to comply with these instructions will place the material at the Contractor’s risk.
- D.2.3 Deliveries by rail, water, truck or otherwise, must be within the working hours and in ample time to allow for unloading and if necessary, the storing of the materials or supplies before closing time. Deliveries at any other time will not be accepted unless specific arrangements have been previously made with the contact person identified in the contract at the delivery point.

SECTION E

INSPECTION, ACCEPTANCE AND WARRANTY OF SERVICES

E.1 INSPECTION

E.1.1 All supplies and services provided by the Contractor under this contract shall be subject to inspection by the Contracting Officer's Technical Representative ("COTR") identified in Section G.1 (b).

E.1.2 Inspection of Supplies

- (a) Definition. "Supplies," as used in this clause, includes, but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.
- (b) The Contractor shall be responsible for the materials or supplies covered by this contract until they are delivered at the designated point, but the Contractor shall bear all risk on rejected materials or supplies after notification of rejection. Upon the Contractor's failure to procure within ten (10) days after date of notification, the District may return the rejected materials or supplies to the Contractor at the Contractor's risk and expense.
- (c) The Contractor shall provide and maintain an inspection system acceptable to the District covering supplies under this contract and shall tender to the District for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the District during contract performance and for as long afterwards as the contract requires. The District may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under this contract.
- (d) The District has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. The District will perform inspections and tests in a manner that will not unduly delay the work. The District assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in the contract.
- (e) If the District performs inspection or test on the premises of the Contractor or subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, the District will bear the expense of District inspections or tests made at other than Contractor's or subcontractor's premises; provided, that in case of rejection, the District will not be liable for any reduction in the value of inspection or test samples.
 - (1) When supplies are not ready at the time specified by the Contractor for inspection or test, the Contracting Officer may charge to the Contractor the additional cost of inspection or test.
 - (2) Contracting Officer may also charge the Contractor for any additional cost of inspection or test when prior rejection makes re-inspection or retest.

Contract No. CFOPD-20-C-014
Electronic Benefits Transfer (EBT) Services

- (f) The District has the right either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material or workmanship or otherwise not in conformity with contract requirements. The District may reject nonconforming supplies with or without disposition instructions.
- (g) The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and when required, shall disclose the corrective action taken.
- (h) If the Contractor fails to remove, replace, or correct rejected supplies that are required to be replaced or corrected within ten (10) days, the District may either (1) by contract or otherwise, remove, replace or correct the supplies and charge the cost to the Contractor or (2) terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.
- (i) If this contract provides for the performance of District quality assurance at source, and if requested by the District, the Contractor shall furnish advance notification of the time (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the contract, and (ii) when the supplies will be ready for District inspection.
- (j) The District request shall specify the period and method of the advance notification and the District representative to whom it shall be furnished. Requests shall not require more than 2 business days of advance notification if the District representative is in residence in the Contractor's plant, nor more than 7 business days in other instances.
- (k) The District will accept or reject supplies as promptly as practicable after delivery, unless otherwise provided in the contract. District failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability upon the District, for non-conforming supplies.
- (l) Inspections and tests by the District do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract.
- (m) If acceptance is not conclusive for any of the reasons in subparagraph (l) hereof, the District, in addition to any other rights and remedies provided by law, or under provisions of this contract, shall have the right to require the Contractor (1) at no increase in contract price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in contract price if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of notice of defects or noncompliance, to repay such portion of the contract as is equitable under the circumstances if the Contracting Officer elects not to require correction or replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or

act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the District will have the right to return the rejected materials at Contractor's risk and expense or contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned the District thereby.

E.1.3 Inspection of Services

- (a) Definition. "Services" as used in this clause includes services performed, workmanship, and material furnished or utilized in the performance of services.
- (b) The Contractor shall provide and maintain an inspection system acceptable to the District covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the District during contract performance and for as long afterwards as the contract requires.
- (c) The District has the right to inspect and test all services called for by the contract, to the extent practicable at all times and places during the term of the contract. The District will perform inspections and tests in a manner that will not unduly delay the work.
- (d) If the District performs inspections or tests on the premises of the Contractor or subcontractor, the Contractor shall furnish, without additional charge, all reasonable facilities and assistance for the safety and convenient performance of these duties.
- (e) If any of the services do not conform to the contract requirements, the District may require the Contractor to perform these services again in conformity with contract requirements, at no increase in contract amount. When the defects in services cannot be corrected by performance, the District may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and reduce the contract price to reflect value of services performed. If the Contractor fails to promptly perform the services again or take the necessary action to ensure future performance in conformity to contract requirements, the District may (1) by contract or otherwise, perform the services and charge the Contractor any cost incurred by the District that is directly related to the performance of such services, or (2) terminate the contract for default.

E.2 ACCEPTANCE

Acceptance of all products and services provided under this contract shall be performed by the COTR. Acceptance means approval by the COTR of specific services as partial or complete performance of the contract.

SECTION F

PERIOD OF PERFORMANCE AND DELIVERABLES

F.1 TERM OF CONTRACT

The term of the contract shall be for a period of four (4) years from the Contract Effective Date.

F.2 OPTION TO EXTEND THE TERM OF THE CONTRACT

F.2.1 The District may extend the term of this contract for a period of two (2), two (2) year option periods or successive fractions thereof, by written notice to the Contractor before the expiration of the contract; provided that the District will give the Contractor preliminary written notice of its intent to extend before the contract expires. The preliminary notice does not commit the District to an extension. The exercise of this option is subject to the availability of funds at the time of the exercise of this option.

F.2.2 If the District exercises this option, the extended contract shall be considered to include this option provision.

F.2.3 The price for the option period shall be as specified in the Section B of the contract.

F.3 DELIVERABLES

F.3.1 The Contractor shall perform the activities required to successfully complete the District's requirements and submit each deliverable to the COTR identified in Section G in accordance with Section C.

F.3.2 The Contractor shall submit to the District, as a deliverable, the report described in Section I.31 that is required by the 51% District Residents New Hires Requirements and First Source Employment Agreement. If the Contractor does not submit the report as part of the deliverables, final payment to the Contractor shall not be paid pursuant to Section G.6.

SECTION G

CONTRACT ADMINISTRATION

G.1 CONTRACT ADMINISTRATORS

(a) Contracting Officer

- i. The Contracting Officer (“CO”) for this contract is:

Drakus Wiggins
Contracting Officer
Office of Contracts
Office of the Chief Financial Officer
1100 4th Street SW Suite 610E
Washington, DC 20024
Phone: 202-442-7121
Email: drakus.wiggins@dc.gov

- ii. The Contracting Officer is the only official authorized to legally bind the District and make changes to the requirements, terms and conditions of this contract. Only the Contracting Officer can increase, decrease, extend or terminate this contract. All other changes are unauthorized.
- iii. The Contractor shall not comply with any order, directive or request that changes or modifies the requirements of this contract, unless issued in writing and signed by the Contracting Officer.
- iv. In the event the Contractor effects any change at the instruction or request of any person other than the Contracting Officer, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any cost increase incurred as a result thereof.

(b) Contracting Officer Technical Representative (COTR)

- i. The COTR for this contract is:

Valencia Gregory,
Program Analyst
Office of Finance and Treasury
1101 – 4th Street, S.W., Suite W800
Washington, DC 20024
202-727-6260
Valencia.gregory@dc.gov

- ii. The COTR is responsible for general administration of the contract and advising the Contracting Officer as to the Contractor’s compliance or noncompliance with the

contract. The COTR has the responsibility of ensuring the work conforms to the requirements of the contract and such other responsibilities and authorities as may be specified in the contract. These include:

- a. Keeping the Contracting Officer fully informed of any technical or contractual difficulties encountered during the performance period and advising the Contracting Officer of any potential problem areas under the contract;
 - b. Coordinating site entry for Contractor personnel, if applicable;
 - c. Reviewing invoices for completed work and recommending approval by the Contracting Officer if the Contractor's costs are consistent with the negotiated amounts and progress is satisfactory and commensurate with the rate of expenditure;
 - d. Reviewing and approving invoices for deliverables to ensure receipt of goods and services.
 - e. Timely processing of invoices and vouchers in accordance with the District's payment provisions; and
 - f. Maintaining a file that includes all contract correspondence, modifications, records of inspections and invoice or vouchers.
- iii. The COTR does NOT have the authority to:
- a. Award, agree to, or sign any contract, delivery order or task order. Only the Contracting Officer shall make contractual agreements, commitments or modifications;
 - b. Grant deviations from or waive any of the terms and conditions of the contract;
 - c. Increase the dollar limit of the contract or authorize work beyond the dollar limit of the contract,
 - d. Authorize the expenditure of funds by the Contractor;
 - e. Change the period of performance; or
 - f. Authorize the use of District property, except as specified under the contract.
- iv. The Contractor will be fully responsible for any changes not authorized in advance, in writing, by the Contracting Officer; may be denied compensation or other relief for any additional work performed that is not so authorized; and may also be required, at no additional cost to the District, to take all corrective action necessitated by reason of the unauthorized changes.

G.2 INVOICE PAYMENT

- G.2.1 The District will make payments to the Contractor, upon the submission of proper invoices, at the prices stipulated in this contract, for supplies delivered and accepted or services performed and accepted, less any discounts, allowances or adjustments provided for in this contract.

G.2.2 The District will pay the Contractor on or before the 30th day after receiving a proper invoice from the Contractor. The District reserves the right to conduct post payment reviews or audits.

G.2.3 Unless otherwise specified in this contract, and with presentation of a properly executed invoice:

- a) Payment will be made on completion and acceptance of each item for which the price is stated in the Pricing Schedule in Section B,
- b) Payment will be made on completion and acceptance of each percentage or milestone of work in accordance with the prices stated in the Pricing Schedule in Section B, or
- c) Payment may be made on partial deliveries of goods and services accepted by the District if the Contractor requests it and the amount due on the deliveries warrants it as determined by the District.

G.3 INVOICE SUBMITTAL

G.3.1 The Contractor shall create and submit payment requests in an electronic format through the DC Vendor Portal, <https://vendorportal.dc.gov>.

G.3.2 The Contractor shall submit proper invoices on a monthly basis or as otherwise specified in the Contract.

G.3.3 To constitute a proper invoice, the Contractor shall enter all required information into the Portal after selecting the applicable purchase order number which is listed on the Contractor's profile.

G.4 THE QUICK PAYMENT PROVISIONS

G.4.1 Interest and Penalties to Contractors

G.4.1.1 The District will pay interest penalties on amounts due to the Contractor under the Quick Payment Act, D.C. Official Code §2-221.01 et seq., for the period beginning on the day after the required payment date and ending on the date on which payment of the amount is made. Interest shall be calculated at the rate of 1% per month. No interest penalty shall be paid if payment for the completed delivery of the item of property or service is made on or before the 15th day after the required payment date for any other item.

G.4.1.2 Any amount of an interest penalty which remains unpaid at the end of any 30-day period shall be added to the principal amount of the debt and thereafter interest penalties shall accrue on the added amount.

G.4.2 Payments to Subcontractors

G.4.2.1 The Contractor shall take one of the following actions within seven (7) days of receipt of any amount paid to the Contractor by the District for work performed by any subcontractor under a contract:

- a. Pay the subcontractor for the proportionate share of the total payment received from the District that is attributable to the subcontractor for work performed under the contract; or
- b. Notify the District and the subcontractor, in writing, of the Contractor's intention to withhold all or part of the subcontractor's payment and state the reason for the nonpayment.

G.4.2.2 The Contractor shall pay any lower-tier subcontractor or supplier interest penalties on amounts due to the subcontractor or supplier beginning on the day after the payment is due and ending on the date on which the payment is made. Interest shall be calculated at the rate of 1% per month. No interest penalty shall be paid if payment for the completed delivery of the item of property or service is made on or before the 15th day after the required payment date for any other item.

G.4.2.3 Any amount of an interest penalty which remains unpaid by the Contractor at the end of any 30-day period shall be added to the principal amount of the debt to the subcontractor and thereafter interest penalties shall accrue on the added amount.

G.4.2.4 A dispute between the Contractor and subcontractor relating to the amounts or entitlement of a subcontractor to a payment or a late payment interest penalty under the Quick Payment Act does not constitute a dispute to which the District of Columbia is a party. The District of Columbia may not be interpleaded in any judicial or administrative proceeding involving such a dispute.

G.4.3 Subcontract Requirements

G.4.3.1 The Contractor shall include in each subcontract under this contract a provision requiring the subcontractor to include in its contract with any lower-tier subcontractor or supplier the payment and interest clauses required under paragraphs (1) and (2) of D.C. Official Code §2-221.02(d).

G.5 ASSIGNMENT OF CONTRACT PAYMENTS

G. 5.1 The Contractor may assign funds due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution.

G.5.2 Any assignment shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party.

G.5.3 Notwithstanding an assignment of contract payments, the Contractor, not the assignee, is required to prepare invoices. Where such an assignment has been made, the original copy of the invoice must refer to the assignment and must show that payment of the invoice is to be made directly to the assignee as follows:

“Pursuant to the instrument of assignment dated _____, make payment of this invoice to (name and address of assignee).”

G.6 FIRST SOURCE AGREEMENT REQUEST FOR FINAL PAYMENT

- G.6.1 For contracts subject to the 51% District Residents New Hires Requirement and First Source Employment Agreement, final requests for payment shall be accompanied by the report or a waiver of compliance pursuant to Section I.31.
- G.6.2 No final payment shall be made to the Contractor until the CFO has received the Contracting Officer's final determination or approval of waiver of the Contractor's compliance with 51% District Residents New Hires Requirement and First Source Employment Agreement requirements.

G.7 COST REIMBURSEMENT CEILING

- G.7.1 The cost reimbursement ceiling for the applicable contract component is set forth in Section B.4.2.
- G.7.2 The costs for performing this contract component shall not exceed the cost reimbursement ceiling specified in Section B.4.2.
- G.7.3 The Contractor agrees to use its best efforts to perform the work specified in this contract and to meet all obligations under this contract within the cost reimbursement ceiling.
- G.7.4 The Contractor must notify the CO, in writing, whenever it has reason to believe that the total cost for the performance of this contract will be either greater or substantially less than the cost reimbursement ceiling.
- G.7.5 As part of the notification, the Contractor must provide the CO a revised estimate of the total cost of performing this contract.
- G.7.6 The District is not obligated to reimburse the Contractor for costs incurred in excess of the cost reimbursement ceiling specified in Section B.4.2, and the Contractor is not obligated to continue performance under this contract (including actions under the Termination clauses of this contract), or otherwise incur costs in excess of the cost reimbursement ceiling specified in Section B.4, until the CO notifies the Contractor, in writing, that the estimated cost has been increased and provides revised cost reimbursement ceiling for performing this contract.
- G.7.7 No notice, communication, or representation in any form from any person other than the CO shall change the cost reimbursement ceiling. In the absence of the specified notice, the District is not obligated to reimburse the Contractor for any costs in excess of the costs reimbursement ceiling, whether such costs were incurred during the course of contract performance or as a result of termination.
- G.7.8 If any cost reimbursement ceiling specified in Section B.4.2 is increased, any costs the Contractor incurs before the increase that are in excess of the previous cost reimbursement ceiling shall be allowable to the same extent as if incurred afterward, unless the CO issues a termination or other notice directing that the increase is solely to cover termination or other specified expenses.

- G.7.9 A change order shall not be considered an authorization to exceed the applicable cost reimbursement ceiling specified in Section B.4.2, unless the change order specifically increases the cost reimbursement ceiling.
- G.7.10 Only costs determined in writing to be reimbursable in accordance with the cost principles set forth in rules issued pursuant to Title VI of the D.C. Procurement Practices Act of 1985 shall be reimbursable.

SECTION H

SPECIAL CONTRACT REQUIREMENTS

H.1 STAFFING

The Contractor shall not knowingly employ or permit the employment of any unfit or unqualified person or persons not skilled in the tasks assigned to them by the contractor. The Contractor shall at all times employ sufficient labor to carry out functions and services in the manner and time prescribed by the Contract. The Contractor shall be responsible to the District for all acts and omissions of the Contractor's employees, agents and subcontractors. Notwithstanding the foregoing, any person employed by the Contractor shall be removed immediately by the Contractor from work relating to the contract if the District reasonably demonstrates to the Contractor that such person engaged in gross misconduct in connection with such work.

H.2 SUBCONTRACTS

The Contractor hereunder shall not subcontract any of the Contractor's work or services to any subcontractor without the prior, written consent of the Contracting Officer in consultation with the COTR, which shall not be unreasonably withheld, conditioned or delayed. Any such subcontract shall specify or include the applicable provisions of this Contract that apply to the subcontractor. Notwithstanding any such subcontract approved by the District, the Contractor shall remain liable to the District for all Contractor's work and services required hereunder, including any work conducted by a subcontractor.

H.3 RESERVED

H.4 WARRANTIES

- H.4.1 The Contractor warrants and agrees that it is lawfully organized and constituted under all federal, state and local laws, ordinances and other authorities of its domicile and is otherwise in compliance with the applicable legal requirements of its domicile that would have any material effect on the Services to be provided by Contractor under this Contract.
- H.4.2 The Contractor warrants and agrees that it is of legal authority and capacity to enter into and perform under the Contract, and that it has the financial ability to perform its obligations under such Contract.
- H.4.3 The Contractor warrants and agrees that it has been duly authorized to operate and do business in all places where it will be required to do business under the Contract that it has obtained or will obtain all necessary licenses and permits required in connection with such Contract; and that it will comply with the applicable material requirements of all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during the term of such Contract.
- H.4.4 The Contractor warrants and agrees that it has no present interest and shall not acquire any interest which would conflict in any manner with its duties and obligations under the Contract.
- H.4.5 The Contractor warrants and agrees that it shall not sell, assign, lease, transfer, pledge, hypothecate, or otherwise dispose of any component of any goods, system proposed in the

contract or any interest therein, or permit any of it to become a fixture or accession to other goods or property without the prior written consent of the District; provided that such consent shall not be required in the event of a merger, acquisition or divestiture as long as the surviving entity is responsible for all of the Contractor's obligations under the contract and has the technical and financial ability to continue to provide all of the same contract services in substantially the same manner as the Contractor.

- H.4.6 Any equipment for which Contractor contracts to provide maintenance services will be maintained by Contractor in accordance with manufacturer's specifications for such equipment.
- H.4.7 Contractor warrants and agrees that it will perform the services agreed upon pursuant to this Contract in accordance with the specifications and requirements as set forth in the Contract. Except as specifically agreed in writing, all services, software, deliverables, equipment and materials are provided "as is," and all warranties whether statutory, express, or implied, including any warranties of merchantability, fitness for a particular purpose or error-free operation (even if created by the international sale of goods convention), are disclaimed in their entirety.

H.5 DISCLOSURE OF LITIGATION

The Contractor shall disclose to the District any material civil or criminal pending litigation or indictment involving the Contractor that would have any material adverse effect on the services under this Contract. Contractor is not presently aware of any such litigation or indictment. Contractor is a S&P 500 public company and its material litigation is described in its 10K Annual Report filing available at www.fisglobal.com (see "Investors" tab).

H.6 CONTINUITY OF SERVICES

The Contractor recognizes that the services provided under this contract are vital to the District of Columbia and must be continued without interruption and that, upon contract expiration or termination, a successor, either the District Government or another Contractor, at the District's option, may continue to provide these services. If another Contractor is awarded a future contract for performance of the required services, the original Contractor shall cooperate fully with the District and the new Contractor in any transition activities that the Contracting Officer deems necessary during the term of the contract. To that end, the Contractor agrees to exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

H.7 BACKGROUND INVESTIGATIONS AND OTHER INTEGRITY REQUIREMENTS

- H.7.1 Contractor shall perform background checks on its officers and employees working on the Contract, including educational and employment background, drug testing, and/or other items as required by applicable laws or regulations that regulate Contractor's business or as otherwise required by Contractor under its standard employment practices. Upon written request by the District for information on Contractor's officers and employees performing services under the Contract, Contractor will provide such information as is relevant to such performance. Contractor is a S&P 500 public company and information on Contractor's executive officers can be found in Contractor's 10K Annual Report available at www.fisglobal.com (see "Investors" tab).

- H.7.2 The District may initiate investigations into the backgrounds of any of the Contractor's officers, principals, investors, owners, employees, vendors, subcontractors, or subcontractors' officers, principals, owners, employees or vendors, or any other associates of the Contractor(s) who are performing services under the contract directly for the District, in connection with criminal activity or alleged criminal activity attributable to such personnel, provided that the District reasonably demonstrates to the Contractor that such criminal activity or alleged criminal activity has occurred. Such background investigations may include the completion of certain documents, and fingerprint identification by appropriate law enforcement agencies.
- H.7.3 In connection with any such investigations related to criminal activity or alleged criminal activity, the Contractor agrees that, during the term of the Contract and any renewal thereof, it shall be obligated to provide such information about its officers, and employees, working on the contract services directly for the District as well as all information about its subcontractors' officers, directors, employees and owners, as the District may reasonably prescribe.
- H.7.4 In connection with such investigations related to criminal activity or alleged criminal activity, the District may also require that contractors (1) fully cooperate with reasonable official inquiries by responding to reasonable questions truthfully and under oath when required, whether orally or in writing, (2) provide documents and other information of official interest as reasonably requested by the District, and (3) attend integrity training.

H.8 DIVERSION, REASSIGNMENT AND REPLACEMENT OF KEY PERSONNEL

The key personnel specified in the contract are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified key personnel for any reason, the Contractor shall endeavor to notify the CO at least thirty (30) calendar days in advance or such shorter time period as is reasonable under the circumstances and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact upon the contract. The Contractor shall address any reasonable concerns about any proposed substitution and suitable replacement of key personnel.

H.9 ADVISORY AND ASSISTANCE SERVICES

This contract is a "non-personal services contract". The Contractor and the Contractor's employees: (1) shall perform the services specified herein as independent contractors, not as employees of the government; (2) shall be responsible for their own management and administration of the work required and bear sole responsibility for complying with any and all technical, schedule, financial requirements or constraints attendant to the performance of this contract; (3) shall be free from supervision or control by any government employee with respect to the manner or method of performance of the service specified; but (4) shall, pursuant to the government's right and obligation to inspect, accept or reject work, comply with such general direction of the CO, or the duly authorized representative of the CO as is necessary to ensure accomplishment of the contract objectives.

H.10 PURCHASES OF IT HARDWARE AND EQUIPMENT

If Contractor sells any IT equipment or hardware to the District under this Contract, then unless otherwise agreed in writing by the parties, the Contractor shall provide only the most current models, components and accessories in new, fully operational, factory sealed condition, with all applicable licenses. The Contractor warrants and represents that the equipment is eligible for the manufacturer's normal and extended warranty and support within the United States to Authorized Users. Previously owned, damaged, refurbished, remanufactured, counterfeit, "gray market" or substitute third party items will not be accepted. The Contractor shall provide evidence of its authorized reseller agreement or certification upon request by the District.

SECTION I

CONTRACT CLAUSES

I.1 LAWS AND REGULATIONS INCORPORATED BY REFERENCE

To the extent applicable, the provisions of the following acts, together with the provisions of applicable regulations made pursuant to said acts are hereby incorporated by reference into this contract; together with the laws and regulations of the District of Columbia:

- A. Contract Work Standards Act of August 13, 1962, also known as the Contract Work Hours and Safety Standards Act of 1962, 76 Stat. 357-360.
- B. Buy American Act, Act of March 3, 1983, c.212, Title III, 47 Stat. 1520, as amended.
- C. Walsh-Healy Public Contracts Act, Act of June 30, 1936, c.881, 49 Stat. 2036, as amended. (Applies only when contract is \$10,000 or more).
- D. Mayor's Order 85-85, dated June 10, 1985, as amended, entitled: "Compliance with Equal Opportunity Obligations in Contracts."
- E. Public Law 93-112, Rehabilitation Act of 1973, Section 504, as amended.
- F. Mayor's Order 83-265, dated November 9, 1983 entitled: Employment Agreement Goals and Objectives for all District of Columbia Projects."
- G. D.C. Law 5-93, dated May 9, 1984, the First Source Employment Agreement Act of 1984.
- H. Protecting Pregnant Workers Fairness Act of 2016, D.C. Official Code § 32-1231.01 et seq. (PPWF Act).
- I. Unemployed Anti-Discrimination Act of 2012, D.C. Official Code § 32-1361 et seq.
- J. Fair Criminal Record Screening Amendment Act of 2014, effective December 17, 2014 (D.C. Law 20-152)
- K. The Contractor shall comply with the provisions of Title I of the Way to Work Amendment Act of 2006, effective June 8, 2006 (D.C. Law 16-118, D.C. Official Code §2-220.01 et seq.), as amended, ("Living Wage Act of 2006") which applies to all contracts for services in the amount \$100,000 or more in a 12-month period. The current living wage rate, the Living Wage Act Fact Sheet which includes exemption information, and the Living Wage Act Poster may be found at <http://does.dc.gov/service/wage-and-hour-compliance> or contact the Department of Employment Services at (202) 724-7000.

I.2 WAIVER

The waiver of any breach of the contract will not constitute a waiver of any subsequent breach thereof, or a waiver of the contract.

I.3 INDEMNIFICATION

I.3.1 Contractor shall indemnify, defend and hold harmless District, and its officers, employees, directors, agents and shareholders, in their individual capacities or otherwise, from and against any and all losses asserted by a third party that result from, relate to, arise out of, or are incurred in connection with: (i) Contractor's gross negligence or willful misconduct resulting in personal injury or property damage; (ii) Contractor's failure to comply with laws applicable to Contractor as a third party provider of a service; or (iii) a claim that the service, software, or deliverable infringes a registered U.S. patent, trademark or copyright. However, Contractor shall not be liable for any infringement claim that results, in whole or in part, from: (a) District's use of a service, software or deliverable in a manner or for a purpose not specifically described in the contract specifications; (b) District's use of a service, software or deliverable with computer programs, processes, hardware, systems, or services owned, licensed or provided by someone other than Contractor; (c) District's products or services; or d) District's failure to implement corrections or changes provided by Contractor. If a claim of infringement of a registered U.S. patent, trademark or copyright has been asserted, or in Contractor's opinion is about to be asserted, Contractor may, at its option either: (1) procure for District the right to continue using the service, software or deliverable; (2) replace or modify the service, software, or deliverable so that it becomes no infringing; or (3) defend the action on District's behalf and pay any associated costs or damages. The obligation to provide indemnification under this section is contingent upon: (i) the District promptly notifying Contractor in writing of any claim; (ii) Contractor having sole control over the defense and settlement of the claim; (iii) District reasonably cooperating during defense and settlement efforts; and (iv) the claim not arising, in whole or in part, out of the action or inaction of the District.

I.4 TRANSFER

No contract or any interest therein shall be transferred by the parties to whom the award is made without the prior written consent of the other party; provided however that no such consent shall be required in connection with any assignment or transfer arising out of a merger or asset sale by Contractor.

I.5 TAXES

- (a) The Government of the District of Columbia is exempt from and will not pay Federal Excise Tax, Transportation Tax, and the District of Columbia Sales and Use Taxes.
- (b) Tax exemption certificates are no longer issued by the District for Federal Excise Tax. The following statement may be used by the supplier when claiming tax deductions for Federal Excise Tax exempt items sold to the District.

“The District of Columbia Government is Exempt from Federal Excise Tax – Registration No. 52-73-0206-K, Internal Revenue Service, Baltimore, Maryland.”

Exempt From Maryland Sales Tax, Registered With the Comptroller of the Treasury – Exemption No. 09339

“The District of Columbia Government is Exempt from Sales and Use Tax – Registration No. 53-600, The District of Columbia Office of Tax and Revenue.”

I.6 OFFICIALS NOT TO BENEFIT

- I.6.1 Unless a determination is made as provided herein, no officer or employee of the District will be admitted to any share or part of this contract or to any benefit that may arise therefrom, and any contract made by the Contracting Officer or any District employee authorized to execute contracts in which they or an employee of the District will be personally interested shall be void, and no payment shall be made thereon by the District or any officer thereof, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit. A District employee shall not be a party to a contract with the District and will not knowingly cause or allow a business concern or other organization owned or substantially owned or controlled by the employee to be a party to such a contract, unless a written determination has been made by the head of the procuring agency that there is a compelling reason for contracting with the employee, such as when the District’s needs cannot reasonably otherwise be met. (Procurement Practices Reform Act of 2010, D.C. Law 18-0371, D.C. Official Code, section 2-359.10, and Chapter 18 of the DC Personnel Regulations)
- I.6.2 The Contractor represents and covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants not to employ any person having such known interests in the performance of the contract.

I.7 DISPUTES

All disputes arising under or relating to this contract shall be resolved as provided herein.

- (a) **Claims by a Contractor against the District:** Claim, as used in paragraph (a) of this clause, means a written assertion by the Contractor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.
- (1) All claims by a Contractor against the District arising under or relating to a contract shall be in writing and shall be submitted to the Contracting Officer for a decision. The Contractor’s claim shall contain at least the following:
- (i) A description of the claim and the amount in dispute;
 - (ii) Data or other information in support of the claim;

- (iii) A brief description of the Contractor's efforts to resolve the dispute prior to filing the claim; and
 - (iv) The Contractor's request for relief or other action by the Contracting Officer.
- (2) The Contracting Officer may meet with the Contractor in a further attempt to resolve the claim by agreement.
- (3) The Contracting Officer shall issue a decision on any claim within 120 calendar days after receipt of the claim. Whenever possible, the CO shall take into account factors such as the size and complexity of the claim and the adequacy of the information in support of the claim provided by the Contractor.
- (4) The Contracting Officer's written decision shall do the following:
 - (i) Provide a description of the claim or dispute;
 - (ii) Refer to the pertinent contract terms;
 - (iii) State the factual areas of agreement and disagreement;
 - (iv) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
 - (v) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
 - (vi) Indicate that the written document is the contracting officer's final decision; and
 - (vii) Inform the Contractor of the right to seek further redress by appealing the decision to the Contract Appeals Board.
- (5) Failure by the Contracting Officer to issue a decision on a contract claim within 120 days of receipt of the claim will be deemed to be a denial of the claim, and will authorize the commencement of an appeal to the Contract Appeals Board as authorized by D.C. Official Code § 2-360.04.
- (6) If a Contractor is unable to support any part of his or her claim and it is determined that the inability is attributable to a material misrepresentation of fact or fraud on the part of the Contractor, the Contractor shall be liable to the District for an amount equal to the unsupported part of the claim in addition to all costs to the District attributable to the cost of reviewing that part of the Contractor's claim. Liability this paragraph (a)(6) shall be determined within six (6) years of the commission of the misrepresentation of fact or fraud.
- (7) Pending final decision of an appeal, action, or final settlement, a Contractor shall proceed diligently with performance of the contract in accordance with the decision of the Contracting Officer.

- (b) **Claims by the District against a Contractor:** Claim as used in paragraph (b) of this clause, means a written demand or written assertion by the District seeking, as a matter of right, the payment of money in a sum certain, the adjustment of contract terms, or other relief arising under or relating to this contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.
- (1) The Contracting Officer shall decide all claims by the District against a Contractor arising under or relating to a contract.
 - (2) The Contracting Officer shall send written notice of the claim to the Contractor. The Contracting Officer's written decision shall do the following:
 - (i) Provide a description of the claim or dispute;
 - (ii) Refer to the pertinent contract terms;
 - (iii) State the factual areas of agreement and disagreement;
 - (iv) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
 - (v) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
 - (vi) Indicate that the written document is the Contracting Officer's final decision; and
 - (vii) Inform the Contractor of the right to seek further redress by appealing the decision to the Contract Appeals Board.
 - (3) The Contracting Officer shall support the decision by reasons and shall inform the Contractor of its rights as provided herein.
 - (4) Before or after issuing the decision, the CO may meet with the Contractor to attempt to resolve the claim by agreement.
 - (5) The authority contained in this paragraph (b) shall not apply to a claim or dispute for penalties or forfeitures prescribed by statute or regulation which another District agency is specifically authorized to administer, settle, or determine.
 - (6) This paragraph shall not authorize the Contracting Officer to settle, compromise, pay, or otherwise adjust any claim involving fraud.
- (c) Decisions of the Contracting Officer shall be final and not subject to review unless an administrative appeal or action for judicial review is timely commenced by the Contractor as authorized by D.C. Official Code §2-360.04.

- (d) Pending final decision of an appeal, action, or final settlement, the Contractor shall proceed diligently with performance of the contract in accordance with the decision of the Contracting Officer.

I.8 CHANGES

The Contracting Officer may, at any time, by written order, and without notice to the surety, if any, make changes in the contract within the general scope hereof. If such changes cause an increase or decrease in the cost of performance of this contract, or in the time required for performance, an equitable adjustment shall be made. Any claim for adjustment under this paragraph must be asserted within ten (10) days from the date the change is offered, provided, however, that the Contracting Officer, if he determines that the facts justify such action, may receive, consider and adjust any such claim asserted at any time prior to the date of final settlement of the contract. If the parties fail to agree upon the adjustment to be made, the dispute shall be determined as provided in Section I.7. Nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

I.9 TERMINATION FOR DEFAULT

- A. The District may, subject to the provisions of paragraph C., below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances: (i) If the Contractor materially breaches the terms of this Contractor or materially fails to make delivery of the supplies or to perform the services within the time specified within the project work plan or any extension thereof; or (ii) If the Contractor materially fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms and in either of these two circumstances does not cure such breach or failure within a period of thirty (30) days (or such longer period as the Contracting Officer may authorize in writing) after receipt of written notice from the Contracting Officer specifying such breach or failure. If a breach cannot reasonably be cured within thirty (30) days, the District may not terminate the contract so long as the Contractor promptly commences work and completes correction within ninety (90) days of receiving written notice of the breach.
- B. In the event the District terminates this contract in whole or part as provided in paragraph A. above, the District may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, supplies or service similar to those so terminated; and the Contractor shall be liable to the District for any excess costs for similar supplies or services. Provided, that the Contractor shall continue the performance of this contract to the extent not terminated under provisions of this clause. The Contractor shall work with any subsequent contractor to ensure a smooth transfer of information for a period of sixty (60) days.
- C. Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the contractor. Such causes may include, but are not restricted to, acts of God or of public enemy, acts of the District or Federal Government in either their sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to

perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of the subcontractor, and if such default arises out of causes beyond the control of both the Contractor and the subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess cost for failure to perform, unless the supplies or services to be furnished by the contractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

- D. If this contract is terminated as provided in paragraph A., above, the District in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the District, in the manner and to the extent directed by the Contracting Officer, (i) completed supplies, (ii) such partially completed supplies and materials, information, and contract rights (herein after called “manufacturing materials”) as the Contractor has specifically produced or specifically produced or specifically acquired for the performance being terminated; and the Contractor, shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the District has an interest. Payment for completed supplies delivered to and accepted by the District shall be at the contract price. Payment for manufacturing materials delivered to and agreed upon by the Contractor and Contracting Officer; failure to agree to such amount shall be a dispute concerning a question of fact. The District may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sums as the Contracting Office determines to be necessary to protect the District against loss because of outstanding liens or claims of former lien holders.
- E. If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provision of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for a termination for convenience be the same as if the notice of termination had been issued pursuant to such clause. Section I.10 “Termination for Convenience.”
- F. The rights and remedies of the District provided in this clause shall not be exclusive and are in addition to any rights and remedies provided by law or under this contract.
- G. As used in paragraph C., above, the terms “subcontractor” and “subcontractors” means subcontractor(s) at any tier.

I.10 TERMINATION FOR CONVENIENCE

(a) The District may terminate performance of work under this contract in whole or, from time to time, in part if the Contracting Officer determines that a termination is in the District’s interest. The Contracting Officer shall terminate by delivering to the Contractor a Notice of Termination specifying the extent of termination and effective date, which will be at minimum 30 days in advance.

(b) After receipt of a Notice of Termination, and except as directed by the Contracting Officer, the Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

- (1) Stop work as specified in the notice.
 - (2) Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete the continued portion of the contract.
 - (3) Terminate all contracts to the extent they relate to the work terminated.
 - (4) Assign to the District, as directed by the Contracting Officer, all rights, title and interest of the Contractor under the subcontracts terminated, in which case the District will have the right to settle or pay any termination settlement proposal arising out of those terminations.
 - (5) With approval or ratification to the extent required by the Contracting Officer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts. The approval or ratification will be final for purposes of this clause.
 - (6) As directed by the Contracting Officer, transfer title and deliver to the District (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other materials produced or acquired for the work terminated, and (ii) the completed or partially completed plans, drawings, information, and other property that, if the contract has been completed, would be required to be furnished to the District.
 - (7) Complete performance of the work not terminated.
 - (8) Take any action that may be necessary, or that the Contracting Officer may direct, for the protection and preservation of the property related to this contract that is in the possession of the Contractor and in which the District has or may acquire an interest.
 - (9) Use its best efforts to sell, as directed or authorized by the Contracting Officer, any property of the types referred to in subparagraph (6) above; provided, however, that the Contractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved by, the Contracting Officer. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the District under this contract, credited to the price or cost of the work, or paid in any other manner directed by the Contracting Officer.
- (c) After the expiration of ninety (90) days (or such longer period as may be agreed to) after receipt by the Contracting Officer of acceptable inventory schedules, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality of termination inventory not previously disposed of excluding items authorized for disposition by the Contracting Officer. The Contractor may request the District to remove those items or enter into an agreement for their storage. Within fifteen (15) days, the District will accept title to those items and remove them or enter into a storage agreement. The Contracting Officer may verify the list upon removal of the items, or if stored, within

forty five (45) days from submission of the list, and shall correct the list, as necessary, before final settlement.

(d) After termination, the Contractor shall submit a final termination settlement proposal to the Contracting Officer in the form and with the certification prescribed by the Contracting Officer. The Contractor shall submit the proposal promptly, but no later than one year from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this one year period. However, if the Contracting Officer determines that the facts justify it, a termination settlement proposal may be received and acted on after one year or any extension. If the Contractor fails to submit the proposal within the time allowed, the Contracting Officer may determine, on the basis of information available, the amount, if any, due to the Contractor because of the termination and shall pay the amount determined.

(e) Subject to paragraph (d) above, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this paragraph (e) or paragraph (f) below, exclusive of costs shown in subparagraph (f)(3) below, may not exceed the total contract price as reduced by (1) the amount of payment previously made and (2) the contract price of work not terminated. The contract shall be amended, and the Contractor paid the agreed amount. Paragraph (f) below shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.

(f) If the Contractor and the Contracting Officer fail to agree on the whole amount to be paid because of the termination work, the Contracting Officer shall pay the Contractor the amounts determined by the Contracting Officer as follows, but without duplication of any amounts agreed on under paragraph (e) above:

(1) The contract price for completed supplies or services accepted by the District (or sold or acquired under subparagraph (b)(9) above) not previously paid for, adjusted for any saving of freight and other charges.

(2) The total of:

(i) The costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to supplies or services paid or to be paid under subparagraph (f)(1) above;

(ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subparagraph (f)(1) above; and

(iii) A sum, as profit on subparagraph f(1) above, determined by the Contracting Officer to be fair and reasonable; however, if it

appears that the Contractor would have sustained a loss on the entire contract had it been completed, the Contracting Officer shall allow no profit under this subparagraph (iii) and shall reduce the settlement to reflect the indicated rate of loss.

(3) The reasonable cost of settlement of the work terminated, including-

(i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(ii) The termination and settlement of subcontractors (excluding the amounts of such settlements); and

(iii) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.

(g) Except for normal spoilage, and except to the extent that the District expressly assumed the risk of loss, the Contracting Officer shall exclude from the amounts payable to the Contractor under paragraph (f) above, the fair value as determined by the Contracting Officer, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the District or to a buyer.

(h) The Contractor shall have the right of appeal, under the Disputes clause, from any determination made by the Contracting Officer under paragraphs (d), (f) or (j), except that if the Contractor failed to submit the termination settlement proposal within the time provided in paragraph (d) or (j), and failed to request a time extension, there is no right of appeal. If the Contracting Officer has made a determination of the amount due under paragraph (d), (f) or (j), the District will pay the Contractor (1) the amount determined by the Contracting Officer if there is no right of appeal or if no timely appeal has been taken, or (2) the amount finally determined on an appeal.

(i) In arriving at the amount due the Contractor under this clause, there shall be deducted:

(1) All unliquidated advances or other payments to the Contractor under the termination portion of the contract;

(2) Any claim which the District has against the Contractor under this contract; and

(3) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Contractor or sold under the provisions of this clause and not recovered by or credited to the District.

(j) If the termination is partial, the Contractor may file a proposal with the Contracting Officer for an equitable adjustment of the price(s) of the continued portion of the contract. The Contracting Officer shall make any equitable adjustment agreed upon. Any proposal by the Contractor for an equitable adjustment under this clause shall be requested within ninety (90) days from the effective date of termination unless extended in writing by the Contracting Officer.

(k) (1) The District may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Contractor for the terminated portion of the contract, if the Contracting Officer believes the total of these payments will not exceed the amount to which the Contractor shall be entitled.

(2) If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to the District upon demand together with interest computed at the rate of 10 percent (10%) per year. Interest shall be computed for the period from the date the excess payment is received by the Contractor to the date the excess payment is repaid. Interest shall not be charged on any excess payment due to a reduction in the Contractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the Contracting Officer because of the circumstances.

(l) Unless otherwise provided in this contract or by statute, the Contractor shall maintain all records and documents relating to the terminated portion of this contract for 3 years after final settlement. This includes all books and other evidence bearing on the Contractor's costs and expenses under this contract. The Contractor shall make these records and documents available to the District, at the Contractor's office, at all reasonable times, without any direct charge. If approved by the Contracting Officer, photographs, micrographs, or other authentic reproductions may be maintained instead of original records and documents.

I.11 TERMINATION OF CONTRACTS FOR CERTAIN CRIMES AND VIOLATIONS

A. The District may terminate without liability any contract and may deduct from the contract price or otherwise recover the full amount of any fee, commission, percentage, gift, or consideration paid in violation of this title if:

(1) the Contractor has been convicted of a crime arising out of or in connection with the procurement of any work to be done or any payment made under this contract.

(2) There has been any breach or violation of:

(A) Any provision of the District of Columbia Procurement Practices Reform Act of 2010, (D.C. Law 18-371; D.C. Official Code §§ 2-351.01, et seq., or

(B) The contract provision against contingent fees.

- B. If a contract is terminated pursuant to this section, the Contractor: (i) May be paid only the actual costs of the work performed to the date of termination, plus termination costs, if any; and (ii) shall refund all profits or fixed fees realized under the contract.
- C. The rights and remedies contained in this Clause are in addition to any other rights or remedies provided by law, and the exercise of any of them is not a waiver of any other right or remedy provided by law.

I.12 EXAMINATION OF THE BOOKS

- I.12.1 The Contractor shall establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting principles and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the District under the contract that results from this solicitation. The Contractor shall retain all records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to the contract for a period of three (3) years after termination of the contract, or if an audit has been initiated and audit findings have not been resolved at the end of three (3) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of the contract. The Contractor shall assure that these records shall be subject at all reasonable times to inspection, review, or audit by Federal, District, or other personnel duly authorized by the Contracting Officer.
- I.12.2 The Contracting Officer, the DC Inspector General, OCFO, and the District of Columbia Auditor, and/or any of their duly authorized representatives shall, until three years after final payment, have the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to the contract.
- I.12.3 The District will provide the Contractor at least fourteen (14) business days' prior written notice of any such examination.

I.13 NON-DISCRIMINATION CLAUSE

- (a) The Contractor shall not discriminate in any manner against any employee or applicant for employment that would constitute a violation of the District of Columbia Human Rights Act, approved December 13, 1977, as amended (D.C. Law 2-38; D.C. Official Code §2-1402.11) (2001 Ed.) (“Act” as used in this Section). The Contractor shall include a similar clause in all subcontracts, except subcontracts for standard commercial supplies or raw materials. In addition, Contractor agrees and any subcontractor shall agree to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause as provided in Section 251 of the Act.

(b) Pursuant to rules of the Office of Human Rights, published on August 15, 1986 in the D.C. Register, Mayor's Order 2002-175 (10/23/02), 49 DCR 9883 and Mayor's Order 2006-151 (11/17/06), 52 DCR 9351, the following clauses apply to this contract:

- (1) The Contractor shall not discriminate against any employee or applicant for employment because of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, genetic information, source of income, or place of residence or business. Sexual harassment is a form of sex discrimination which is prohibited by the Act. In addition, harassment based on any of the above protected categories is prohibited by the Act.
- (2) The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, genetic information, source of income, or place of residence or business.

The affirmative action shall include, but not be limited to the following:

- (a) employment, upgrading or transfer;
 - (b) recruitment or recruitment advertising;
 - (c) demotion, layoff, or termination;
 - (d) rates of pay, or other forms of compensation; and
 - (e) selection for training and apprenticeship.
- (3) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Agency, setting forth the provisions in subsections (b)(1) and (b)(2) concerning non-discrimination and affirmative action.
 - (4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment pursuant to the non-discrimination requirements set forth in subsection (b)(2).
 - (5) The Contractor agrees to send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the contracting agency, advising the said labor union or workers' representative of that contractor's commitments

under this nondiscrimination clause and the Act, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- (6) The Contractor agrees to permit access to his books, records and accounts pertaining to its employment practices, by the Chief Procurement Officer or designee, or the Director of Human Rights or designee, for purposes of investigation to ascertain compliance with this chapter, and to require under the terms of any subcontractor agreement each subcontractor to permit access of such subcontractor's books, records, and accounts for such purposes.
- (7) The Contractor agrees to comply with the provisions of this chapter and with all guidelines for equal employment opportunity applicable in the District of Columbia adopted by the Director of the Office of Human Rights, or any authorized official.
- (8) The Contractor shall include in every subcontract the equal opportunity clauses, subsections (b)(1) through (b)(9) of this section, so that such provisions shall be binding upon each subcontractor or vendor.
- (9) The Contractor shall take such action with respect to any subcontract as the Contracting Officer may direct as a means of enforcing these provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or Contractor as a result of such direction by the Contracting Officer, the Contractor may request the District to enter into such litigation to protect the interest of the District.

I.14 SERVICE CONTRACT ACT OF 1965

Definitions:

“Act”, as used in this clause, means the Service Contract Act of 1965, as amended (41 U.S.C. 351- 358). “Contractor” as used in this clause, means the prime Contractor or any subcontractor at any tier. “Service employee” as used in this clause, means any person (other than a person employed in a bona fide executive, administrative, or professional capacity as defined in 29 CFR 541) engaged in performing a Government contract nor exempted under 41 U.S.C. 356, the principal purpose of which is to furnish services in the United States as defined in section 22.1001 of the Federal Acquisition Regulation. It includes all such persons regardless of the actual or alleged contractual relationship between them and a contractor.

- A. **Applicability.** To the extent that the Act applies, this contract is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor (29CFR 4). All interpretations of the Act in Subpart C of 29 CFR 4 are incorporated in this contract by reference. This clause does not apply to contracts or subcontracts administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C, 29 CFR 4.

- B. **Compensation:** (i) The Contractor shall pay not less than the minimum wage and shall furnish fringe benefits to each service employee under this contract in accordance with wages and benefits determined by the Secretary of Labor or the Secretary's authorized representative, as specified in any attachments to this contract; (ii) If there is an attachment, the Contractor shall classify any class of service employees not listed in it, but to be employed under this contract. The classification shall provide a reasonable relationship to those listed in the attachment. The Contractor shall pay that class wages and fringe benefits determined by agreement of the interested parties: The contracting agency, the Contractor, and the employees who will perform the contract or their representatives. If the interested parties do not agree, the Contracting Officer shall submit the question, with a recommendation for final determination to the Office of Government Contract Wage Standards, Wage and Hour Division Employment Standards Administration (ESA), and the Department of Labor. Failure to pay such employees the compensation agreed upon by the interested parties or finally determined by ESA is a contract violation. (iii) If the term of this contract is more than one (1) year, the minimum wages and fringe benefits required for service employees under this contract shall be subject to adjustment after 1 year and not less often than once every two (2) years under wage determinations issued by ESA.
- C. **Minimum Wage.** In the absence of a minimum wage attachment for this contract, the Contractor shall not pay any service or other employees performing this contract less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206). Nothing in this clause shall relieve the Contractor of any other legal or contractual obligations to pay a higher wage to any employee.
- D. **Successor Contracts.** If this contract succeeds a contract subject to the Act under which substantially the same services were furnished and service employees were paid wages and fringe benefits provided for in a collective bargaining agreement, then, in the absence of a minimum wage attachment to this contract, the Contractor may not pay any service employee performing this contract less than the wages and benefits, including those accrued and any prospective increases, provided for under that agreement. No Contractor may be relieved of this obligation unless the limitations of 29 CFR 4.1c (b) apply or unless the Secretary of Labor or the Secretary's authorized representative - (i) Determines that the agreement under the predecessor was not the result of arms-length negotiations, or (ii) Finds, after a hearing under 29 CFR 4.10, that the wages and benefits provided for by that agreement vary substantially from those prevailing for similar services in the locality.
- E. **Notification to Employees.** The Contractor shall notify each service employee commencing work on this contract of the minimum wage and any fringe benefits required to be paid, or shall post a notice of these wages and benefits in a prominent and accessible place at the work site, using such poster as may be provided by the Department of Labor.
- F. **Safe and sanitary working conditions.** The Contractor shall not permit services called for by this contract to be performed in building or surroundings or under working conditions provided by or under the control or supervision of the Contractor that are unsanitary, hazardous, or dangerous to the health or safety of service employees. The Contractor shall comply with the health standards applied under 29 CFR Part 1925.

- G. **Records.** The Contractor shall maintain for three (3) years from the completion of the work, and make available for inspection and transcription by authorized ESA representatives, a record of the following:
- (i) For each employee subject to the Act –
 - (a) Name and address;
 - (b) Work classification or classifications, rate or rates of wages and fringe benefits provided;
 - (c) Rate or rates of payments in lieu of fringe benefits, and total daily and weekly compensation;
 - (d) Daily and weekly hours worked; and
 - (e) Any deductions, rebates, or refunds from total daily and weekly compensation.
 - (ii) For those classes of service employees not included in any wage determination attached to this contract, wage rates or fringe benefits determined by the interested parties or by ESA under the terms of paragraph (B)(iii) of this clause. A copy of the report required by paragraph (D) of this clause will fulfill this requirement.
- H. **Withholding of Payments and Termination of Contract:** The Contracting Officer shall withhold from the prime contractor under this or any other government contract with the prime contractor any sums the Contracting Officer, or an appropriate officer of the Labor Department, decides may be necessary to pay underpaid employees. Additionally, any failure to comply with the requirements of this clause may be grounds for termination for default.
- I. **Contractor's Report:** (i) If there is a wage determination attachment to this contract and any classes of service employees not listed on it are to be employed under the contract, the Contractor shall report promptly to the Contracting Officer the wages to be paid and the fringe benefits to be provided each of these classes, when determined under paragraph C. of this clause. (ii) If wages to be paid or fringe benefits to be furnished any service employee(s) under the contract are covered in collective bargaining agreement effective at any time when the contract is being performed, the prime Contractor shall provide to the Contracting Officer a copy of the agreement and full information on the application and accrual of wages and benefits (including any prospective increases) to service employees working on the contract. The prime Contractor shall report when contract performance begins, in the case of agreements then in effect, and shall report subsequently effective agreements, provisions, or amendments promptly after they are negotiated.

- J. **Variations, tolerances, and exemptions involving employment:** Notwithstanding any of the provisions in this clause, the following employees may be employed in accordance with the following variations, tolerances, and exemptions authorized by the Secretary of Labor: (i) In accordance with regulations issued under Section 14, of the Fair Labor Standards Act of 1938 by the Administrator of the Wage and Hour Division, ESA(29 CFR 520, 521, 524 and 525), apprentices, student learners, and workers whose earning capacity is impaired by age or by physical or mental deficiency or injury, may be employed at wages lower than the minimum wages otherwise required by section 2(a)(1) or 2(b)(1) of the Service Contract Act, without diminishing any fringe benefits or payments in lieu of these benefits required under section 2(a)(2) of the Act. (ii) The Administrator will issue certificates under the Act for employing apprentices, and student learners, disabled persons, or disabled clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of minimum wages, but without changing requirements concerning fringe benefits for supplementary cash payments in lieu of these benefits; (iii) The Administrator may also withdraw, annul, or cancel such certificates under 29 CFR 525 and 528; and (iv) an employee engaged in an occupation in which the employee customarily and regularly receives more than \$30 a month in tips credited by the employer against the minimum wage required by section 2(a)(1) of the Act or section 2(b)(1) of the Act, in accordance with regulations in 29 CFR 531. However, the amount of credit shall not exceed 40 percent of the minimum rate specified in section 6(a) (1) of the Fair Labor Standards Act of 1938, as amended.

I.15 RECOVERY OF DEBTS OWED THE DISTRICT

The Contractor hereby agrees that the District may use all or any portion of any consideration or refund due the Contractor under the present contract to satisfy in whole or part, any debt due the District.

I.16 NON-DISCLOSURE AGREEMENT

- A. Each party shall treat information received from the other that is designated as “confidential” at or prior to disclosure (“Confidential Information”) as strictly confidential. Contractor designates all information relating to the services, third party services, software, deliverables, specifications and the terms of the contract as its Confidential Information. District designates as its Confidential Information all information the District provides to the Contractor as required for the Contractor to perform its obligations under the contract, including without limitation non-public financial information that is personally identifiable to a customer (referenced in the Gramm-Leach- Bliley Act of 1999 as “Non-public Personal Information” or “NPI”). Each party shall: (i) restrict disclosure of the other party’s Confidential Information to employees and agents solely on a "need to know" basis in accordance with the contract; (ii) advise its employees and agents of their confidentiality obligations; (iii) require agents to protect and restrict the use of the other party’s Confidential Information; (iv) use the same degree of care to protect the other party’s Confidential Information as it uses to safeguard its own Confidential Information of similar importance; (v) establish reasonable procedural, physical and electronic safeguards, to prevent the compromise or unauthorized disclosure of Confidential Information; and (vi) notify the other party of any unauthorized possession or use of its Confidential Information as soon as possible following notice of that unauthorized use or possession. Contractor shall promptly notify

District of any incident that has resulted or is likely to result in the misuse of NPI, and shall comply with all laws regarding NPI that are applicable to it as a third party processor. Confidential Information shall remain the property of the party from or through whom it was provided. Except for NPI, neither party shall be obligated to preserve the confidentiality of any information that: (i) was previously known; (ii) is a matter of public knowledge; (iii) was or is independently developed; (iv) is released for disclosure with written consent; or (v) is received from a third party to whom it was disclosed without restriction. Disclosure of Confidential Information shall be permitted if it is: (a) required by law; (b) in connection with the tax treatment or tax structure of the contract; or (c) in response to a valid order of a U.S. court or other governmental body, provided the owner receives written notice and is afforded a reasonable opportunity to obtain a protective order. Upon termination of the service, each party shall destroy the other party's Confidential Information in a manner designed to preserve its confidentiality, or, at the other party's written request and expense, return it to the disclosing party. Upon termination of the contract, each party shall destroy any remaining Confidential Information of the other party in the same manner or, if so requested, return it to the disclosing party at its expense.

I.17 GOVERNMENT PROPERTY

Contractor use of Government property shall be governed by Chapter 41 of Title 27 of the D.C. Municipal Regulations.

I.18 RIGHTS IN DATA

A. Definitions

1. "Products" - A deliverable under any contract that may include commodities, services and/or technology furnished by or through Contractor, including existing and custom Products, such as, but not limited to: a) recorded information, regardless of form or the media on which it may be recorded; b) document research; c) experimental, developmental, or engineering work; d) licensed software; e) components of the hardware environment; f) printed materials (including but not limited to training manuals, system and user documentation, reports, drawings); g) third party software; h) modifications, customizations, custom programs, program listings, programming tools, data, modules, components; and i) any intellectual property embodied therein, whether in tangible or intangible form, including but not limited to utilities, interfaces, templates, subroutines, algorithms, formulas, source code, and object code.

2. "Existing Products" - Tangible Products and intangible licensed Products that exist prior to the commencement of work under the contract. Notwithstanding any other provision in the Contract, the Contractor shall retain exclusive ownership rights to all Existing Products used by Contractor to deliver the services.

3. "Custom Products" - Products, preliminary, final or otherwise, which are created or developed by Contractor, its subcontractors, partners, employees, resellers or agents expressly and only for the District under the contract under the contract and paid for with

District or federal funds; provided that “Custom Products” shall not include any Products that the Contractor implements on its EBT platform or otherwise uses to provide EBT processing services to its other government agency clients, and the Contractor shall have an unrestricted right to use such Products.

4. “District” – The District of Columbia and its agencies.

B. Title to Project Deliverables

The Contractor acknowledges that it is commissioned by the District to perform services detailed in the contract. The District shall have the right for the duration set forth in the contract to use for its own internal business purposes (to include providing services to EBT cardholders):

1. Existing Products: Title to all Existing Licensed Product(s), whether or not embedded in, delivered or operating in conjunction with hardware or Custom Products, shall: (1) remain with Contractor or third party proprietary owner, who retains all rights, title and interest (including patent, trademark or copyrights).

2. Custom Products: Effective upon Custom Product creation, Contractor shall retain all ownership rights, title and interest in Custom Product(s), whether preliminary, final or otherwise, including all patent, trademark and copyrights, and Contractor shall provide the District a perpetual right and license to use, copy, modify, create derivative works from, and assign to another District agency the Custom Products.

C. Transfers or Assignments of Existing or Custom Products by the District

The District may transfer or assign Custom Products and the licenses thereunder to another District agency. Nothing herein shall preclude the Contractor from otherwise using the related or underlying general knowledge, skills, ideas, concepts, techniques and experience developed under a project or work plan in the course of Contractor’s business.

D. Subcontractor Rights

Whenever any data, including computer software, are to be obtained from a subcontractor under the contract, the Contractor shall use this clause, **Rights in Data**, in the subcontract, without alteration, and no other clause shall be used to enlarge or diminish the District’s or the Contractor’s rights in that subcontractor data or computer software which is required for the District.

E. RESERVED

F. Indemnification and Limitation of Liability

The Contractor shall indemnify and save and hold harmless the District, its officers, agents and employees acting within the scope of their official duties against any liability, including costs and expenses, asserted by a third party against the District, (i) for violation of proprietary rights, copyrights, or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use or disposition of any data furnished under this contract, or (ii) based upon any data furnished under this contract, or based upon libelous or other unlawful matter contained in such data; provided that the foregoing indemnification and hold harmless terms only apply if the claim is caused by the Contractor's material breach of the contract, or the libelous or other unlawful matter contained in any data furnished under the contract was placed there by contractor.

I.19 RESERVED

I.20 RESERVED

I.21 APPROPRIATION OF FUNDS

The District's liability under this contract is contingent upon the future availability of appropriated monies with which to make payment for the contract purposes. The legal liability on the part of the District for payment of any money shall not arise unless and until such monies shall have been provided. The District's obligation to pay under this contract is subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§1341, 1342, 1349, 1351; (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08 (2001); (iii) D.C. Official Code § 47-105 (2001); and (iv) D.C. Official Code § 1-204.46 (2001), as the foregoing statutes may be amended from time to time. Any expenditures under the contract in excess of the encumbered budget authority are subject to appropriation or additional budget authority.

I.22 MULTIYEAR CONTRACT

If funds are not appropriated or otherwise made available for the continued performance in a subsequent year of a multiyear contract, the contract for the subsequent year shall be terminated, either automatically or in accordance with the termination clause of this contract. Unless otherwise provided for in this contract, the effect of termination is to discharge both the District and the Contractor from future performance of the Contract, but not from their existing obligations. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred, but not amortized in the price of the supplies or services delivered under the Contract.

I.23 RESERVED

I.24 CONTRACTS IN EXCESS OF \$1 MILLION DOLLARS

Any contract in excess of one million dollars (\$1,000,000) within a 12-month period shall not be binding or give rise to any claim or demand against the District unless first approved by the Council of the District of Columbia and signed by the Contracting Officer.

I.25 CONTRACTS THAT CROSS FISCAL YEARS

Continuation of this contract beyond the current fiscal year is contingent upon future fiscal appropriations.

I.26 RESERVED

I.27 AMERICANS WITH DISABILITIES ACT OF 1990 (“ADA”)

During the performance of the contract, the Contractor and any of its subcontractors shall comply with the ADA. The ADA makes it unlawful to discriminate in employment against a qualified individual with a disability. See 42 U.S.C. § 12101 et seq.

I.28 FREEDOM OF INFORMATION ACT (“FOIA”)

The District of Columbia’s Freedom of Information Act, at D.C. Official Code § 2-532 (a)(3), requires the District to make available for inspection and copying any record produced or collected pursuant to a District contract with a private contractor to perform a public function, to the same extent as if the record were maintained by the agency on whose behalf the contract is made. If the Contractor receives a request for such information, the Contractor shall immediately send the request to the COTR designated in subsection G.1 who will provide the request to the FOIA Officer for the agency with programmatic responsibility in accordance with the D.C. Freedom of Information Act. If the agency with programmatic responsibility receives a request for a record maintained by the Contractor pursuant to the contract, the COTR will forward a copy to the Contractor. In either event, the Contractor is required by law to provide all responsive records to the COTR within the timeframe designated by the COTR. The FOIA Officer for the agency with programmatic responsibility will determine the releasability of the records. The District will reimburse the Contractor for the costs of searching and copying the records in accordance with D.C. Official Code § 2-532 and Chapter 4 of Title 1 of the D.C. Municipal Regulations.

I.29 RESERVED

I.30 INSURANCE

- A. GENERAL REQUIREMENTS. The Contractor at its sole expense shall procure and maintain, during the entire period of performance under this contract, the types of insurance specified below. The Contractor shall have its insurance broker or insurance company submit a Certificate

of Insurance to the CO giving evidence of the required coverage prior to commencing performance under this contract. In no event shall any work be performed until the required Certificates of Insurance signed by an authorized representative of the insurer(s) have been provided to, and accepted by, the CO. All insurance shall be written with financially responsible companies authorized to do business in the District of Columbia or in the jurisdiction where the work is to be performed and have an A.M. Best Company rating of A- / VII or higher. The Contractor shall require all of its subcontractors to carry the same insurance required herein.

All required policies shall contain a waiver of subrogation provision except for events caused by the willful misconduct or sole negligence of the Government of the District of Columbia.

The Government of the District of Columbia shall be included in all policies required hereunder to be maintained by the Contractor and its subcontractors (except for workers' compensation and professional liability insurance and Crime) as an additional insureds for claims against The Government of the District of Columbia relating to this contract, with the understanding that any affirmative obligation imposed upon the insured Contractor or its subcontractors (including without limitation the liability to pay premiums) shall be the sole obligation of the Contractor or its subcontractors, and not the additional insured. The additional insured status under the Contractor's and its subcontractors' Commercial General Liability insurance policies shall be effected using the ISO Additional Insured Endorsement form CG 20 10 11 85 (or CG 20 10 07 04 **and** CG 20 37 07 04) or such other endorsement or combination of endorsements providing coverage at least as broad and approved by the CO in writing. The Contractor and its subcontractors' liability policies (except for workers' compensation and professional liability insurance and Crime) shall be primary coverage (without any right of contribution by any other insurance, reinsurance or self-insurance, including any deductible or retention, maintained by an Additional Insured) for all claims against the additional insured arising out of the performance of this Statement of Work by the Contractor or its subcontractors, or anyone for whom the Contractor or its subcontractors may be liable except for events caused by the willful misconduct or sole negligence of the Government of the District of Columbia. These policies shall include a separation of insureds clause applicable to the additional insured.

Commercial General Liability Insurance ("CGL") - The Contractor shall provide evidence satisfactory to the CO with respect to the services performed that it carries a CGL policy, written on an occurrence (not claims-made) basis, on Insurance Services Office, Inc. ("ISO") form CG 00 01 04 13 (or another occurrence-based form with coverage at least as broad and approved by the CO in writing), covering liability for all ongoing and completed operations of the Contractor, including ongoing and completed operations under all subcontracts, and covering claims for bodily injury, including without limitation sickness, disease or death of any persons, injury to or destruction of property, including loss of use resulting therefrom, personal and advertising injury. Such coverage shall have limits of liability of not less than \$1,000,000 each occurrence, a \$2,000,000 general aggregate (including a per location or per project aggregate limit endorsement, if applicable) limit, a \$1,000,000 personal and advertising injury limit, and a \$2,000,000 products-completed operations aggregate limit.

1. Automobile Liability Insurance - The Contractor shall provide evidence satisfactory to the CO of commercial (business) automobile liability insurance written on ISO form CA 00 01 10 13 (or another form with coverage at least as broad and approved by the CO in writing)

including coverage for all owned, hired, borrowed and non-owned vehicles and equipment used by the Contractor, with minimum per accident limits equal to the greater of (i) the limits set forth in the Contractor's commercial automobile liability policy or (ii) \$1,000,000 per occurrence combined single limit for bodily injury and property damage.

2. Workers' Compensation Insurance - The Contractor shall provide evidence satisfactory to the CO of Workers' Compensation insurance in accordance with the statutory mandates of the District of Columbia or the jurisdiction in which the contract is performed.

Employer's Liability Insurance - The Contractor shall provide evidence satisfactory to the CO of employer's liability insurance as follows: \$500,000 per accident for injury; \$500,000 per employee for disease; and \$500,000 for policy disease limit.

All insurance required by this paragraph 3 shall include a waiver of subrogation endorsement for the benefit of Government of the District of Columbia except for events caused by the willful misconduct or sole negligence of the Government of the District of Columbia.

3. Crime Insurance (3rd Party Indemnity) - The Contractor shall provide a Crime policy including 3rd party fidelity to cover the dishonest acts of Contractor's, its employees and/or volunteers which result in a loss to the District. The policy shall provide a limit of \$100,000 per occurrence.
4. Professional Liability Insurance (Errors & Omissions) - The Contractor shall provide Professional Liability Insurance (Errors and Omissions) to cover liability resulting from any error or omission in the performance of professional services under this Contract. The policy shall provide limits of \$5,000,000 per claim or per occurrence for each wrongful act and \$5,000,000 annual aggregate. The Contractor warrants that any applicable retroactive date precedes the date the Contractor first performed any professional services for the Government of the District of Columbia and that continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least ten years after the completion of the professional services. This policy will include, Cyber Liability Insurance - The Contractor shall provide evidence satisfactory to the Contracting Officer of Cyber Liability Insurance, Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall include, but not limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties, where permitted by law, as well as credit monitoring expenses with limits sufficient to respond to these obligations.
5. Commercial Umbrella or Excess Liability - The Contractor shall provide evidence satisfactory to the CO of commercial umbrella or excess liability insurance with minimum limits equal to the greater of (i) the limits set forth in the Contractor's umbrella or excess liability policy or (ii) \$5,000,000 per occurrence and \$5,000,000 in the annual aggregate, following the form and in excess of all liability policies. All liability coverages must be scheduled under the umbrella and/or excess policy. The insurance required under this paragraph shall be written in a form that annually reinstates all required limits. Coverage shall

be primary to any insurance, self-insurance or reinsurance maintained by the District and the “other insurance” provision must be amended in accordance with this requirement and principles of vertical exhaustion.

B. PRIMARY AND NONCONTRIBUTORY INSURANCE

The insurance required herein shall be primary to and will not seek contribution from any other insurance, reinsurance or self-insurance including any deductible or retention, maintained by the Government of the District of Columbia except for events caused by the willful misconduct or sole negligence of the Government of the District of Columbia.

C. DURATION. The Contractor shall carry all required insurance until all contract work is accepted by the District of Columbia and shall carry listed coverages for ten years for construction projects following final acceptance of the work performed under this contract and two years for non-construction related contracts.

D. LIABILITY. These are the required minimum insurance requirements established by the District of Columbia. **HOWEVER, THE REQUIRED MINIMUM INSURANCE REQUIREMENTS PROVIDED ABOVE WILL NOT IN ANY WAY LIMIT THE CONTRACTOR’S LIABILITY UNDER THIS CONTRACT.**

E. CONTRACTOR’S PROPERTY. Contractor and subcontractors are solely responsible for any loss or damage to their personal property, including but not limited to tools and equipment, scaffolding and temporary structures, rented machinery, or owned and leased equipment. A waiver of subrogation shall apply in favor of the District of Columbia.

F. MEASURE OF PAYMENT. The District shall not make any separate measure or payment for the cost of insurance and bonds. The Contractor shall include all of the costs of insurance and bonds in the contract price.

G. NOTIFICATION. The Contractor shall ensure that all policies provide that the CO shall be given thirty (30) days prior written notice in the event of coverage and / or limit changes or if the policy is canceled prior to the expiration date shown on the certificate. The Contractor will also provide the CO with an updated Certificate of Insurance should its insurance coverages renew during the contract.

H. CERTIFICATES OF INSURANCE. The Contractor shall submit certificates of insurance giving evidence of the required coverage as specified in this section prior to commencing work. Certificates of insurance must reference the corresponding contract number. Evidence of insurance shall be submitted to:

The Government of the District of Columbia

**And mailed to the attention of:
(Name of Contracting Officer/Agency)
(Address)
(Phone Number)**

(E-mail Address)

The CO may request and the Contractor shall promptly deliver updated certificates of insurance, endorsements indicating the required coverages. If the insurance initially obtained by the Contractor expires prior to completion of the contract, renewal certificates of insurance and additional insured and other endorsements shall be furnished to the CO within 10 days after the date of expiration of all such initial insurance. For all coverage required to be maintained after completion, an additional certificate of insurance evidencing such coverage shall be submitted to the CO on an annual basis as the coverage is renewed (or replaced).

- I. CARRIER RATINGS. All Contractor's and its subcontractors' insurance required in connection with this contract shall be written by insurance companies with an A.M. Best Insurance Guide rating of at least A- VII (or the equivalent by any other rating agency) and licensed in the in the District.

I.31 51% DISTRICT RESIDENTS NEW HIRES REQUIREMENTS AND FIRST SOURCE EMPLOYMENT AGREEMENT

- I.31.1** For contracts for services in the amount of \$300,000 or more, the Contractor shall comply with the First Source Employment Agreement Act of 1984, as amended, D.C. Official Code § 2-219.01 et seq. (First Source Act).
- I.31.2** The Contractor shall enter into and maintain during the term of the contract, a First Source Employment Agreement (Employment Agreement) with the District of Columbia Department of Employment Service's (DOES), in which the Contractor shall agree that:
- (a) The first source for finding employees to fill all jobs created in order to perform the contract shall be the First Source Register; and
 - (b) The first source for finding employees to fill any vacancy occurring in all jobs covered by the Employment Agreement shall be the First Source Register.
- I.31.3** The Contractor shall not begin performance of the contract until its Employment Agreement has been accepted by DOES. Once approved, the Employment Agreement shall not be amended except with the approval of DOES.
- I.31.4** The Contractor agrees that at least 51% of the new employees hired to perform the contract shall be District residents.
- I.31.5** The Contractor's hiring and reporting requirements under the First Source Act and any rules promulgated thereunder shall continue for the term of the contract.
- I.31.6** The CO may impose penalties, including monetary fines of 5% of the total amount of the direct and indirect labor costs of the contract, for a willful breach of the Employment Agreement, failure to submit the required hiring compliance reports, or deliberate submission of falsified data.

- I.31.7** If the Contractor does not receive a good faith waiver, the CO may also impose an additional penalty equal to 1/8 of 1% of the total amount of the direct and indirect labor costs of the contract for each percentage by which the Contractor fails to meet its hiring requirements.
- I.31.8** Any contractor which violates, more than once within a 10-year timeframe, the hiring or reporting requirements of the First Source Act shall be referred for debarment for not more than five (5) years.
- I.31.9** The contractor may appeal any decision of the CO pursuant to this clause to the D.C. Contract Appeals Board as provided in Section I.7, Disputes.
- I.31.10** The provisions of the First Source Act do not apply to nonprofit organizations which employ 50 employees or less.

I.32 **COVENANT AGAINST CONTINGENT FEES**

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the District will have the right to terminate the contract without liability or in its discretion to deduct from the contract price or consideration or otherwise recover, the full amount of the commission, percentage, brokerage, or contingent fee.

I.33 **HEALTH AND SAFETY STANDARDS**

Items delivered under this contract shall conform to all requirements of the Occupational Safety and Health Act of 1970, as amended (“OSHA”), and Department of Labor Regulations under OSHA, and all Federal requirements in effect at time of bid opening/proposal submission.

I.34 **FORCE MAJEURE**

Neither the Contractor nor the District shall be deemed in default or otherwise liable hereunder due to either party’s inability to perform by reason of any fire, earthquake, flood, epidemic, accident, explosion, casualty, strike, lockout, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, or any municipal, county, state or national ordinance or law, or any executive, administrative or judicial orders (which judicial orders are not the result of any act or omission to act which would constitute a default hereunder), or any failure or delay of any transportation, power or other essential thing required, or similar causes beyond the parties control.

I.35 **GOVERNING LAW**

This contract shall be governed by, and construed in accordance with, the laws of the District of Columbia, including, but not limited to, the District of Columbia Procurement Practices Reform Act of 2010, (D.C. Law 18-371; D.C. Official Code §§ 2-351.01, et seq. and D.C. Mun. Regs. Tit. 27.

I.36 ORDER OF PRECEDENCE

A conflict in language shall be resolved by giving precedence to the document in the highest order of priority that contains language addressing the issue in question. The following documents are incorporated into the contract by reference and made a part of the contract in the following order of precedence:

- (1) Contract
- (2) Contract Attachments
- (3) Contractor Proposal dated June 28, 2019

I.37 LIMITATION OF LIABILITY

Limitation of Liability. Notwithstanding anything in the contract to the contrary, Contractor's total liability for the service is limited in all cases and in the aggregate to the amount of fees actually paid by District for the corresponding service during the twelve (12) months preceding the date of the event that is the basis for the first claim. NOTWITHSTANDING THE FOREGOING, CONTRACTOR'S SOLE OBLIGATION IN THE EVENT OF NEGLIGENCE OR ERROR BY CONTRACTOR IN THE PERFORMANCE OR NONPERFORMANCE OF ITS DATA PROCESSING DUTIES HEREUNDER, IF ANY, SHALL BE LIMITED TO REPROCESSING THE DATA FOR THE DISTRICT. CONTRACTOR'S OBLIGATION HEREIN IS CONTINGENT UPON THE DISTRICT NOTIFYING CONTRACTOR WITHIN SEVEN (7) BUSINESS DAYS AFTER THE RECEIPT OF ERRONEOUS DATA. Contractor shall not be liable for any indirect, incidental, consequential, special, delay or punitive damages whatsoever (including but not limited to, damages for loss of business profits or revenue, business interruption, loss of information, or other pecuniary loss), even if Contractor was advised of the possibility of such damage.

I.38 OWNERSHIP OF INTELLECTUAL PROPERTY

Notwithstanding anything to the contrary in the contract, the District is not acquiring a copyright, patent or other intellectual property right in any service, third party service, software, deliverable, specifications or material, or in any data, modifications, customizations, enhancements, changes or work product related thereto. "Deliverable" means any work product or other item (whether tangible or intangible) created by Contractor or provided by Contractor to the District pursuant to the services, third party services, or software, and which may be described more particularly in any document signed by the parties. Any intellectual property rights that existed prior to the effective date of the contract shall belong solely to the party owning them at that time. Neither party shall be entitled to any copyright, trade secret or patent of the other party. The District shall not alter, obscure or revise any proprietary, restrictive, trademark or copyright notice included with, affixed to, or displayed in, on or by a service, third party service, software, deliverable or specifications

SECTION J

ATTACHMENTS

The following Attachments are hereby incorporated.

J.1 U.S. Department of Labor Wage Determination No. 2015-4281 Rev 15, Dated 12/23/2019

J.2 DC DCAS Interface Manual

J.3 Historical Data for Caseloads FY18

J.4 EBT Deliverables Table – Updated June 2019

J.5 FNS EBT Transition Guide

J.6 Quest Rules

J.7 FNS EBT Security Guidelines Handbooks

J.8 Bidder/Offeror Certifications

J.9 Doing Business with Integrity

J.10 Federal Clauses

