

1 STATE OF MARYLAND  
2 DEPARTMENT OF HUMAN RESOURCES  
3 PRE-PROPOSAL CONFERENCE  
4 REQUEST FOR PROPOSALS  
5 ELECTRONIC BENEFITS TRANSFER SYSTEM AND SUPPORT  
6 AGENCY CONTROL NUMBER OTHS/EBT/14-001-S

7 \* \* \* \* \*

8 Wednesday, April 2, 2014

9 10:00 a.m. to 11:15 a.m.

10 \* \* \* \* \*

11 Held at:

12 State of Maryland

13 Department of Human Resources

14 1100 Eastern Blvd.

15 Essex, Maryland

16 \* \* \* \* \*

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1 IN ATTENDANCE

2 STATE REPRESENTATIVES:

3 Keosha S. Hall, Procurement Officer

4 Jacqueline Jordan, Presenter

5 Kenyatta Powers, OTHS CIO

6 Yvonne Barr, Deputy Director

7 Sang Kang, Procurement Officer

8 Adolphe Andou, Hiring Agreement

9 Donna Foster, MBE Administrator

10 Patty Ramos, VP of Operations

11 Joe May, EBT Director

12 L'Aaron Johnson, OTHS Procurement

13 Richard Wright, Procurement Specialist

14 Leah Hinson, Procurement Supervisor

15 Alice Fidler, EBT Program Manager

16  
17 ATTORNEY GENERAL'S OFFICE:

18 Hubert Chang

19 Aretha Ector

1 FIS eFUNDS:

2 Shay Alon, Product Manager

3 John Schmidlkofer, Business Development

4 Kevin Alston, Merchant Services

5

6 GANTECH, INC.:

7 Amber Schad, Account Executive

8

9 ATHENA CONSULTING:

10 Melissa Pappas, President

11

12 MANSAI CORPORATION:

13 Dr. R.S. Venkatachalam, CEO

14

15 XEROX CORPORATION:

16 John Pheuffer (via phone)

17

18

19

20

21

A-G-E-N-D-A

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1 PRE-PROPOSAL CONFERENCE

2 Welcome and Introduction

3 JACQUELINE JORDAN: My name is  
4 Jacqueline Jordan and I'll be presenting on  
5 behalf of the Procurement Officer, Keosha Hall.

6 I would like to start off by saying  
7 welcome to this Pre-Proposal Conference. And  
8 today we will be sharing information regarding  
9 the Electronic Benefits Transfer System and  
10 Support Solicitation. The Agency Control Number  
11 is OTHS/EBT/14-001-S.

12 And if anyone has not already done so,  
13 please make sure you sign in on that Sign-In  
14 Sheet, leave your business card, identify  
15 yourself as either a Minority Business Enterprise  
16 or Veterans Business Enterprise or Small Business  
17 Reserve Vendor. And I'll try to get through this  
18 the best way I can. And if you have any  
19 questions, I ask that you kind of, like, hold  
20 your questions towards the end until each  
21 presenter has presented their portion of their

1 Solicitation.

2           And today we have recording this will  
3 be Court Reporters, ETCetera, Inc. And anything  
4 that -- the transcript of this -- a copy of this  
5 transcript of the Conference will be posted on  
6 eMarylandMarketplace and the DHR website.

7           Let's proceed with introductions. I  
8 want to first just introduce the State  
9 representatives, and I know they're scattered  
10 throughout the room. We're going to start and  
11 we're going to have opening remarks by Kenyatta  
12 Powers, the OTHS Chief Information Officer.

13           KENYATTA POWERS: You want to do  
14 introductions now?

15           JACQUELINE JORDAN: Yeah, I'll do the  
16 introductions.

17           KEOSHA HALL: I'm Keosha Hall,  
18 Procurement Officer.

19           AJ ANDOU: AJ Andou, Administrative  
20 Hiring Agreement.

21           YVONNE BARR: I'm Yvonne Barr. I'm

1 the Deputy Director of Procurement, but I'm also  
2 the Veterans Small Business Administrator.

3 DONNA FOSTER: Donna Foster, MBE  
4 Administrator, Department of Human Resources.

5 SANG KANG: Sang Kang, Procurement  
6 Officer.

7 RICHARD WRIGHT: Rick Wright,  
8 Procurement Specialist, OTHS.

9 LEAH HINSON: Leah Hinson, Procurement  
10 Supervisor.

11 JACQUELINE JORDAN: Well, I was  
12 actually doing the presenters for the State, but  
13 we can go around so everybody know who's in the  
14 room.

15 L'AARON JOHNSON: L'Aaron Johnson,  
16 OTHS Budget and Procurement Director.

17 JOE REISS: Joe Reiss (phonetic),  
18 Procurement Specialist, OTHS.

19 ARETHA ECTOR: Aretha Ector, Attorney  
20 General's Office.

21 HUBERT CHANG: Hubert Chang, Attorney

1 General's Office.

2 JACQUELINE JORDAN: Any other State  
3 representatives here?

4 JOE MAY: Joe May, EBT Program  
5 Manager.

6 KENYATTA POWERS: Kenyatta Powers,  
7 Chief Information Officer for DHR.

8 ALICE FIDLER: And Alice Fidler with  
9 EBT.

10 JACQUELINE JORDAN: Okay. And  
11 starting with you, sir, can you identify  
12 yourself?

13 R.S. VENKATACHALAM: Yes. I'm R.S.  
14 Venkatachalam, and I'm with Mansai Corporation.

15 JACQUELINE JORDAN: Anymore Offerors?

16 MELISSA PAPPAS: Melissa Pappas with  
17 Athena Consulting.

18 KEVIN ALSTON: Kevin Alston, Product  
19 Support with FIS eFunds.

20 SHAY ALON: Shay Alons, FIS eFunds.

21 JOHN SCHMIDLKOFER: And John



1 Schmidlkofer, FIS eFunds.

2 PATRICIA RAMOS: Good morning. Patty  
3 Ramos with CR Dynamics. We're a MDOT certified  
4 minority business.

5 AMBER SCHAD: Amber Schad with  
6 Gantech.

7 JOE MAY: We have Xerox on the line.  
8 Hello.

9 JOHN PHEUFFER: John Pheuffer from  
10 Xerox.

11 JACQUELINE JORDAN: Okay. Are you  
12 able to hear everything okay?

13 JOHN PHEUFFER: I am. Thank you very  
14 much.

15 JACQUELINE JORDAN: Okay. And with  
16 that being said, we'll have opening remarks by  
17 Kenyatta Powers, the OTHS -- I'm sorry, OTHS CIO.

18 Opening Remarks

19 KENYATTA POWERS: Good morning,  
20 everyone.

21 ALL RESPONDED: Good morning.

1 KENYATTA POWERS: The Department is  
2 currently soliciting Proposals for Offerors to  
3 deliver, operate and maintain a web-based EBT  
4 system for public assistance and SNAP benefits.

5 The EBT system is one of 47  
6 applications that DHR supports and maintains. It  
7 is DHR's largest automation initiative to date,  
8 and a mission-critical system.

9 As a principal State agency  
10 responsible for social services in Maryland, DHR  
11 is mandated to serve a wide range of people with  
12 complex economic and social needs. The EBT  
13 system supports this mission by serving as the  
14 gateway mechanism through which over 300,000  
15 Maryland households access SNAP benefits, and  
16 over 40,000 access cash benefits.

17 It is important that the Contractor  
18 understands DHR's expectations around customer  
19 service, levels of system availability,  
20 timeliness of services, as well as system  
21 performance.

1           This Contract is key and utterly  
2 important to DHR, and we appreciate everyone's  
3 participation here today. So we look forward to  
4 seeing Proposals. Thank you.

5           Objective of Request for Proposals

6           JACQUELINE JORDAN: Okay. I'll begin  
7 with an overview of Section I, which is Objective  
8 of Request for Proposals.

9           The Department of Office of Technology  
10 for Human Services maintains a secure web based  
11 Electronic Benefits Transfer system in order to  
12 implement its Temporary Cash Assistance and  
13 Supplemental Nutritional Assistance Program to  
14 DHR's customers.

15           There will only be one Contract  
16 awarded as a result of this RFP, and the Contract  
17 will be awarded for a period of five years with  
18 two-year options to be exercised at the sole  
19 discretion of the State.

20           The issuing office and the sole point  
21 of contact is Keosha Hall and her business cards

1 are up here if you need one. If you have any  
2 questions, you are sending in any documentation,  
3 you need to send them in to her attention.

4 Section 1.4 talks about Electronic  
5 Procurement Authorization and it outlines what  
6 the Offeror or potential Offeror can submit  
7 electronically if you look at 1.4, Item Number 2.

8 Questions and Answers, Section 1.5:

9 All questions shall be submitted to the  
10 Procurement Officer only, preferably by e-mail.  
11 And answers will be distributed to all those  
12 Offerors who are known to have received a copy of  
13 the RFP that's been posted on the Department's  
14 website and eMarylandMarketplace.

15 The closing date, which is very  
16 important, is June 20th, 2014 at 4 p.m. No late  
17 submissions will be accepted, so make sure you  
18 get your Proposals in on time.

19 Section 1.9, the State Project Manager  
20 will be Joe May. Joe, raise your hand.

21 (Joe May complies.)

## Key Information

JACQUELINE JORDAN: And after the Contract award, is the primary point of contact for the Contract in regards to the Contract resulting from this RFP. The secondary point of contact will be Ms. Kenyatta Powers.

Section 2.10, State Supplied Services, it outlines that the State, during the transition period, what we will supply as far as facility to work at during the transition period.

Section 2.11 are the Working Hours and Locations. The Contractor shall obtain space with which to house its primary EBT facilities, to include space, equipment and supplies for all personnel to perform duties as needed. The Contractor's facility shall be located within the continental United States and operational 7 days a week, 24 hours a day, and 365 days per year.

The Contract Term: The Contract awarded as a result of this Solicitation shall be for a period of five years, which is the base

1 period, which includes one year transition-in  
2 period. And the Contract also contains two,  
3 two-year renewal options. These two, two-year  
4 option periods are to be exercised at the sole  
5 discretion of the Department.

6 Section 2.16: If you're doing  
7 business in Maryland, you're required to register  
8 with the Maryland Department of Assessments and  
9 Taxation, as well as with the Department of Labor  
10 and Licensing. Failure to do so, to complete  
11 registration with the Department of Assessments  
12 and Taxation, may disqualify an otherwise  
13 successful Offeror from final consideration and  
14 recommendation for Contract award.

15 Section 2.22: This is an indefinite  
16 quantity firm fixed-price Contract that includes  
17 time and material component.

18 Section 2.26: EMarylandMarketplace.  
19 Make sure you register with eMarylandMarketplace.  
20 You must be registered on eMarylandMarketplace in  
21 order to receive a Contract award, and the

1 registration is active for one year and must be  
2 active at the time of Contract award.

3 Oral Presentations, Section 2.35: On  
4 a short notice you may be required to make an  
5 oral presentation of the proposal to the  
6 Evaluation Committee.

7 And with that being said, in Section  
8 II we have Minority Business Enterprise  
9 Participation Goal, and the person that will be  
10 doing the presentation is Donna Foster, who's our  
11 MBE Administrator.

12 Minority Business Enterprise Participation Goal

13 DONNA FOSTER: Good morning, again.

14 ALL RESPONDED: Good morning.

15 DONNA FOSTER: Again, I'm Donna  
16 Foster. I'm the Minority Business Enterprise  
17 Administrator for the Department of Human  
18 Resources.

19 I notice that when we were doing  
20 introductions, there is a Certified MBE in the  
21 room, and I encourage you, for as long as the

1 room is available after the Pre-Proposal  
2 Conference, to use this opportunity to network  
3 with other Offerors.

4 I will cover highlights of Section  
5 2.28 to 2.32 of the RFP.

6 2.29: An Offeror shall structure its  
7 procedures for the performance of the work  
8 required in this Contract to attempt to meet the  
9 MBE goals stated for this RFP.

10 In 2.31B, it covers Contractor's  
11 responsibilities: Exercise good faith effort to  
12 carry out requirements of the Solicitation.  
13 Identify specific categories or work for  
14 subcontracting. Document contacts with MBE.

15 Also, there's an electronic version of  
16 the Minority Business Enterprise Directory  
17 located on the Maryland Department of  
18 Transportation website.

19 2.31C, Contract and Solicitation  
20 Formation: The Offeror shall include with its  
21 offer a completed Attachment F, which is the MBE



1 Utilization and Fair Solicitation Affidavit.

2 This document has two parts. In the first part,  
3 you will identify whether you will meet the goal  
4 in whole or whether you will request a waiver of  
5 the goal in whole or in part. You must make a  
6 decision whether you're going to meet the goal or  
7 you're going to waive the goal in whole or in  
8 part. You can't do both. Again, it's very  
9 important, if you must make a decision, to either  
10 meet the goal or waive the goal in whole or in  
11 part.

12 The second part of this document, you  
13 will list the certified MBEs and the percentage  
14 of the goal they will meet for the work to be  
15 performed. However, there will be no dollar  
16 amounts on this document.

17 Please note that MBEs can only work in  
18 the areas of certification according to the MDOT  
19 Directory, in order to count to meet the MBE  
20 goal.

21 Review this document carefully and

1 ensure that the document is complete and  
2 accurate. Failure to submit Attachment F with  
3 the Proposal, the Procurement Officer shall  
4 determine that the offer is not reasonably  
5 susceptible for award. And this information is  
6 bolded in the RFP, so please pay careful  
7 attention to this document, review it and make  
8 sure that it is complete and accurate.

9           Within ten days of notification as  
10 apparent awardee or actual award, Attachment G,  
11 Outreach Efforts Compliance and Attachment H,  
12 Subcontractor Project Participation Certification  
13 and the documentation for waiver, if it is noted  
14 on the Utilization Affidavit, are due.

15           Failure to return Attachment G and H  
16 within the required time, the Procurement Officer  
17 may determine that the apparent awardee is not  
18 responsible and therefore not eligible for  
19 Contract award. If the Contract is awarded, the  
20 award is voidable.

21           2.31D discusses the Waiver. If for

1 any reason an Offeror is unable to achieve the  
2 Contract MBE goal, the Offeror may request a  
3 Waiver.

4 Section 2.31D outlines the  
5 documentation needed to support the request for  
6 Waiver and good faith efforts. Make sure all  
7 documentation is provided. Please note that if  
8 the Waiver is denied, the Proposal is rejected.

9 2.31E, Amendment for Unforeseen  
10 Circumstances. Any change to the MBE Utilization  
11 and Fair Solicitation Affidavit prior to Contract  
12 execution, the apparent awardee shall immediately  
13 notify the Procurement Officer. After execution  
14 of the Contract, the awardee shall notify the DHR  
15 Project Manager.

16 2.32 discusses prompt payment. In  
17 summary, this section simply states that if the  
18 Subcontractor performs the work satisfactorily  
19 and there's no dispute over the payment, then  
20 they should get paid and they should get paid  
21 timely. Failure to meet this requirement, lists

1 actions that the Agency may take to resolve this  
2 matter.

3 Any questions?

4 JACQUELINE JORDAN: Please state your  
5 name and identify your firm or corporation.

6 MELISSA PAPPAS: Melissa Pappas with  
7 Athena Consulting. We're a certified MBE, we're  
8 a subcontractor to other OTHS projects, we're a  
9 prime contractor to many contracts in Maryland,  
10 and we usually see 25 percent MBE goal. Why is  
11 this so low? Certainly it's a large enough  
12 project to support many MBEs, and they would not  
13 have any problem getting to 25 percent.

14 KENYATTA POWERS: Well, when we look  
15 historically over the use of our MBE goal for  
16 this type of procurement, and the fact that it's  
17 a transaction-based contract, and we look at the  
18 areas of subcontracting, we think that 10 percent  
19 is a reasonable goal for the procurement.

20 MELISSA PAPPAS: Okay. Thank you.

21 KENYATTA POWERS: Any other questions?

1                   MELISSA PAPPAS: I'm sorry, that was  
2 based on historical values?

3                   KENYATTA POWERS: Right. And everyone  
4 is encouraged, if you can --

5                   MELISSA PAPPAS: The technology's  
6 changed since the last time this was procured? I  
7 mean --

8                   KENYATTA POWERS: I'm sorry? Say that  
9 again.

10                   MELISSA PAPPAS: The technology's  
11 changed since the last time this was procured  
12 and --

13                   JOE MAY: I can answer that. No, the  
14 technology is the same that we're using when we  
15 use the current contract and what we've been  
16 using. There may have been a few changes here  
17 and there, or minor changes, but it doesn't  
18 affect the overall scope of the project and how  
19 we conduct business.

20                   KENYATTA POWERS: And additionally, I  
21 mean, you're always encouraged, if you find

1 different subcontracting areas that we may have  
2 overlooked, that you can use them, and you're  
3 encouraged to exceed the goal if you can.

4 MELISSA PAPPAS: But the primes won't.  
5 The prime contractors don't exceed the goals  
6 unless required.

7 KENYATTA POWERS: I don't necessarily  
8 agree with that.

9 MELISSA PAPPAS: Okay.

10 KENYATTA POWERS: Any other questions?  
11 Thank you for your comment.

12 MELISSA PAPPAS: Thank you.

13 JACQUELINE JORDAN: Thank you. And  
14 next we'll have presenting the Living Wage,  
15 Section 2.38, Mr. Sang Kang.

16 Living Wage

17 SANG KANG: Maryland's Living Wage.  
18 The Living Wage Law requires certain contractors  
19 and subcontractors to pay minimum wage rates to  
20 employees working under certain State services  
21 contracts.

1           A solicitation for services under a  
2 State contract valued at \$100,000 or more may be  
3 subject to Title 18, State Finance and  
4 Procurement Article, Annotated Code of Maryland.  
5 Effective September 27, 2013, contractors and  
6 subcontractors subject to the Living Wage Law  
7 shall pay each covered employee at least \$13.19  
8 per hour, if State Contract services valued at 50  
9 percent or more of the total value of the  
10 Contract are performed in the Tier 1 Area. If  
11 State Contract services valued at 50 percent or  
12 more of the total Contract values are performed  
13 in the Tier 2 Area, an Offeror shall pay each  
14 covered employee at least \$9.91 per hour.

15           Note: The Living Wage rates are  
16 subject to annual adjustments by DLLR. However,  
17 the Contractor's prices under the Contract may  
18 not change because of any Living Wage  
19 adjustments. Offerors must factor this into  
20 their Pricing Proposal submissions.

21           The specific Living Wage rate is

1 determined by whether a majority of services take  
2 place in a Tier 1 Area or a Tier 2 Area of the  
3 State.

4 The Tier 1 Area includes Montgomery,  
5 Prince George's, Howard, Anne Arundel, and  
6 Baltimore Counties, and Baltimore City.

7 The Tier 2 Area includes any county in  
8 the State not included in the Tier 1 area.

9 If a business has operations in areas  
10 with two different wage Tiers, the rate you pay  
11 is determined by the area where 50 percent or  
12 more of the total contract value is performed.

13 If the employees who perform the  
14 services are not located in either Tier 1 or Tier  
15 2, the Living Wage rate will be based upon where  
16 the majority of the recipients of the services  
17 are located.

18 This Contract has been determined to  
19 be a Tier 1 Contract. Additional information  
20 regarding the State's Living Wage requirement is  
21 contained in Attachment M, entitled Living Wage



1 Requirements for Services Contracts and Affidavit  
2 Agreement.

3           The Affidavit of Agreement must be  
4 completed and submitted with the original copy of  
5 a Technical Proposal. Failure to complete and  
6 submit the Living Wage Affidavit of Agreement  
7 will result in a determination that the Offeror  
8 is not responsible.

9           Maryland Living Wage law is  
10 administered by the Department of Labor,  
11 Licensing and Regulation. Additional Living Wage  
12 information pertaining to the reporting  
13 obligations may be found by going to the Maryland  
14 State Department of Labor, Licensing and  
15 Regulations, DLLR website, and clicking on Labor  
16 and Industry, then Living Wage.

17           When you signed in, you should have  
18 received a handout taken from DLLR website  
19 entitled Maryland's Living Wage, Frequently Asked  
20 Questions. This handout contains additional  
21 information about Maryland's Living Wage law, as

1 well.

2 Are there any question?

3 (No Response.)

4 SANG KANG: Thank you.

5 JACQUELINE JORDAN: Thank you. And  
6 next we'll have a presentation of the Hiring  
7 Agreement, Section 2.39, by Mr. Adolphe Andou or  
8 AJ.

9 Hiring Agreement:

10 AJ ANDOU: No problem. AJ is a lot  
11 easier to pronounce, so feel free to say AJ, but  
12 my full name is Adolphe Andou.

13 We have passed a package around to  
14 everybody, so you should have one.

15 The Hiring Agreement is an agreement  
16 entered into by the Department of Human Resources  
17 and the Local Department of Social Services and a  
18 Contractor doing business with the State under  
19 which the Agencies mentioned agree to work  
20 cooperatively in an effort to identify and hire  
21 former Family Investment Program recipients,

1 their children, children in foster care who  
2 actually reach their 18th birthday while in  
3 foster care, and child support obligors to fill  
4 job openings as a result of this Contract, of the  
5 Procurement Contract. And pretty much the  
6 package is self-explanatory. You guys can read  
7 the rest of the information.

8 I have also attached what will a job  
9 referral look like, as well as my information in  
10 the back is listed, and some of the benefits that  
11 you will receive from the State such as tax  
12 incentives.

13 The role for a Contractor is to notify  
14 DHR of all job openings that exists as a result  
15 of the Procurement Contract, and to declare DHR  
16 the first source for job openings. Pretty much  
17 you are giving preference to DHR's and Social  
18 Service's candidates. Simply allow three working  
19 days to refer candidates for the position, for us  
20 to be able to refer qualified individuals for a  
21 position that we have as a result of the

1 Contract. Provide DHR with feedback on hiring  
2 decision of these candidates, and comply with the  
3 agreement throughout the life of the Contract.

4 And pretty much the purpose of a  
5 Hiring Agreement is because we have customers who  
6 are receiving services from the State of  
7 Maryland, to maintain a standard of living, an  
8 average standard of living. And given that they  
9 all need an opportunity for employment, we are  
10 asking that companies that we work with, that the  
11 State is given Contract to consider these  
12 individuals since many of them are highly  
13 qualified individuals, as well.

14 And that's pretty much my piece. Any  
15 question regarding the Hiring Agreement?

16 (No Response.)

17 AJ ANDOU: My information is in the  
18 package. If you have any questions in the  
19 future, feel free to e-mail me.

20 JACQUELINE JORDAN: Thank you. And  
21 next we'll have a presentation of the Veterans

1 Small Business Enterprise by Yvonne Barr.

2 Veterans Small Business Enterprise

3 YVONNE BARR: Good morning, everyone.  
4 I'm going to give you these.

5 Veteran-owned Small Business  
6 Enterprise is the State's most initiative. While  
7 it's not that new; it started in 2012. So we  
8 want to share the State contract dollars not only  
9 with MBEs, but also with Veteran-own Small  
10 Business Enterprises.

11 In your packet, you have the advisory  
12 first, then you have the COMAR Title 21  
13 pertaining to the VSBE Program. Following that,  
14 you have the Utilization Affidavit. Then you  
15 have -- after the Utilization Affidavit, you have  
16 a Subcontractor Participation Statement. Then  
17 you have information regarding waivers. And the  
18 next two forms are forms that the successful  
19 Offeror would be submitting every month as the  
20 deliverables. And the last form is an  
21 Unavailability Certificate. And then we have

1 three screen shots from the Department of  
2 Veterans Affairs website. And I'm just going  
3 through to make sure that you have everything in  
4 your packet. And the last attachment is  
5 Directory of NAICS Codes that you can use on the  
6 Veteran Affairs website.

7 Again VSBE is another program that you  
8 need to consider for subcontract opportunities.

9 The EBT Solicitation has a one percent  
10 VSBE goal.

11 The VSBE program operates similar to  
12 the MBE program.

13 The Utilization Affidavit attachment,  
14 I believe it's EE in the Solicitation, and I'm  
15 referring to Section 2.49 in your RFP. The  
16 Utilization Affidavit must be submitted with your  
17 Proposal. If the Affidavit is not completed  
18 correctly or not completed or not submitted, then  
19 your Proposal may be considered as not reasonably  
20 susceptible of being selected for Award.

21 If you are selected for Award, then

1 you must submit the Subcontractor Project  
2 Participation Statement, and that's to be  
3 submitted within ten days after notification that  
4 you've been recommended.

5 If you believe that you cannot meet  
6 the goal, you can submit -- the full goal, you  
7 can submit for meeting the full goal or a partial  
8 goal on the Utilization Affidavit.

9 If you think that you cannot meet the  
10 goal at all, you can request a Waiver. The  
11 information that is needed to be submitted with  
12 the Waiver is included in your package. Along  
13 with the Waiver request, you can submit an  
14 Unavailability Certificate, saying that you did  
15 solicit VSBES, but they were not able to meet  
16 your requirements, they were not available to  
17 perform services that you were going to  
18 subcontract with them for.

19 If you need to amend your VSBE form,  
20 prior to award of the Contract, you need to speak  
21 to the Procurement Officer, Keosha Hall.

1           If you're going to amend your VSBE  
2 after award, then you will speak to the State  
3 Project Manager.

4           VSBEs, unlike MBEs can meet their VSBE  
5 goal. If you are a VSBE Prime Contractor, you  
6 can meet the VSBE goal with your own workforce.

7           Your VSBEs that you use as  
8 subcontractors must be certified by the  
9 Department of Veterans Affairs as a VSBE, and  
10 they must be certified for the services that  
11 you're going to have them perform.

12           The Veteran Affairs' website you go to  
13 vetbiz.com -- I mean, vetbiz.gov.

14           If you look at the screen shots, it  
15 will show you what the -- you go under business.  
16 Once you get to the Department of Veteran  
17 Affairs' website, you click on business, there's  
18 a dropdown, Vet business there. Once you get to  
19 the vetbiz website, if you go to the next screen  
20 shot, it's circled where you click on the right  
21 hand column for the vetbiz directory, and the



1 directory will come up. There may be a screen  
2 that comes up, "This is not a secure website,"  
3 but they need to work on it. This is what it is.

4 And it is beneficial to put in the  
5 NAICS code along with the type of service, the  
6 name of the service; otherwise, you will get  
7 multitudes of Veterans coming out. Their  
8 directory is not as good as the MBE directory, so  
9 make sure you do use the NAICS Codes. And of  
10 course the NAICS Codes -- the directory of NAICS  
11 Codes is included in the attachment.

12 Do you have any questions?

13 (No Response.)

14 JACQUELINE JORDAN: Thank you, Yvonne.

15 Before we get into the Specification  
16 Section, are there any questions regarding  
17 Section 1, Objective or Request for Proposals, or  
18 Section 2, General Information? These are the  
19 things that have been discussed so far. Are  
20 there any questions? Identify yourself.

21 JOHN SCHMIDLKOFER: John Schmidlkofer

1 from FIS eFunds.

2 In reviewing the proposal, there  
3 wasn't a set timeline on -- I mean, we have the  
4 date of the day that it's due, but we're trying  
5 to figure out, like, when the Award would be,  
6 then the conversion would be. Would you be able  
7 to provide those dates?

8 JACQUELINE JORDAN: Joe, would you?

9 JOE MAY: No, I can't give you the  
10 dates because after we receive the Proposals,  
11 then we have to do the evaluation. Then once the  
12 evaluation's completed, then we select a vendor.  
13 Then, if I'm correct, then we have to have the  
14 Contract award done by Board of Public Works.

15 JACQUELINE JORDAN: Approved, yes.

16 KENYATTA POWERS: Don't we have a  
17 timeline? There was a timeline that was provided  
18 by Procurement of when, but it was proposed  
19 dates.

20 KEOSHA HALL: Yes, it was proposed  
21 dates. Well, once the Contract is awarded, we

1 might have (inaudible). We don't know which one  
2 that it will be, but we're anticipating that it  
3 will be late 2014.

4 JOHN SCHMIDLKOFER: That the Award  
5 would be?

6 KEOSHA HALL: Yes.

7 YVONNE BARR: And of course that's all  
8 depending on the quality of the Proposals that we  
9 receive and the number.

10 JOHN SCHMIDLKOFER: Okay.

11 KEOSHA HALL: It depends on the  
12 Procurement process. Some may take longer. We  
13 just don't know at the moment, but we're looking  
14 at late 2014.

15 JOHN SCHMIDLKOFER: Because if I'm not  
16 mistaken, the current -- well, maybe I can ask  
17 that in clarification. But the current contract,  
18 if I'm not mistaken, expires at the end of  
19 February 2015; is that correct?

20 KEOSHA HALL: That's correct.

21 JOHN SCHMIDLKOFER: So if the Award is

1 at the end of 2014, there would obviously need to  
2 be some extensions or --

3 KEOSHA HALL: Yes.

4 JOHN SCHMIDLKOFER: Okay. That's what  
5 I'm trying to get at.

6 KEOSHA HALL: Yes.

7 JOHN SCHMIDLKOFER: Thank you.

8 JACQUELINE JORDAN: Any additional  
9 questions?

10 JOHN PHEUFFER: Yes. This is John  
11 Pheuffer from Xerox.

12 We've already submitted some questions  
13 to Keosha Hall, via e-mail, as you've instructed.  
14 But one question that I did have for you --  
15 actually, two questions.

16 One is there's no end date and this  
17 follows along with the FIS question: There's no  
18 end date in the RFP for submission of questions.  
19 There's no due date for that. Will one be  
20 provided?

21 JACQUELINE JORDAN: There is no cutoff

1 date. We will try to answer the questions as  
2 they come in, and if we have to do research, you  
3 know, we'll do that. And as long as we can kind  
4 of, like, find the answer and give a response  
5 back to you in a timely manner, we will continue  
6 to accept questions, and any substantive  
7 questions we will definitely respond to. So  
8 there is no cutoff date for questions.

9 JOHN PHEUFFER: Okay. Thank you. And  
10 one other question: In light of the new F&S Farm  
11 Bill provisions that have been just enacted, will  
12 there be any kind of amendment that will be  
13 issued relative to any changes that the scope of  
14 work in the RFP, that may have altered as a  
15 result of those Farm Bill issues?

16 JOE MAY: John, this is Joe.

17 Yeah, we probably will have an  
18 Addendum of Change in the RFP. We're waiting for  
19 more clarification from the USDA, I think, as  
20 well as everyone else, in trying to understand  
21 what exactly they're saying.

1 JOHN PHEUFFER: Absolutely.

2 JOE MAY: By the fact that they -- in  
3 the Farm Bill it states that the Secretary has  
4 the ability to provide exemptions to the rule  
5 change, so we don't really know. But, yeah, we  
6 anticipate somewhere down the line, once we get  
7 clarification from the Feds and understand, yeah,  
8 there will be one added to the RFP.

9 JOHN PHEUFFER: Okay. Great. Thanks,  
10 Joe.

11 JACQUELINE JORDAN: Any further  
12 questions?

13 (No Response.)

14 JACQUELINE JORDAN: Okay. With that  
15 being said, I would like to now present Kenyatta  
16 Powers regarding Section III, Specifications.

17 Specifications

18 KENYATTA POWERS: Good morning again.

19 ALL RESPONDED: Good morning.

20 KENYATTA POWERS: I will go through  
21 Section III just pointing out a few things, not

1 going over each individual section. But feel  
2 free to hold your questions and we can answer  
3 them if I have missed a section that you did have  
4 a question on.

5 The State requires that the selected  
6 Contractor provide a fully tested, functioning,  
7 and supported statewide EBT system for the  
8 delivery of cash and SNAP benefits through ATMs  
9 and POS.

10 The EBT system shall be operational 7  
11 days a week, 24 hours a day, 365 days a year.

12 The service requested under this RFP  
13 includes a large information technology component  
14 which includes equipment, software,  
15 telecommunications, service access, card  
16 production and issuance, card distribution,  
17 hosting, fraud protection, training, help desk  
18 support and ongoing operational support.

19 The Transition In/Out Period: The  
20 Contractor shall complete Transition-In period of  
21 the new EBT system within 12 months of the

1 Contract start date, depending on who's the new  
2 Vendor. And Offeror shall clearly outline the  
3 approach to Transition-In activities in its  
4 Proposal.

5 The Implementation of the EBT System,  
6 Section 3.6: The implementation of the  
7 Contractor's EBT System is divided into three  
8 parts: Design, Development, and Transfer. All  
9 areas of work needed up to and including transfer  
10 or conversion of the data shall be completed  
11 during these phases.

12 EBT System Requirements, Section 3.7:  
13 Contractor's EBT System shall support both batch  
14 and online realtime transmissions between the  
15 Department's mainframe system and the  
16 Contractor's EBT database.

17 Section 3.9, Customer Service Call  
18 Center: Contractor shall provide a Customer  
19 Service Call Center to assist EBT customers as  
20 well as retailers; should be staffed with  
21 Customer Service Representatives; be available



1 toll free 24 hours, 7 days a week, and provide  
2 support in English and in Spanish.

3 3.10, EBT Portals: The Contractor  
4 must provide a customer portal as well as retail  
5 portal.

6 Training: Contractor must provide  
7 customer, retailer, and DHR staff specific  
8 training.

9 3.14, Transaction Processing: The EBT  
10 System shall have the capability to receive and  
11 process customers' transactions from both ATM and  
12 POS terminals. Now, as for manual voucher  
13 process, there should be a manual SNAP -- process  
14 manual SNAP transactions when electronic  
15 transactions are not available.

16 3.16: Contractor must complete daily  
17 settlement and reconciliations.

18 EBT Problem Management: We're looking  
19 for strategies that can act for problem  
20 management controls, different strategies of how  
21 to support -- how to support the problem

1 management issues that may occur. We also can  
2 classify -- looking for classifying issues based  
3 on Severity Levels of 1, 2, 3 and 4, and  
4 communicating those levels accordingly.

5 System Performance Requirements: EBT  
6 system should be available and functioning for  
7 processing of transactions.

8 EBT system should be reliable and  
9 accurate for processing of transactions.

10 EBT system must meet performance and  
11 technical standards.

12 We shall accommodate fluctuation in  
13 volumes of EBT transactions, especially  
14 increases, without degradation of service.

15 And the Contractor shall provide a  
16 service at or above the defined Service Level  
17 Agreement as outlined in Attachment Q.

18 Under 3.22 for General System  
19 Requirements: A lot of this is focused around  
20 security. Must adhere to Facility Physical  
21 Security requirements, as well as EBT system

1 requirements.

2           Security Incidents and Reporting,  
3 which is a little different from what -- in  
4 previous Contracts. Security incident may result  
5 from intentional or unintentional actions and may  
6 include loss or theft of computer media,  
7 introduction of malicious code, unauthorized  
8 attempts to gain access to information, or  
9 failure of the system security function to  
10 perform as expected. The Contractor shall  
11 establish and maintain incident management and  
12 responsibilities and procedures to ensure a  
13 quick, effective, and orderly response to  
14 security incidents.

15           Section 3.22.6, Fraud Analysis and  
16 Prevention: Fraud preparation and planning is  
17 crucial in providing a comprehensive framework  
18 for building effective anti-fraud measures.

19           The Contractor shall provide an  
20 Anti-Fraud Plan that includes locating and  
21 stopping fraud by actively and aggressively

1 monitoring the activities of customers,  
2 employees, retailers and others for the purpose  
3 of identifying, at the earliest possible  
4 opportunity, evidence of fraudulent conduct.

5 Another change in the security section  
6 is around SOC 2: The Contractor shall engage an  
7 independent auditing firm to conduct an annual  
8 Service Organization Control, SOC 1 and SOC 2,  
9 reports in accordance with SSAE Number 16, on the  
10 issuance, redemption and settlement of SNAP  
11 benefits.

12 There are several reporting  
13 requirements: Transition status reporting  
14 requirements, production reporting requirements,  
15 and there are reports identified -- additional  
16 reports that are identified in Attachment W.

17 Section 3.24.5, under Data Mining:  
18 DHR entered into a MOU with the USDA/SNAP in  
19 February, wherein DHR will share recipient data  
20 with SNAP for the purpose of fraud prevention.

21 The goal for DHR is to continue to

1 identify suspicious activities and spot patterns  
2 of misuse and eliminate all fraud activities.  
3 Therefore, DHR has implemented efforts to find  
4 people who sell there SNAP benefits for cash or  
5 otherwise defraud SNAP.

6 All Marylanders that have received  
7 SNAP benefits, as well as SNAP approved retailers  
8 that accept the benefits, will be monitored for  
9 possible fraud and illegal SNAP trafficking.

10 In an effort to keep fraud at a  
11 minimum, Data Mining and Data Warehousing  
12 capabilities are crucial in ensuring fraud is at  
13 its lowest levels.

14 The Contractor shall support DHR's  
15 change in reporting needs to provide Data  
16 Warehousing solution to the reporting  
17 requirements of DHR.

18 You have the basic project management  
19 requirements and staffing plan, project work  
20 plan, deliverables, and key personnel.

21 Another section that is a little

1 different is Section 3.29, which is called  
2 Performance Readiness Review: The PRR Committee  
3 is a cross-functional group that consists of the  
4 vendor, as well DHR, that shall be formed to  
5 evaluate the Contractor's performance on an  
6 annual basis or as established by the State, if  
7 we see it necessary to have it more frequently.  
8 The purpose of the PRR is to evaluate the  
9 Contractor's performance and discuss progress,  
10 determine corrective actions, if any may apply.

11 EBT Disaster Recovery and Business  
12 Continuity is really straightforward.

13 We also have Section 3.32.2, Food  
14 Supplement Program EBT Disaster System, which now  
15 is included as part of the initial Contract: The  
16 Contractor shall design, develop and incorporate  
17 a SNAP EBT Disaster System with the Contractor's  
18 current operating platform that can deliver  
19 disaster SNAP benefits in an emergency situation  
20 when the State's Eligibility System, which is  
21 CARES, is not available to process applications.

1           So those are some of the key points  
2 that I wanted to point out. I'm open for  
3 additional questions.

4           (No Response.)

5           KENYATTA POWERS: No questions?

6           (No Response.)

7           JACQUELINE JORDAN: Thank you. And  
8 that was Section III, Specifications.

9           Requirements for Proposal Preparation

10           JACQUELINE JORDAN: Now we'll cover  
11 Section IV, Requirements for Proposal  
12 Preparation. And in this section it tells you  
13 how to prepare and submit your Proposal, your  
14 Technical and your Financial Proposal.

15           Section 4.1 is a Two Volume  
16 Submission. It's a Technical and it's a  
17 Financial. And we're requesting an original to  
18 be so identified and five copies of both the  
19 Technical and Financial Proposal, and five CDs to  
20 include both the Technical and Financial Proposal  
21 shall be submitted to the Procurement Officer.

1           Section 4.2 talks about Volume 1  
2 Technical Proposal. It gives you the format and  
3 tells you all the things that you need to have  
4 included in your Technical Proposal.

5           You want to make sure your Transmittal  
6 Letter is signed by an individual authorized to  
7 bind the firm to all statements, including  
8 services and prices. You want to also include in  
9 the letter an acknowledgement of any addenda to  
10 the RFP that was received.

11           And if there are any exceptions to the  
12 RFP, it says: An Offeror shall be deemed to have  
13 accepted all the terms, conditions, and  
14 requirements set forth in the RFP unless  
15 otherwise clearly noted as an attachment to the  
16 Transmittal Letter. A Proposal that takes  
17 exception to these terms may be rejected, so keep  
18 that in mind.

19           And it goes down the formatting of  
20 your Technical Proposal. It talks about a Table  
21 of Contents, your pages being numbered, the



1 sections that you need to include, understanding  
2 the problem, proposed service, qualifications,  
3 key personnel, non-key personnel, references,  
4 other contracts, past performance, financial  
5 responsibility and stability, economic benefits  
6 to the State of Maryland. And try not to use --  
7 we prefer that you don't use dollars, if you'll  
8 use percentages to get your thought across.

9 Additional information, your company  
10 literature forms. If you have any questions  
11 about how to complete a form, contact the  
12 Procurement Officer. And double check your forms  
13 to make sure that they're filled in correctly and  
14 completely and signed.

15 And it lists several forms: Bid  
16 Proposal Affidavit. These are things that are  
17 supposed to be in your Technical Proposal: The  
18 Certified MBE Utilization and Fair Solicitation,  
19 Certification Regarding Lobbying, Living Wage  
20 Affidavit of Agreement, and a Veteran-Owned Small  
21 Business Enterprise Utilization, Affidavit and

1 Participation Schedule.

2 In Section 4.3, Volume II, which is  
3 your Financial Proposal, we have that form as  
4 part of your attachments for your solicitation.  
5 Just make sure that you don't alter that form.

6 Evaluation Procedures

7 JACQUELINE JORDAN: And next we'll  
8 talk about Section V, the Evaluation Procedures.  
9 An Evaluation Committee will evaluate your  
10 Proposal that has been received by the closing  
11 date. Technical Proposals will be ranked  
12 according to the criteria listed in descending  
13 order in Section 5.4 -- I'm sorry, 5.5. In  
14 Section 5.5, Criteria for Technical Evaluation.  
15 It will be Work Plan, then Understanding the  
16 Problem, then Personnel Qualifications and  
17 Experience of Key Personnel, References, and then  
18 Financial Responsibility and Stability.

19 The Financial Proposal shall contain  
20 all costs for all services proposed for those  
21 Technical Services. And the Evaluation Committee

1 will look at your Financial Proposal and rank  
2 that from lowest to highest price.

3           After the entire evaluation process  
4 has been completed, the Committee will make --  
5 this is Section 5.9, Final Evaluation and  
6 Recommendation for Award: After the entire  
7 evaluation process has been completed, the  
8 Committee will make a recommendation for award of  
9 the Contract to the qualified Offeror whose  
10 Proposal is determined to be most advantageous to  
11 the State based on the results of the final  
12 technical and financial evaluations. In making  
13 the most advantageous Offeror determination,  
14 technical factors will be given greater weight  
15 then price factors.

16           And any Contract exceeding \$200,000  
17 requires approval of the State Board of Public  
18 Works.

19           Are there any questions?

20           (No Response.)

21

Closing Comments

1  
2 JACQUELINE JORDAN: Okay. A copy of  
3 this transcript of the Conference, a list of all  
4 attendees, any questions and response, as well as  
5 any amendments to the RFP will be posted on both  
6 eMarylandMarketplace and DHR's website as soon as  
7 possible.

8 And keep in mind that your closing  
9 date for submission of for your Proposal is June  
10 20th, 2014, at 4 p.m.

11 And I just would like to thank  
12 everybody for attending and your interest in  
13 doing business with the State of Maryland.

14 Thank you.

15 (Conference concluded at 11:15 a.m.)  
16  
17  
18  
19  
20  
21

CERTIFICATE OF REPORTER

I, CHERYL JEFFERIES, a certified court reporter, do hereby certify that the foregoing Pre-Proposal Conference was stenographically and electronically recorded by me and transcribed to the best of my ability.

As witness my hand this 21st day of April, 2014.

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CHERYL JEFFERIES