Oregon eWIC Processor RFP

NWA 2013 Technology and Program Integrity Conference
September 19, 2013
Creating the RFP and Statement of Work

• What do we want, and when do we want it?
• How do we figure that out?
• Why does it matter?
Overview of how we did it

• Visited other states and saw how eWIC was operating there
• Discussed among state staff how we envisioned basic eWIC processes happening
• Lots of phone calls with Maximus
• Back to state staff for more info
• Made decisions and put them in the documents
Oregon process
(every state is different)

• RFP must include:
  – Standard RFP template
  – Separate SOW
  – Sample contract

• Department of Justice review
Don’t forget FNS!

- Final review by FNS of the RFP, the Statement of Work, and the draft contract
- They may also want to see the final contract once a contractor has been selected, before signature
- Talk timing with your region – how long will they need for review, and can you get on their schedule ahead of time
Who was involved?

- State WIC Program
  - eWIC Project Manager
  - Operations Manager
  - Vendor Coordinator
  - Nutrition Consultant
  - Data Coordinator
  - IT Manager
  - Support Staff

- Maximus
  - 3 Staff

- Other State Staff from:
  - Procurement Office
  - Dept. of Justice
  - Security Office
  - Dept. of Admin Services
  - SNAP

- USDA
  - Regional
  - HQ
What was the timeline?

• June-October 2011: RFP development with Maximus (5 months)
  – Started with template from Maximus
  – Weekly 3 hour conference calls
  – 20-30 page sections each week
  – Sign off on previous week’s section and review of everyone’s edits/comments on current week’s section
  – Detailed edit and comment tracking system
What was the timeline?

- Oct 14-Dec 23: FNS review & deliberations
- Friday, Dec 23, 2011 4:30 PM: Posted
- March 22, 2012: Proposals due (originally due Feb 21)
- March 26-30: Evaluation period
- April 2: Winner announced
- April 2-9: Protest period
- April 9 – June 8: Contract negotiation
- June 13: Contract fully executed
RFP Basics

• 432 pages!
  – Body – 44
  – Statement of Work – 105
  – Draft contract – 48
  – Attachments – 235 (100+ pages security requirements)

• Contract term 5 years with one 5 year extension

• Pre-Proposal Teleconferences for proposers
  – Jan 18 & Feb 15
  – RFP review and Q&A
RFP Basics – what we included

• “Most favored customer” clause

• “Innovative technologies” clause

• Must comply with national standards & regulations – most recent versions of:
  – Operating Rules
  – Technical Implementation Guide
  – Universal Interface Specifications
  – American National Standards Institute (ANSI) X9.93
  – WIC Federal Regulations 7 CFR Part 246
What we should have included

• Agile vs. Waterfall Development
  – Make sure you know the difference and how Agile works

• Tiered Pricing on equipment
  – You never know how many stand-besides you may need....
eWIC System Requirements

- Store and maintain all eWIC data – OR WIC MIS will display select data
- 3 years worth of data available 24/7
- Archive data for years 4-6, available within 48 hours
- 99.95% uptime, 24/7
- No more than 2 inaccurate transactions per 50,000
- NTEs calculated by processor – at UPC level when possible, otherwise at subcategory level
Vendor Service Requirements

- Split Tender
- Mixed Basket
- Self-Checkout
- Store and Forward
- Process for Special Medical Formula providers
- Test, Training, Educational and Compliance cards
- No Manual Vouchers
Vendor Service Requirements

- Manage eWIC vendor and TPP agreements
- Assist with ECR integration certification
- Provide stand-beside POS devices and training
- Select CVB farmers (approx. 30) could get stand-beside POS devices
- Customer Service support via phone and web 24/7
- Minimize number of separate SNAP and WIC POS terminals
Cardholder Service Requirements

- 24/7 toll-free phone Customer Service via interactive voice response (IVR)
- Cardholder Web Portal available 24/7
- Training materials
- All of the above in English and Spanish
Clinic Service Requirements

- Live toll-free phone Customer Service weekdays 7:30 AM-6:00 PM
- Equipment support
- Training in collaboration with State WIC Program
Pricing – Implementation Costs

• Project Management

• EBT System Implementation
  – Design, Development, Testing, Documentation

• Training

• Training plans and materials

• Vendor Management
  – Testing and certification of ECR systems
  – Vendor agreements & documentation
  – POS installation and support
Pricing – Equipment

• Purchase vs. Lease

• Firm fixed price vs. CPCM increase

• Equipment and maintenance:
  – Magnetic stripe readers for clinics (estimated 370)
  – PIN selection/change devices for clinics (estimate 75)
  – POS equipment for vendors (estimated 513)
  – Balance inquiry terminals for vendors and clinics (estimated 405)
Pricing – CPCM

• By Tier

• Currently approx. 75,000 households in Oregon

• Ranges for estimate:
  – Less than 50,000
  – 50,001 – 75,000
  – 75,001 – 100,000
  – 100,001 – 150,000
  – 150,000+
Pricing – Optional Items – or “how do you know what you want until you know what it costs?

• 24/7 Toll-free Phone Live Customer Service for Cardholders in Oregon’s top 6 languages
• Card Inventory and Tracking System
• Card Issuance by Mail (for replacement cards)
• Disaster Services
• Card Sleeves (basic and fold-out)
• DVD for Training Cardholders
• Wireless Technology Support for CVB Farmers
• Support for Redemption of FMNP Benefits
Equipment Pricing in Contract

• Went with Monthly Lease Price + Maintenance (rather than purchase)

• Asked for CPCM increase and Firm Fixed Price options – to decide which was better

• Tiered Pricing, in 100 unit increments – 0-100, 101-200, etc.
Options Exercised at Contract Execution

- Live Customer Service Help Desk
  - $0.08 CPCM increase

- Card Issuance by Mail (for replacement cards)
  - No additional fee

- Card Inventory and Tracking System
  - Additional development fee

- Disaster Services
  - Additional development fee
# CPCM “Buy Down”

## Cost per Case Month by Tiers

<table>
<thead>
<tr>
<th>Active Cases</th>
<th>Implementation Cost A</th>
<th>Implementation Cost B (Cost A + $250K)</th>
<th>Implementation Cost C (Cost A + $500K)</th>
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<tbody>
<tr>
<td>Less than 50,000</td>
<td>Base + $0.13</td>
<td>Base + $0.07</td>
<td>Base + $0.02</td>
</tr>
<tr>
<td>50,001-75,000</td>
<td>Base + $0.12</td>
<td>Base + $0.06</td>
<td>Base + $0.01</td>
</tr>
<tr>
<td>75,001-100,000</td>
<td>Base + $0.12</td>
<td>Base + $0.06</td>
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<tr>
<td>100,001 - 125,000</td>
<td>Base + $0.11</td>
<td>Base + $0.05</td>
<td>Base CPCM</td>
</tr>
<tr>
<td>125,001 - 150,000</td>
<td>Base + $0.11</td>
<td>Base + $0.05</td>
<td>Base CPCM</td>
</tr>
</tbody>
</table>
Lessons Learned

• Get someone to help you with this who has done it before – aka consultant

• Be clear about what you want
  – ( because you are going to be sitting in a room with your contractor in eight months, and you had better have explained what you want clearly in the SOW)

• Understand Agile and Waterfall development processes and address both in your RFP
More Lessons Learned

• Understand your resources ahead of time, and how they will interact with the contractor – and specify in your RFP

• A liquidated damages provision to bolster your service level agreement is important

• Try to pin down the security portions of your RFP in the beginning – don’t let your security people run wild with attachments
Questions?

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