

**ARKANSAS DEPARTMENT OF HUMAN SERVICES**  
**PERFORMANCE BASED CONTRACTING**

Pursuant to Ark. Code Ann. 19-11-267 et. seq., the selected contractor shall comply with performance-based standards. Following are the performance-based standards that will be a part of the contract and with which the contractor must comply for acceptable performance to occur under the contract.

- I. The contractor must comply with all statutes, regulations, codes, ordinances, and licensure or certification requirements applicable to the contractor or to the contractor's agents and employees and to the subject matter of the contract. Failure to comply shall be deemed unacceptable performance.
- II. Except as otherwise required by law, the contractor agrees to hold the contracting Division/Office harmless and to indemnify the contracting Division/Office for any additional costs of alternatively accomplishing the goals of the contract, as well as any liability, including liability for costs or fees, which the contracting Division/Office may sustain as a result of the contractor's performance or lack of performance.
- III. During the term of the contract, the division/office will complete sufficient performance evaluation(s) to determine if the contractor's performance is acceptable. The damages set forth below are not exclusive and shall in no way exclude or limit any remedies available at law or in equity.
- IV. The State **shall** have the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards and may include the input of the vendor so as to establish standards that are reasonably achievable.
- V. The contract program deliverables and performance indicators to be performed by the contractor are:

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p><b>Design Phase</b> The Design Phase <b>shall</b> be based upon tasks, deliverables, and timeframes identified within the Project Work Plan (PWP) and <b>must</b> include preliminary plans.</p> <p>The Contractor must submit preliminary plans that meet requirements for items listed below by the date specified in the solicitation. All preliminary plans shall be submitted to DHS in a Portable Document Format (PDF) unless otherwise specified by DHS. All plans are subject to DHS review and comments prior to being finalized. The Contractor shall coordinate revisions with DHS and receive DHS approval on final plans.</p> <ul style="list-style-type: none"> <li>• Transition Plan</li> <li>• Functional Design Documents</li> <li>• Detailed Design Document</li> <li>• Life Cycle Testing Plan</li> <li>• Test Plan</li> <li>• Back-Up and Recovery Plans</li> <li>• System Security Plan</li> <li>• Training Plan</li> <li>• Retailer and TPP Agreements</li> <li>• Staffing Plan</li> <li>• Project Management Plan</li> <li>• Project Work Plan</li> <li>• Communication Plan</li> <li>• Change Management Plan</li> <li>• Risk Management Plan</li> <li>• Quality Assurance/Quality Control Plan</li> <li>• Configuration Plan</li> <li>• Business Continuity Manual</li> </ul>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A five percent (5%) penalty will be assessed in the initial payment to the provider per plan for thirty (30) days passed each deadline the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total initial payment.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the initial payment to the provider per plan for each subsequent thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The ten percent (10%) penalty will be calculated from the total initial payment.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Development and Testing Phase</b> Development and Testing shall commence after the completion of the design phase and with DHS approval. Development and testing shall be required with any EBT system upgrade performed as well.</p> <p>The Contractor <b>shall</b> configure and test the EBT System according to the system specifications defined and agreed upon in the Design Phase.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>The first (1st) installment, consisting of forty percent (40%) of the total start-up costs will be withheld or delayed until the successful completion of the State's system acceptance test.</p> <p>In addition to the above</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>The Contractor <b>shall</b> perform testing on all components and functional areas of the EBT system before and after delivery of the system. The Contractor <b>shall</b> provide system test scripts to DHS within thirty (30) calendar days after contract start detailing step-by-step instructions on the actual tests and system functions to be demonstrated. Test scripts <b>shall</b> also describe the desired system outcomes and test results. The Contractor <b>shall</b> develop test data and update the Test Plan as deemed appropriate by DHS.</p> <p>The Contractor shall provide documentation in the format specified by DHS of its internal testing results describing the results of each test that is performed. The documentation shall describe the intended scope and results from the tests, and any system modifications as necessary to resolve system errors and deficiencies found by the Contractor, USDSA, or DHS during the testing.</p> <p>Contractor <b>shall</b> provide a manual to EBT Support on Systems Operations and Interface Procedures for interfaces with Federal and State batch files within thirty (30) calendar days of contract start and updated as needed thereafter.</p> <p>Contractor <b>shall</b> provide a Reports Manual in the format specified by DHS within forty-five (45) calendar days of contract start describing all standard reports to be generated by Contractor and updated as needed thereafter.</p> <p>Contractor <b>shall</b> provide a Settlement/Reconciliation Manual within thirty (30) calendar days of contract start and updated as needed thereafter.</p> <p>Contractor <b>shall</b> provide an EBT Program Manual within sixty (60) calendar days of contract award that provides guidance and procedures for State and County staff on the functionality of the EBT terminal within the EBT System.</p>		<p>penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Transition-In Phase &amp; Requirements</b> The Contractor <b>must</b> become familiar with</p>	<p>Acceptable performance is defined as one</p>	<p>The second (2nd) installment, consisting of</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>DHS's processes, reports, and metrics, and become familiar with processes and services provided by DHS.</p> <p>The Contractor <b>must</b> conduct weekly status meetings with DHS and the current EBT Contractor. Contractor Project Manager <b>shall</b> attend all status meetings with DHS and the current EBT Contractor. The Contractor shall generate a status report in Excel (unless otherwise specified by DHS) in preparation for the status meeting.</p> <p>The Contractor <b>must</b> generate minutes for all status meetings and distribute the minutes via e-mail within two (2) business days after each meeting for DHS's review and approval.</p> <p>Contractor <b>must</b> complete a review of all systems documentation prior to the completion of the Transition-In Period.</p> <p>Contractor <b>must</b> attend question and answer sessions with the current EBT Contractor and advise DHS of any areas of concern based on previous presentations, and reviews of documentation. The current Contractor, DHS and the replacement or incoming Contractor <b>shall</b> conduct technical interchange meetings as requested by either DHS or Contractor.</p> <p>The Contractor <b>must</b> participate in a Performance Readiness Review (PRR) meeting with DHS. The PRR <b>shall</b> be comprised of a compliance review of the subtasks and Deliverables included in the Transition-In Period. Each deliverable <b>must</b> be checked for total compliance with all required specifications of the task. DHS will confirm that all staff proposed for the additional tasks listed in the contract has been oriented to DHS's processes and procedures.</p>	<p>hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>forty percent (40%) of the total start-up costs will be withheld or delayed until successful conversion to the new Contractors EBT System.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Operations and Maintenance</b></p> <p>The Contractor shall ensure the Go live date is no later than March 1, 2025.</p> <p>The Operations and Maintenance Phase <b>shall</b> begin at the conclusion of the Transition-In Phase after the Cardholder Database has been converted from the</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as</p>	<p>The final installment, consisting of the remaining twenty percent (20%) of the start-up costs, will be withheld or delayed until satisfactory resolutions of all issues remaining following conversions.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>previous Contractor to the new Contractor. During this phase, the Contractor <b>shall</b> maintain ongoing communication with DHS on EBT operations and immediate notification of any issues or system problems. The assigned project manager and proposed key personnel shall be the point person for ongoing communications.</p> <p>The Contractor <b>shall</b> assume complete operational support, maintenance, and full responsibility of the system and the ongoing activities and tasks as outlined in the solicitation.</p>	<p>determined by DHS.</p>	<p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Transition Out</b> Contractor <b>must</b> provide a detailed Transition-Out plan in the format specified by DHS, which establishes a seamless transition between the current EBT Contractor's team and the successful Contractor's team one (1) year prior to the maximum contract end date or another DHS -re-approved timeline. The Plan <b>shall</b> include a specific approach and schedule to transition of services between current Contractor's team and the new Contractor's team. This plan <b>must</b> include a clear breakdown of tasks and responsibilities, including those tasks that will be the responsibility of DHS during the transition and a turnover resource plan.</p> <p>Contractor <b>shall</b> provide a report of any outstanding deliverables and/or tasks and time frames for completion. Said report shall be provided on a quarterly basis, or another timeline as DHS may require.</p> <p>Contractor <b>shall</b> provide a provide a strategy for ensuring that all records and documents resulting from the services provided under the contract have been updated to reflect all changes, enhancements, and modifications. All documentation and records <b>shall</b> be written in English, provided in hardcopy, and at least one (1) electronic copy in PDF format and a copy in Microsoft Word at time of turnover.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>If the Vendor fails to meet the acceptable performance standard, DHS may issue a below standard Vendor Performance Report (VPR) maintained in the vendor file. Final payment may be withheld from the vendor until all elements of the transition are satisfied as determined by DHS.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>Contractor shall include provisions for the delivery of all proprietary data collected and/or created during the life of the contract to DHS thirty (30) days prior to the contract end date. All proprietary data collected and/or created during the final thirty (30) days of the contract, or any proprietary data not captured in the initial delivery, shall be delivered to DHS no more than fifteen (15) days following the contract end date.</p> <p>Contractor <b>shall</b> cooperate with facilitating the transfer of operations prior to the expiration of the Contract. Incumbent Contractor <b>shall</b> acknowledge in writing, incoming Contractor will oversee the transition-out activities.</p> <p>Contractor <b>shall</b> submit a final turnover plan that contains a description of the resources that Contractor shall commit and the functions that Contractor shall perform, along with time frames, in transferring the operation to the successor Contractor.</p> <p>Contractor <b>shall</b> complete all turnover activities as provided for in Contractor's turnover plan and within DHS-approved timeframes that will enable the successful transfer of the operation with no delays or decreases in services.</p> <p>Contractor <b>shall</b> cooperate with the incoming Contractor and provide requested documentation by the defined deadline, participate in meetings, complete assigned tasks in accordance with the incoming Contractors work plan, and behave in a courteous, and professional manner at all times in order to effectuate a seamless transition.</p> <p>Contractor <b>shall</b> provide written procedures and policies relating to the protection and control of confidential system media that is transported from one</p>		

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>location to another or when there is a change in custody of the media. These policies <b>shall</b> be made available to DHS or its agents and representatives upon request.</p> <p>Contractor <b>shall</b> provide written procedures and policies in place that protect against the inadvertent release or destruction of State data.</p> <p>At the expiration of this resultant contract, Contractor <b>shall</b> work cooperatively and proactively with the new incoming Contractor to facilitate a smooth and efficient transition of services.</p> <p>Contractor <b>shall</b> participate fully in all meetings called by the incoming Contractor as well as DHS; accomplish all tasks assigned to it; and wherever possible, offer guidance, subject matter expertise and other consultancy services to the process.</p> <p>Contractor <b>shall</b> work during the Transition-Out period as if time is of the essence because it provides an opportunity for the new Contractor staff to gain a full understanding of the EBT technical environment to provide all the services outlined in this RFP and thereby support all system users.</p> <p>Contractor <b>shall</b> ensure sufficient staff be retained for the duration of the transition.</p>		
<p><b>Compliance</b> The Contractor <b>must</b> follow all applicable State and Federal laws, rules, regulations, and policies relating to the RFP and resulting contract and the information security, confidentiality, privacy, and compliance requirements hereto.</p> <p>Arkansas currently operates under the QUEST® mark. Therefore, as applicable, the Contractor <b>must</b> adhere to the QUEST® Operating Rules which set forth the requirements for the distribution of government benefits under the QUEST® mark. <a href="#">QUEST® Operating Rules</a> facilitate a seamless operating environment for EBT Issuers and Transaction Acquirers.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>The Contractor <b>shall</b> comply with all DHS policies governing the privacy and security of all personally identifiable information (PII) and/or other confidential information received or accessed on behalf of Arkansas DHS.</p> <p>The Contractor <b>shall</b> disclose any breaches of privacy or security by contacting the DHS Information Technology Security Office within one (1) business day of the breach at <a href="mailto:dhs.it.security.team@dhs.arkasnas.gov">dhs.it.security.team@dhs.arkasnas.gov</a></p> <p>The Contractor <b>shall</b> safeguard the use and disclosure of, and restrict access to, protected health information and/or other confidential information.</p> <p>The Contractor <b>must</b> maintain confidentiality and meet any applicable Health Insurance Portability and Accountability Act (HIPAA) requirements.</p>		<p>calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>EBT System Functionality</b></p> <p>The Contractor <b>shall</b> assure that cash assistance cardholders have adequate access to ATMs and POS terminals to obtain case benefits. In this regard, Contractor <b>shall</b> employ a network that fulfills the FNS Formula for terminal placement, for exempt retailers who qualify for and elect to utilize State-deployed EBT equipment only. Contractor <b>shall</b> adhere to 7 CFR § 274.3(b) for POS deployment.</p> <p>The Contractor <b>shall</b> provide transaction processing, retailer management, customer service, and all services, supplies, and functions.</p> <p>Contractor <b>shall</b> provide a secure fully redundant web based EBT System that complies with all Federal and State laws, and regulations. Circuits shall not be installed in a DHS facility. The EBT System <b>shall</b> be operational, seven (7) days a week, twenty-four (24) hours a day, three hundred sixty-five (365) days per year.</p> <p>Contractor <b>shall</b> have a contingency plan for circumventing communication outages</p>	<p>Acceptable performance is defined as ninety-eight percent (98%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
of longer than five (5) minutes.		is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.
<p><b>EBT Card</b> Contractor <b>must</b> provide and produce EBT cards that complies with the most current SNAP regulations at 7 CFR 274.8(b)(5) and 7 CFR 274.8(b)(10)(iii), specifications in the Quest Operating Rules (QOR), the International Standards Organization (ISO), and the American National Standards Institute (ANSI) relating to cards used for financial transactions.</p>	Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>EBT Card Issuance</b> Contractor <b>shall</b> mail initial and replacement cards, first (1st) Class through the United States Postal Service (USPS), to the cardholder no later than the next business day.</p> <p>Contractor <b>shall</b> generate a daily electronic Card Returned Report in Excel (unless otherwise specified by DHS) and upload the file to the administrative terminal for DHS access.</p>	Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30)</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>The Contractor <b>shall</b> deactivate all EBT cards that are reported lost, stolen, or non-functioning (damaged) and issue a new card in accordance with the <a href="#">Consolidated Appropriations Act of 2023</a>.</p> <p>The Contractor <b>shall</b>, via the Customer Service Call Center, replace a lost, stolen, and/or damaged card if the cardholder's address on the EBT System is the cardholder's current address as verified by the CSR. If the address or security requirements are not met or do not match what is in the EBT System, the Contractor <b>shall</b> instruct the cardholder to contact DHS to update their information.</p> <p>Contractor <b>shall</b> provide the cardholder with free replacement cards. All replacement cards mailed <b>shall</b> include an EBT card carrier and mailer.</p> <p>Contractor <b>shall</b> be responsible for the maintenance of a card issuance database that <b>shall</b> be accessible to DHS twenty-four seven (24/7) via password.</p>		<p>day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Call Center</b> Contractor <b>shall</b> provide a Customer Service Call Center to assist DHS cardholders and retailers accepting the Arkansas DHS card.</p> <p>The Customer Service Call Center <b>must</b> be operational and available when the Operations and Maintenance Phase begins.</p> <p>Contractor <b>must</b> immediately notify DHS of any call center outage exceeding five (5) minutes.</p> <p>The Contractor <b>must</b> generate and submit a monthly report including the following:</p> <ul style="list-style-type: none"> <li>• Number of calls received per day</li> <li>• Duration of calls received</li> <li>• Number of Abandoned calls per day</li> <li>• Average hold time</li> <li>• Dequeued calls (calls that are rerouted or disconnected due to system rules/logic and not by the client)</li> <li>• Maximum wait time</li> <li>• Average answer speed</li> </ul>	<p>Acceptable performance is defined as:</p> <ul style="list-style-type: none"> <li>• 95% calls answered by automated attendant within three (3) rings or fifteen (15) seconds</li> <li>• Number of busy signals must not exceed five percent (5%) of total incoming calls</li> <li>• 95% wait times must not exceed three (3) minutes. Maximum wait time should not exceed twenty (20) minutes</li> <li>• Abandoned call rate not to exceed twenty percent (20%) for any month</li> </ul>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation,</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
		monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.
<p><b>Interactive Voice Response System</b> The Contractor <b>shall</b> provide an IVRS that allows cardholders and retailers to obtain information using an automated system.</p> <p>The IVRS <b>shall</b> comply with the ADA Act and provide TTY capability for cardholders and retailers with hearing disabilities.</p> <p>For Cardholders, Contractor <b>shall</b>:</p> <ol style="list-style-type: none"> <li>1. Provide access to the IVRS via public telephone.</li> <li>2. Provide an option to report a claim from the main menu.</li> <li>3. Permit access to account balances and transaction history.</li> <li>4. Permit card activation/PIN assignment.</li> <li>5. Permit cardholders to cancel and EBT card and order a replacement using the IVR functionality or CSR.</li> </ol> <p>For Retailers, Contractor <b>shall</b>:</p> <ol style="list-style-type: none"> <li>1. Provide manual authorization approval.</li> <li>2. Provide Help Desk assistance for problem resolution, including but not limited to: connectivity, equipment performance, funds settlement, claims.</li> </ol> <p>The Contractor <b>shall</b> submit the IVRS scripts during the Transition-In period for review and written approval by DHS.</p> <p>The Contractor <b>shall</b> seek pre-approval of any changes to the scripts in writing, by DHS.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Help Desk</b></p> <p>A. The Contractor <b>shall</b> provide a help desk with live CSRs available twenty-four hours a day, seven days a week (24/7), and <b>must</b> assist with, at minimum, the following areas:</p> <ol style="list-style-type: none"> <li>1. For Cardholders: <ol style="list-style-type: none"> <li>a. General information, i.e. mechanism to report lost, stolen or</li> </ol> </li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>compromised cards.</p> <p>b. Problem resolution, i.e. transaction disputes.</p> <p>2. For Retailers:</p> <p>a. General DHS-related inquiry or support</p> <p>b. Manual Authorization approval</p> <p>c. Daily deposit inquiries/settlement data</p> <p>d. Account problem resolution</p> <p>B. The Contractor <b>shall</b> provide Data Processing Technical Support Help Desk services to DHS twenty-four (24) hours a day, seven (7) days a week to resolve technical and system problems, locate files, and address transmission issues, etc.</p> <p>1. The Data Processing Technical Support Help Desk <b>shall</b> also monitor the system and transmission line performance real time, and proactively resolve issues.</p> <p>2. All technical and support services <b>shall</b> be provided in English, Spanish, Marshallese, and additional languages upon DHS request. CSRs <b>shall</b> be proficient in spoken and written English; and have a clear comprehension of the English language.</p> <p>C. The Contractor <b>must</b> have the ability to provide translation and interpreter services including American Sign Language, Spanish, and services for persons with non or Limited English Proficiency. In addition, provide accessible formatting to individuals with disabilities.</p>		<p>assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>EBT Web Portal</b></p> <p>For Cardholders:</p> <p>1. The Contractor <b>shall</b> have a clear method to providing an EBT portal capable of being accessed by Arkansas cardholders via the internet.</p> <p>2. The Contractor <b>shall</b> ensure that individual cardholder records are available only to an authorized user of the Cardholder Portal.</p> <p>3. Contractor <b>shall</b> ensure all data and</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>information housed by the system are fully protected against hacking and other unauthorized access.</p> <p>4. The Cardholder Portal <b>shall</b> allow EBT cardholders to authenticate themselves by using secure Web protocols in Spanish as spoken in Arkansas and English, User IDs, and Passwords. Cardholders <b>shall</b> be able to create passwords and change passwords, at a minimum every ninety (90) days through the cardholder portal in accordance with State of Arkansas (IS) Policy.</p> <p>5. Cardholder Portal <b>shall</b> also allow the cardholder to:</p> <ul style="list-style-type: none"> <li>a. Obtain current account balances</li> <li>b. View the benefits that have been posted to the EBT account but are not yet available</li> <li>c. View the details of transactions (for a maximum of ninety (90) days).</li> <li>d. View and print transaction history (for a maximum of ninety (90) days).</li> <li>e. View the issuance schedule for EBT and Cash benefits</li> </ul> <p>6. Contractor <b>shall</b> provide reports on usage of the Cardholder Portal, including:</p> <ul style="list-style-type: none"> <li>a. Total number of cardholders accessing the portal during a selected reporting period</li> <li>b. A breakdown of the number of users that access the portal provided by the functions they use. (<i>Refer to Section 2.39</i>)</li> </ul> <p>For Retailer:</p> <p>1. The Contractor <b>shall</b> develop and maintain a Retailer Portal which can be accessed by Arkansas retailers via the Internet in English, Spanish, and other languages as requested by DHS.</p> <p>2. Retailers <b>shall</b> be able to create passwords and change passwords, at a minimum every ninety (90) days through the retailer portal in accordance with Chapter 125 of the DHS Administrative Procedures</p>		<p>not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>Manual.</p> <p>3. Retailer Portal <b>shall</b> allow the following:</p> <ul style="list-style-type: none"> <li>a. Access to at least, a minimum of ninety (90) days of transaction history.</li> <li>b. View ACH deposits</li> <li>c. Access to informational materials, i.e., State issuance schedule, Quick Reference Guide (QRG), etc.</li> </ul>		
<p><b>Training</b></p> <p>The Contractor <b>shall</b> provide initial training with all personnel and provide on-going, and ad-hoc training to all EBT Project Office staff and staff trainers, i.e., field staff and other central office staff employed by DHS, including retailers. Training for equipment provided by a third (3rd) party processor, an independent sales organization, or a value-added reseller, <b>shall</b> be provided by that processor.</p> <p>Contractor <b>must</b> provide updates to training materials and videos on upon request by DHS throughout life of contract.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>POS Terminals</b></p> <p>Contractor <b>shall</b> supply Point of Sale (POS) terminals to all FNS approved exempt retailers who choose not to purchase their own equipment. This equipment <b>shall</b> be restricted to EBT use only.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>Terminals deployed by the Contractor <b>must</b> meet the operational requirements of the EBT System and support the full EBT transaction set.</p> <p>Contractor <b>shall</b> provide all approved retailers the opportunity to participate in the EBT System.</p> <p>Contractor <b>must</b> procure and maintain current and new retailer POS equipment at all FNS approved exempt retailer locations.</p> <p>The Contractor <b>shall</b> be responsible for all aspects of initial and on-going training provided to TPP retailer unless equipment is provided by a TPP. If, equipment is being provided by a TPP retailer, then TPPs should be responsible for providing the necessary training as needed.</p> <p>The Contractor <b>must</b> supply Direct Marketing Farmers (DF) and Farmers' Market (FM) retailers with wireless POS equipment.</p> <p>Contractor <b>shall</b> document capacity for blocking access to TANF benefits at POS terminals in accordance with the Middle-Class Tax Relief (MCTR) and Job Creation Act of 2012.</p> <p>Group Living Arrangements/Meal Services: Contractor <b>shall</b> enter into agreements for the deployment of POS equipment with USDA/FNS approved group living arrangements/meal services, of which the State currently has sixty (60).</p> <p>Contractor <b>shall</b> be responsible for the authorization of cardholder-initiated SNAP transactions.</p> <p>The EBT System <b>shall</b> only accept SNAP transactions from POS terminals of FNS approved retailers.</p> <p>Contractor <b>shall</b> ensure that benefits within the EBT account are distributed on a First In, First out (FIFO) basis.</p> <p>Interoperability</p>	<p>determined by DHS.</p>	<p>(5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>Contractor <b>shall</b> support the Federal requirement of processing interoperable SNAP transactions, including SNAP transactions performed at a State of Arkansas retailer where the cardholder has benefits issued by a state other than Arkansas.</p> <p>Contractor <b>shall</b> demonstrate that it has the capability of accepting and processing cardholder transactions occurring at out-of-state (non-Arkansas) retailers.</p> <p>POS SNAP Transaction Types: Contractor shall accept and process EBT transactions where the card number has been manually entered into the POS terminal. Transactions <b>must</b> be entered manually with the card number at times when an EBT card is damaged and/or the POS terminal is unable to read the magnetic stripe. PIN entry by the cardholder <b>must</b> also be required on manually entered transactions.</p> <p>Manual Voucher Process: Contractor <b>shall</b> process manual vouchers for SNAP transactions only when electronic transactions are not available due to disasters and EBT System failure.</p> <p>Benefit Transaction POS Functions: Retailer Log-on and Log-off Security Functions - The retailer's staff <b>shall</b> interact with EBT security processes to access the system using the POS terminal. Contractor's procedures and software <b>must</b> control staff access via authority level and define management controls to access system.</p> <p>Settlement Processing - The POS terminal <b>must</b> allow the retailer to access the system to process the various close of business functions in the Retailer and Financial Institution Account Processing as required.</p>		
<p><b>Financial Transaction Processing</b> Contractor <b>must</b> identify networks that <b>shall</b> be included in the EBT System.</p> <p>Contractor's EBT System <b>shall</b> identify and capture both, on and off-line financial transactions.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>The Contractor <b>shall</b> 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 include, but are not limited to:</p> <ol style="list-style-type: none"> <li>1. Any duplicate or erroneous postings of benefits or void actions to a Cardholder account;</li> <li>2. Any losses from funds drawn from an account after the Cardholder notified the Contractor that the card had been lost or stolen;</li> <li>3. Any losses from transactions performed with cards issued but not activated by the Cardholder and/or the Contractor;</li> <li>4. Any losses from transactions completed using invalid Retailer FNS authorization numbers</li> <li>5. Any damages or losses suffered by a Federal or State agency due to negligence on the part of the Contractor.</li> </ol>	<p>the contract term as determined by DHS.</p>	<p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Daily Benefit Transmission</b></p> <p>Contractor <b>shall</b> ensure the following: File is validated by assuring that the record totals and benefit amount totals equal with the summary totals provided by DHS.</p> <p>A pre-processing check of the file <b>shall</b> be performed to ensure the file is structured correctly and to prevent duplicate processing and to check that there is nothing unusual in the file.</p> <p>Once everything is checked, the file <b>shall</b> be processed, and a summary report <b>must</b> be sent back to the State.</p> <p>The summary <b>must</b> show the total number of cases processed, the total dollar amount, and a listing of any case demographic or issuance that was rejected.</p> <p>New accounts are established for each</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>new cardholder.</p> <p>Contractor's EBT System <b>shall</b> permit DHS to close and reopen accounts (case numbers).</p>		<p>additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Tracking Benefit Withdrawals</b> Contractor's EBT System <b>shall</b> be capable of the following:</p> <ol style="list-style-type: none"> <li>1. Tracking and retaining the identity of each individual whole benefit, as well as the first (1st) withdrawal from a benefit. <ol style="list-style-type: none"> <li>a. If all benefit funds are not withdrawn, then the remaining amount is referred to as a partial benefit.</li> <li>b. Every subsequent withdrawal from that account is charged against that partial benefit until it is totally withdrawn.</li> <li>c. Ensure that there is only one (1) partial benefit per account at any given time.</li> </ol> </li> <li>2. Upon a withdrawal, determining which whole benefit to access on a First in, First out (FIFO) basis. (An account may contain multiple whole benefits at one (1) time.)</li> <li>3. If two (2) or more whole benefits are received on the same day, selecting the oldest benefit from which to begin accessing for withdrawals.</li> <li>4. Reporting the tracking and reporting of benefit access to DHS in an electronic format.</li> <li>5. Contractor <b>shall</b> provide all benefit information originally provided by DHS related to that benefit on the daily return/monthly aging report file.</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Account Balances</b> An EBT SNAP benefit account shall not close when a SNAP case closes. The former recipient <b>shall</b> remain entitled to the account balance.</p> <ol style="list-style-type: none"> <li>1. As long as benefits remain in the EBT</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>SNAP account, the former recipient <b>shall</b> have the right to still have cards issued or reissued and select or change PINs.</p> <p>2. Benefits <b>shall</b> remain available to the household for 274 days from the date of availability, or the last time accessed, whichever occurs last.</p> <p>3. The Contractor <b>must</b> notify the client of the pending expungement forty-five (45) days before it is scheduled to occur with FNS approved language, and a copy of the notice <b>must</b> be retained for DHS review and audit standards. The Contractor <b>must</b> also provide appropriate funds unavailable/decline message at a POS terminal.</p> <p>4. After 274 days of inactivity, the inactive benefit(s) <b>shall</b> be expunged from the account. The household shall no longer access expunged benefits, but they may be applied to a SNAP overpayment claim.</p>	<p>performance throughout the contract term as determined by DHS.</p>	<p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Account Close Out</b> The Contractor <b>must</b> close accounts from the active database according to the following:</p> <p>1. An account is reduced to a zero (0) balance and remains at a zero (0) balance for a period of two hundred seventy-five (275) days.</p> <p>a. The two hundred seventy-five (275) day count <b>shall</b> begin on the date when the account was first (1st) reduced to a zero (0) balance. Any active account shall stay active. If on the day of conversion, the Contractor <b>shall</b> reactivate if possible; if impossible then the Contractor <b>shall</b> create a new account, e.g.,</p> <p>i. If on the date of conversion, the case has been inactive two hundred seventy-five (275) days or more then that case will be converted as inactive.</p>		

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>ii. If on the date of conversion, the case has been inactive for less than two hundred seventy-five (275) days, the case will be converted as active.</p> <p>iii. An inactive case is defined as one in which the account balance is equal to zero and there has been no account activity in or out of the case for two hundred seventy-five (275) days or more.</p> <p>2. An account with benefits not accessed for two hundred seventy-five (275) days and resulting in the benefits being returned and a zero (0) balance. Any subsequent benefit authorizations <b>shall</b> reset the day count to zero (0).</p>		
<p><b>Transaction History</b> Contractor <b>shall</b> provide DHS online inquiry for all account benefit transaction activity for a minimum of three (3) years, if three (3) years of data is available, from the date of the final withdrawal that closed out a benefit. Information should be obtained without reactivating closed accounts.</p> <p>Online transaction activity for partial benefits <b>shall</b> remain available if the partial benefit has not been returned.</p> <p>Contractor <b>shall</b> move transaction history to an off-line storage file for the duration of the contract after three (3) years on-line storage.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p><b>Retailer &amp; Financial Institution Account Processing</b>            USDA/FNS approved retailers and financial institutions interested in participating in EBT as acquirers of cash financial transactions, the Contractor's EBT System <b>shall</b> support the following functions to process the cardholder's accounts:</p> <ul style="list-style-type: none"> <li>• System Recognition</li> <li>• Service Termination</li> <li>• ATM/POS Settlement Processing</li> <li>• Fund Transfer</li> <li>• Dispute Processing</li> <li>• Retailer Account Transaction History</li> <li>• Retailer Account Management</li> <li>• System Settlement and Reconciliation</li> </ul>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Current Settlement Background/Summary</b>            The current EBT settlement process <b>shall</b> be required unless and until it is changed by written agreement with DHS. Therefore, the Contractor <b>shall</b>, at a minimum, use the flow of funds as follows:</p> <ol style="list-style-type: none"> <li>1. EBT Benefits – Contractor <b>must</b> accumulate the approved EBT transactions each day.</li> <li>2. Contractor <b>must</b> distribute the transactions to the CB with credits to the merchant banks (accounts) and debits to the settlement (Concentrator) account.</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
		<p>calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Adjustment Processing</b> The Contractor and/or retailer/TPP <b>shall</b> adjust resolve errors and out-of-balances related to system problems.</p> <p>The Contractor <b>shall</b> have the capability to process the adjustment and have this reflected in the cardholder’s account.</p> <p>The Contractor <b>shall</b> comply with Federal regulations regarding the recording, tracking, and processing of these types of adjustments. See 7 CFR § 274.2(g).</p> <p>Adjustments made by the Contractor <b>shall</b> cause money to be moved either to or from the cardholder’s EBT account and <b>shall</b> impact the daily settlement.</p> <p>The Contractor <b>shall</b> provide notification to DHS and the cardholder of pending debit adjustments. The Contractor <b>shall</b> provide DHS with a copy of the notification sent to the cardholder. All debit adjustments <b>shall</b> be approved by DHS.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months’ payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p><b>Maintenance &amp; Change Requests</b>            Change requests <b>shall</b> minimize service downtime by ensuring that requests for changes are:</p> <ol style="list-style-type: none"> <li>1. Recorded</li> <li>2. Evaluated</li> <li>3. Authorized</li> <li>4. Prioritized</li> <li>5. Planned</li> <li>6. Tested</li> <li>7. Implemented</li> <li>8. Documented</li> <li>9. Reviewed in a controlled and consistent manner</li> </ol> <p>The Contractor's change request process <b>shall</b>:</p> <ol style="list-style-type: none"> <li>1. Utilize standardized methods and procedures for efficient and prompt handling of all changes</li> <li>2. Record all changes to service assets and configuration items in the configuration management system</li> <li>3. Manage and minimize business risk</li> <li>4. Support business needs and goals</li> <li>5. Reduce risk exposure</li> <li>6. Minimize the severity of any impact and disruption</li> <li>7. Be successful on the first (1st) attempt</li> </ol> <p>Contractor <b>shall</b> adhere to the following change management process for the implementation of a change request:</p> <ol style="list-style-type: none"> <li>1. DHS will request the Contractor to perform any testing, (as defined in Section 2.7., Development and Testing Phase) prior to implementation into the production environment.</li> <li>2. Contractor <b>must</b> provide DHS adequate documentation as determined by DHS to demonstrate testing has been performed.</li> <li>3. The Contractor <b>must</b> schedule and coordinate the implementation of the Change Request.</li> <li>4. The Contractor <b>shall</b> have a release control process that ensures that changes are tested first (1st) in a test environment.</li> <li>5. The controlled release process of implementing releases in production <b>shall</b> have a contingency plan in place</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>(VPR) in the vendor file and contract termination.</p> <p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>in case the release does not work as planned.</p> <p>6. The Contractor <b>must</b> obtain approval from DHS prior to implementation.</p>		
<p><b>Problem Management</b> Contractor <b>must</b> have specific strategies for problem management controls to include the following:</p> <ol style="list-style-type: none"> <li>1. Incident reporting</li> <li>2. Logging</li> <li>3. Tracking</li> <li>4. Problem escalation</li> <li>5. Notification</li> <li>6. Resolution</li> <li>7. Root cause analysis</li> <li>8. Twenty-four hours a day, seven days a week (24/7) hardware monitoring</li> <li>9. Online batch and back-ups.</li> </ol> <p>Contractor <b>must</b> track and correct system defects, which are malfunctions or functional deviations from approved system requirements.</p> <p>Contractor <b>must</b> correct system performance issues identified by retailers, cardholders, or State staff.</p> <p>Contractor <b>shall</b> take corrective and preventive action and ensure that the system performs as designed and required by DHS.</p> <p>Contractor <b>shall</b> promptly document reported problems upon receipt and monitor controls, communicate, and report on each problem until resolved and/or completed correctly.</p> <p>Contractor <b>shall</b> maintain appropriate and timely communications with DHS and affected users on all problems from the onset through resolution. Updates <b>must</b> be provided to DHS every twenty (20) minutes for Sev1 and Sev2, and every two (2) hours for Sev3 and Sev4 unless otherwise agreed upon.</p> <p>Contractor <b>shall</b> provide a mechanism for expedited handling of problems that are of high business priority to DHS to include a Root Cause Analysis (RCA), as follows:</p> <ol style="list-style-type: none"> <li>1. A preliminary RCA <b>shall</b> be required for all Critical/Severity1 (SEV1) incidents</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>within twenty-four (24) hours of the incident, which needs to follow the problem management process for documenting severity levels.</p> <p>2. An Interim RCA <b>must</b> be submitted every twenty-four (24) hours with updated information. A final RCA <b>must</b> be submitted no later than seventy-two (72) hours after resolution is approved and completed.</p> <p>3. The RCA <b>must</b> contain details regarding the issue, a severity level timeline from inception to completion, corrective and preventive measure(s) taken, and updated report information.</p> <p>Contractor <b>must</b> correct all problems within the reasonable scope of Contractor's responsibility. A problem shall not be corrected until the Contractor receives validation from DHS that the issue is resolved to DHS's satisfaction.</p> <p>The Contractor <b>shall</b> proactively provide to DHS appropriate reports on problems, including: statistics on total number of problems, outstanding problems and resolution time.</p> <p>The Contractor <b>shall</b> integrate and coordinate problem reporting processes and procedures with DHS.</p> <p>Upon notification of an issue, the Contractor <b>shall</b> notify DHS and follow a Problem Management Process (PMP). The Contractor <b>shall</b> classify issues based on the severity levels, communicate appropriately until resolution, and provide an RCA.</p> <p>The Contractor <b>must</b> report all defects or problems to DHS based on the priority assigned to the defect or problem. Problems or issues with the system <b>shall</b> be reported through an Incident Report and updated per the required notification process.</p> <p>The Contractor <b>must</b> monitor the DHS application, network devices, telecommunications, online activity, and batch activity twenty-four-seven (24/7), three hundred sixty-five (365) days and</p>		

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>notify DHS of any issues. Notification <b>shall</b> occur within twenty (20) minutes of a suspected identification of a SEV1 or SEV 2 incident, and within two (2) hours of a SEV3 or SEV 4 incident. Notification start time <b>shall</b> begin once the problem is reported.</p>		
<p><b>Contract Monitoring &amp; Problem Resolution</b>  The Contractor <b>shall</b> comply with all processes and requests made by DHS in conducting monitoring oversight activities during the term of the contract.</p> <p>The Contractor <b>shall</b> allow DHS to complete scheduled and unscheduled site visits, as appropriate, to assess performance, determine contract compliance, and report on delivery of services required under this contract.</p> <p>Contractor <b>shall</b> provide support to DHS and technical assistance to support batch execution in all of DHS's key environments (operations).</p> <p>Contractor <b>shall</b> perform all batch processes during non-prime time hours (between 7:00 PM and 7 AM).</p> <p>Contractor <b>shall</b> perform all online processing during prime-time hours (between 7:00 AM and 7:00 PM).</p> <p>Contractor <b>shall</b> provide twenty-four-seven (24/7), three hundred sixty-five (365) days production support to DHS's staff.</p> <p>Contractor <b>shall</b> document and maintain a problem log of both batch and online issues encountered.</p> <p>Contractor <b>shall</b> describe specific policy and problem resolution procedures related to cardholder notification and service interruptions.</p> <p>Contractor service interruptions shall not be scheduled between 6:00 AM and 11:00 PM CST.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>System Performance</b>  System performance factors <b>shall</b> include the system processing speed, availability,</p>	<p>EBT system's central computer <b>shall</b> be available 99.9% of</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>reliability, capacity (to absorb volume increases), and ease of use.</p> <p>The Contractor <b>shall</b> provide an EBT System that, at a minimum, meets the performance standards consistent with USDA Federal regulations in 7 CFR § 274.8(b).</p> <p>Availability: The Contractor <b>shall</b> ensure that the EBT System is available and functioning for the processing of transactions.</p> <p>Reliability: The Contractor <b>shall</b> ensure that the EBT System is reliable and accurate in the processing of transactions.</p> <p>EBT System transactions <b>must</b> include the following:</p> <ul style="list-style-type: none"> <li>i. EBT terminal and ATM initiated</li> <li>ii. System initiated</li> <li>iii. Manual data-entered</li> <li>iv. Credits and debits to retailer accounts</li> <li>v. Household accounts</li> <li>vi. financial institutions processed through EBT system central or host computers.</li> </ul> <p>Performance, Processing Speed, and Response Time: The Contractor <b>shall</b> ensure that the EBT System meets performance and technical standards, in accordance with 7 CFR §274.8(b) in the areas of system processing speeds.</p> <p>The Contractor <b>shall</b> meet the Response Time Standards (RTS) found at 7 CFR § 274.8(b)(1) for all on-line EBT transactions.</p> <p>RTS for transactions originating at ATMs, the Customer Service Call Center and EBT terminal <b>shall</b> be in accordance with general industry standards.</p> <p>All EBT transactions <b>shall</b> be processed in accordance with 7 CFR § 274.8(b)(1).</p>	<p>scheduled up-time, twenty-four (24) hours a day, seven (7) days per week.</p> <p>The Total system, including the system's central computer, any network or intermediate processing facilities and cardholder authorization processors shall be available 98% of scheduled up-time, twenty-four (24) hours per day, seven (7) days per week.</p>	<p>due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Fraud Analysis Prevention</b></p> <p>Standardized and/or ad-hoc reports <b>shall</b> be used by either DHS or the Contractor</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10)</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>for the purpose of detecting and preventing fraud. For fraud detection and prevention, the Contractor <b>must</b> provide DHS access to a web-based reporting mechanism such as a dashboard capable of generating reports on demand. The reporting mechanism <b>must</b> include all EBT data sets to allow DHS the ability to generate reports as needed.</p> <p>An annual review of the Anti-Fraud Plan with DHS which <b>shall</b> include trends in the industry, current fraud detected, if any, counter measures taken to eliminate fraud and types of preventive measures implemented.</p>	<p>service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Independent Audit and Certification</b> The Contractor <b>shall</b> submit copies of its annual audits of its data processing, operations, disaster recovery, and security functions upon request by DHS.</p> <p>The Contractor <b>shall</b> provide, to DHS who will later forward to FNS, an annual written certification stating that the Contractor and its subcontractors comply with applicable banking regulatory requirements and EBT specific requirements. These certifications <b>shall</b> be subject to independent verification and validation.</p> <p>The Contractor <b>shall</b> comply with banking, EFT, and other financial services industry rules that relate to the EBT application. Such rules include National Automated Clearing House Association (NACHA) Operating Rules and Operating</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>If deficiencies are identified, by the entity conducting the SOC audit, in a SOC audit requiring a Corrective Action Plan (CAP), DHS will notify the Contractor in writing within thirty (30) calendar days. The Contractor <b>shall</b> submit a CAP to DHS within seven (7) business days after receipt of written notification that the CAP is required.</p> <p>1. The Contractor's CAP <b>shall</b> describe in detail the remedial actions that shall be taken by the Contractor to resolve the deficiencies and the timeline (begin and end dates) for completing</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>Guidelines, Department of the Treasury Financial Management Service (TFMS) Green Book Requirements, and 31 CFR § 210.</p> <p>The Contractor <b>shall</b> engage an independent auditing firm to conduct an annual Service Organization Controls (SOC) one (1) and SOC two (2) report in accordance with Statement on Standards for Attestation Engagements (SSAE) No. eighteen (18) on the issuance, redemption, and settlement of SNAP benefits.</p> <p>The SSAE-18 report <b>must</b> cover twelve (12) months of EBT System operations, or for the initial report to Arkansas. The report <b>must</b> cover the period the Contractor was providing EBT services to the State.</p>		<p>each action and shall be subject to review and approval by State Project Manager.</p> <p>If the Contractor fails at any time to obtain an annual SOC one (1) and/or SOC two (2) Audit during the term of this contract, DHS has the right to retain an independent audit firm to perform an audit of the Contractor's EBT operations and computer systems software and hardware related to SNAP and cash benefits through ATM's and POS devices, being hosted by the Contractor at the Contractor's sole cost and expense. The Contractor <b>shall</b> allow the independent audit firm to access its facility for purposes of conducting the SOC one (1) and two (2) audits and provide any necessary support to the independent audit firm in the performance of the audit. Such access <b>shall</b> include the creation of cases and cards to be used by investigators and the posting of benefits. DHS will invoice the Contractor for all costs and expenses incurred for any auditing functions.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<b>Reporting</b>	Acceptable performance	1st Incident: A Corrective

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>All the information requested in the list of reports <b>must</b> be maintained by the Contractor. In addition to reports listed below, the Contractor <b>must</b> electronically transfer the data from the EBT system to ARIES. Reports that include county data <b>must</b> be sorted by county and show county totals, as well as State totals.</p> <p>All reports designated herein <b>shall</b> be sent to DHS or FNS, whichever is applicable, in a format specified and agreed upon by DHS or FNS. Upon request by DHS, the Contractor shall provide report(s) in different formats as needed. Daily reports <b>shall</b> be delivered no later than midnight (12:00 pm) Central Standard Time (CST) for the previous day's activity. Weekly reports shall be due no later than the second (2<sup>nd</sup>) business day of the week following the reporting week. Monthly reports <b>shall</b> be due no later than the second (2<sup>nd</sup>) business day of the month following the reporting month. Each report must be submitted separately into a single report. Partial reports shall not be acceptable.</p> <p>Contractor <b>shall</b> provide these reports to DHS to account, reconcile, and audit the EBT System processing and operations.</p> <p>Required categories for reporting <b>shall</b> include:</p> <ol style="list-style-type: none"> <li>1. Financial</li> <li>2. Batch Processing</li> <li>3. Card</li> <li>4. Billing</li> <li>5. System Security</li> <li>6. Program Management</li> <li>7. System Performance</li> </ol>	<p>is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Service Level</b></p> <p>The Contractor <b>shall</b> provide service at or above that as defined in the scope of work</p> <p>The Contractor <b>shall</b> have a comprehensive approach to measuring service in providing a functioning statewide EBT System for the delivery of SNAP benefits through POS devices.</p>	<p>Acceptable performance is defined as ninety-nine percent (99%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A Corrective Action Plan (CAP) acceptable to DHS shall be due to DHS within ten (10) business days of the request.</p> <p>2nd incident: A five percent (5%) penalty will be assessed in the following months' payment to the provider for each thirty (30) day period the Vendor is not in full compliance with</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
		<p>all requirements of the contract. The five percent (5%) penalty will be calculated from the total payment for the identified month in which the deficiency took place.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>
<p><b>Payment and Invoicing</b>  All invoices <b>shall</b> be forwarded to the Arkansas Department of Human Services, Division of County Operations via email at: <a href="mailto:SNAPFinancials@dhs.arkansas.gov">SNAPFinancials@dhs.arkansas.gov</a> by the 10<sup>th</sup> of each month unless otherwise instructed by DHS.</p> <p>The Contractor should invoice the agency by an itemized list of charges. The agency's Purchase Order Number and/or the Contract Number should be referenced on each invoice.</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>1st Incident: A five percent (5%) penalty will be assessed in the initial payment to the provider per plan for thirty (30) days passed each deadline the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total initial payment.</p> <p>2nd incident: A ten percent (10%) penalty will be assessed in the initial payment to the provider per plan for each subsequent thirty (30) day period the Vendor is not in full compliance with all requirements of the contract. The five percent (5%) penalty will be calculated from the total initial payment.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
		including without limitation, monetary damages, withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.
<p><b>Mandated Reporting</b>  Pursuant to Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents shall immediately make a report to the Child Abuse Hotline or the Adult Maltreatment Hotline (based on type of maltreatment) if Contractor or any of its employees, agents, or Subcontractors' employees and agents, while performing duties under this contract, have reasonable cause to suspect that:</p> <ul style="list-style-type: none"> <li>a. A child has been subjected to child maltreatment;</li> <li>b. A child died as a result of child maltreatment;</li> <li>c. A child died suddenly and unexpectedly; or</li> <li>d. Observe a child being subjected to conditions or circumstances that would reasonably result in child maltreatment.</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>e. An endangered person or an impaired person has been subjected to conditions or circumstances that constitute adult maltreatment or long-term care facility resident maltreatment.</li> </ul> <p>A privilege or contract shall not prevent a person from reporting maltreatment when he or she is a mandated reporter and required to report under this section.</p> <p>An employer or supervisor of a mandated reporter shall not prohibit an employee or a volunteer from directly reporting maltreatment to the Hotline.</p> <p>An employer or supervisor of a</p>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with all service criteria and standards for acceptable performance throughout the contract term as determined by DHS.</p>	<p>For each failure to report, DHS may impose:</p> <ol style="list-style-type: none"> <li>1. A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or</li> <li>2. A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount for the contract, as determined by DHS. DHS may elect to calculate penalties/damages differently per occurrence.</li> </ol> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, requiring a Corrective Action Plan (CAP), withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>mandated reporter shall not require an employee or a volunteer to obtain permission or notify any person, including an employee or a supervisor, before reporting maltreatment to the Hotline.</p> <p>Pursuant to Act 531 of 2019, Ark. Code Ann. §12-18-402 (b)(10) and Ark. Code Ann. §§ 12-12-1708(a)(1)(AA), Contractor and all of its employees, agents, and all Subcontractors and Subcontractor's employees and agents are mandated reporters.</p>		
<p><b>Performance Bonding</b> The Contractor <b>shall</b> be required to obtain performance bonds to protect the State's interest as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of the performance bonds <b>shall</b> be one hundred percent (100%) of the annual contract price, unless the State determines that a lesser amount would be adequate for the protection of the State.</li> <li>2. The State <b>shall</b> require additional performance bond protection when a contract price is increased or modified.</li> <li>3. The additional performance bond <b>must</b> be delivered to the Arkansas Department of Human Services Chief Procurement Officer within fourteen (14) calendar days of request.</li> <li>4. The contractor <b>shall</b> notify the State of any changes, modification, or renewals for the performance bond during the term of the contract. The performance bond documentation must be provided to the State with each required notice.</li> </ol>	<p>Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria at all times throughout the contract term as determined by DHS.</p>	<p>Damages shall be one percent (1%) per day, calculated using the annual contract amount, for each day Vendor fails to meet the Performance Bonding Requirements specified in Service Criteria.</p> <p>In addition, Vendor's continued failure to meet Service Criteria, may result in a below standard Vendor Performance Report (VPR) maintained in the vendor file and contract termination.</p> <p>Failure to provide is a breach of contract and may result in immediate contract termination.</p>
<p><b>Conflict of Interest Mitigation</b> During the term of this contract, the Vendor shall comply with the terms of the DHS Organizational or Personal Conflict of Interest provisions. The Vendor shall disclose all actual, apparent, or potential conflicts of interest to the Department of</p>	<p>The Vendor must maintain one hundred percent (100%) compliance with this item at all times throughout the term of the contract.</p>	<p>The Vendor will be fined one thousand dollars (\$1,000) per day for each day past five (5) days for each actual, apparent, or potential conflict of interest it fails to disclose. The Vendor shall be fined</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
<p>Human Services (DHS) within five (5) days of having knowledge of them. The Vendor shall develop a mitigation plan as requested by DHS which must be approved and accepted by DHS. Any changes to the approved mitigation plan must be approved in advance by DHS.</p>		<p>ten thousand dollars (\$10,000) for the first failure to comply with the mitigation plan developed by the Vendor and approved by DHS. Each subsequent violation of the mitigation plan shall be twice the amount of the immediately preceding violation fine.</p>
<p><b>Arkansas Freedom of Information Act (Ark. Code Ann. §25-19-101 et seq.):</b></p> <ol style="list-style-type: none"> <li>1. Contractor shall cooperate with DHS requests for information and documents that DHS requires to fulfil an Arkansas Freedom of Information Act (FOIA) request.</li> <li>2. Contractor shall timely provide all documents in its possession or control to DHS that match the request made by DHS.</li> <li>3. Contractor is subject to Arkansas FOIA law pursuant to Ark. Code Ann. §25-19-103(7)(A).</li> </ol> <p>Contractor shall timely and accurately respond to FOIA requests made directly to Contractor. See Ark. Code Ann. §25-19-101 et seq. for specific requirements.</p>	<p>Contractor shall respond to FOIA requests timely and accurately one hundred percent (100%) of the time.</p> <p>Contractor shall provide information and documents to DHS upon request in the timeframe specified in the request one hundred percent (100%) of the time. DHS shall have sole determination as to the sufficiency of Contractor's response and provision of documents.</p>	<ol style="list-style-type: none"> <li>1. For each failure to meet performance standard, DHS may impose: <ol style="list-style-type: none"> <li>a. A ten percent (10%) penalty, assessed in the following months' payment for each failure to report. The penalty will be calculated from the total payment for the identified month in which the deficiency took place; or</li> <li>b. A one percent (1%) penalty, assessed in the next payment for each failure to report. The penalty will be calculated from the projected total yearly contract amount for the contract, as determined by DHS.</li> </ol> </li> </ol> <p>DHS may elect to calculate penalties/damages differently per occurrence.</p> <p>In addition to the above, Contractor shall be responsible for any penalties, fees, and costs imposed on DHS associated with vendor's failure to timely and accurately provide the</p>

Service Criteria <sup>i</sup>	Acceptable Performance	Damages for Insufficient Performance <sup>ii</sup>
		<p>requested information and documents.</p> <p>In addition to the above penalties, DHS reserves the right to impose additional penalties including without limitation, requiring a Corrective Action Plan (CAP), withholding payment on future invoices until Vendor is in full compliance, maintaining a below standard Vendor Performance Report (VPR) in the vendor file and contract termination.</p>

Failure to meet the minimum Performance Standards as specified **may** result in the assessment of damages.

In the event a Performance Standard is not met, the vendor will have the opportunity to defend or respond to, or cure to the satisfaction of the State, the insufficiency. The State **may** waive damages if it determines there were extenuating factors beyond the control of the vendor that hindered the performance of services of it is in the best interest of the State. In these instances, the State **shall** have final determination of the performance acceptability.

Should any compensation be owed to the agency due to the assessment of damages, vendor **shall** follow the direction of the agency regarding the required compensation process.

---

<sup>i</sup> Nothing in this table is intended to set forth all obligations of the Contractor under the contract. These obligations are in addition to any others imposed by the contract and applicable law.

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