STATE OF MAINE
124TH LEGISLATURE
SECOND REGULAR SESSION

Final Report of the UNIFIED PAYMENT CARD WORK GROUP

January 2011

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I. EXECUTIVE SUMMARY

The Unified Payment Card work group was established during the second regular session of the 124th Legislature. Part HHH of Chapter 571 instructed the Treasurer of State to convene this work group 'in order to determine if increased cardholder convenience and further state budget savings can be achieved' through a unified payment card for state expenditures.

Enabling Legislation

Part HHH called upon representatives from the Department of Administrative and Financial Services, Office of the State Controller, Division of Purchases, Bureau of Revenue Services, Office of the Information Technology, Department of Labor, Department of Health and Human Services, Department of Corrections, Department of Education, and the Department of Professional and Financial Regulation. The Treasurer of State was to serve as chair, and would accept resources as approved and provided by work group participants.

The group was charged with the following goals:

- Review current payment card offerings
- Explore opportunities to expand payment card offerings
- Determine any cost savings and expenses associated with a unified payment card
- Recommend actions and timelines, if appropriate

After consideration of the information presented and discussion of options and related issues made during the course of its work, the Unified Payment Card Work Group unanimously concluded that a Unified Payment Card is not immediately achievable at this time but makes the following recommendations:

1. **Issue an RFP (Request for Proposal) to establish a Statewide Master contract for Payment Card Services.** This contract would facilitate a transfer from the Open Vendor Model (Multiple vendors with multiple cards; see section 2.6.1) currently in use, to the One-Vendor–Two-Card Model (2.6.4). The Group concludes that consolidation of current and future Payment Card contracts to a single vendor would provide an efficiency of delivery that should translate into cost savings and increased cardholder convenience. Because of the complexity of the variables involved, and the unknown pricing components that card providers may utilize, the Group feels that the most fair and accurate solution is the competitive RFP process. If it is determined that proposal responses result in increased cost savings or efficiency of delivery, the new (or incumbent) vendor will begin providing Payment Card Services on a master State-wide agreement level.

2. **Establishment of a Payment Card RFP Reviewers panel.** This panel, consisting of members from the Department of Health and Human Services, Department of Labor, Office of the State Controller, Office of the State Treasurer, and the Division of Purchases, would oversee the RFP process for the Statewide Master contract for Payment Card Services. This group would

be responsible for determining if the RFP proposal in Recommendation #1 is more advantageous for the State and cardholders than the current payment card solutions.

3. **Modification of M.R.S.A. Title 5 Section 1543.** This language modification, included in section 5.1, clarifies current statute to ensure that all forms of State disbursement fall under the checks and balances of the Office of the State Controller and Office of the State Treasurer.

4. **Modification of M.R.S.A. Title 5 Section 1543-A.** This language modification, included in section 5.2, gives authority to the Office of the State Controller and Office of the State Treasurer to transition State disbursements to more cost effective methods of payment, such as EFT.

1.0 INTRODUCTION

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1.1 Enabling Legislation

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1.2 Work Group Meetings

The Work Group held meetings on September 22nd, November 19th, and December 21st of 2010. During the first meeting, work group members were briefed on the technical differences of the payment card from other payment processes. Members representing the Department of Health & Human Services (DHHS) and the Department of Labor (DOL) described their payment card programs, and members discussed the individualized pricing methods for the two active payment card contracts. The group also discussed current payment statistics, including the breakdown of electronic payments vs. standard check issuance.

At the Work Group's second meeting, the group discussed a state-wide cost comparison of current payment types, including payment card models. Cardholder convenience and methods of quantifying convenience were also discussed.

2.0 BACKGROUND AND FINDINGS

One of the first goals of the Group was to identify the costs of State payment methods so that a clear understanding of the current cost environment could be considered. This established a need for a comparative analysis. The information obtained from this analysis sets the foundation for the Unified Payment Card discussion and in broader terms, payment methodologies statewide.

2.1 State of Maine Payment Costs

In FY 2010, the State of Maine issued approximately 1.6 million paper checks. In that same time frame, approximately 540,000 payments were made via ACH, and 1.78 million via Payment Card. The following table outlines the payment cost by transaction for each of the payment types currently in use on a statewide basis.[1]

Type	EFT	Checks	Checks (5 Yr Avg)	Pine Tree Card (DHHS)	MAP Card (DOL) Model*	MAP Card (DOL) Model* 5 year avg	State Procuremnt Card	Wire
	Trans.	Check	Check	Trans.	Trans.	Trans.	Trans.	Trans.
ACH Origination	(0.04)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wire Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(5.00)
Envelope	0.00	(0.02)	(0.02)	0.00	0.00	0.00	0.00	0.00
Check Paid	0.00	(0.08)	(0.08)	0.00	0.00	0.00	0.00	0.00
Check Stock	0.00	(0.02)	0.00	0.00	0.00	0.00	0.00	0.00
Postage	0.00	(0.40)	(0.40)	0.00	0.00	0.00	0.00	0.00
Printing	0.00	(0.04)	(0.04)	0.00	0.00	0.00	0.00	0.00
Issuer Fees	0.00	0.00	0.00	(0.79)	0.00	0.00	0.00	0.00
Federal Reimb.	0.00	0.00	0.00	0.395	0.00	0.00	0.00	0.00
Float (Earnings)	0.00	0.22	1.26	0.00	(0.22)	(1.26)	0.00	0.00
Rebate	0.00	0.00	0.00	0.00	0.00	0.00	6.14	0.00
	(0.04)	**(0.34)**	**0.72**	**(0.395)**	**(0.22)**	**(1.26)**	**6.14**	**(5.00)**

Table 1 - Payment Cost Table

The total number at the bottom of each column indicates the cost of a single payment using that method. A **negative** number indicates the **cost** to the State, while a **positive** number indicates **revenue**. Costs do not consider administrative time spent preparing and entering payment information in the accounting system or other payment systems.

EFT – Electronic Funds Transfer, also known as ACH (Automated Clearing House payment). EFT's require the vendor to be set up in the accounting system under a unique vendor code. Once this is completed, EFT payments can be made at a cost of $.04 cents per transaction (Bank fee). EFT's are quick (overnight) and secure. Beginning in January 2011 this fee will decrease to $.035 cents.

Checks - Checks are the most labor intensive form of payment, and the slowest. Float earnings (revenue on uncashed checks), however, defray the cost from printing and mailing.

[1] Compiled by the Office of the State Treasurer

Checks (5 Year Average) - All anecdotal evidence points to checks costing more than other forms of payment. However, when the 5 year cash pool earnings rate of 3.29% is applied to the average amount of check float, checks earn an average of $.72 cents per item, making them the second lowest payment method for State disbursements.

On the other hand, there are other, significant uncovered costs unique to check issuance such as: check auditing, labor to sort and mail, checks returned undeliverable, check reconciliation, escheatment, and check fraud. Also, check costs may begin to rise as they become rarer with the advent of electronic processing. All indications point to paper checks as becoming more and more obsolete.

Pine Tree Card – (See section 2.3.1) The Pine Tree Card fees, when spread out over all programs and transactions, average a cost of $.79 cents per transaction. The true cost to DHHS however, is half that amount, due to federal reimbursement.

***MAP Card Model & 5 Year Average** – (See section 2.3.2) Since the MAP card operates at no charge to the State, the only cost is the potential loss of interest earnings on float. Unemployment Insurance float earnings by federal rules cannot be kept by the State, so there is technically no State interest earnings lost by utilizing the MAP card. However, the associated earnings lost for a similar pre-funded card (with no federal interest earnings guidelines) would compare with the float earnings of checks.

State Procurement Card - By far the most advantageous payment method, the State Procurement card (US Bank) utilizes an average interest free payment cycle of 14 days and an average balance amount of $1,052,539.04 to receive interchange fee related rebates from the issuer. [2] Procurement card purchases are of limited use and can only pay vendors which accept credit card purchases.

Wires – Also known as FedWires, wires are the fastest mode of payment. At $5.00 per wire, it is the most expensive (from an immediate charge vantage point) form of payment. All wires are initiated by the Treasurer's office on behalf on a requesting agency. The Treasurer's office reserves this option only for emergency or significant dollar payment amounts that are required to be sent by this method. In Fiscal Year 2010, 466 wires were sent.

2.1.1 Payment Initiatives

Led by the Office of the State Controller (OSC), the State has made a concerted effort to maximize the efficiency and cost effectiveness of State payments. A shift to EFT payments have been the focal point, as they are affordable (.04 cents per EFT), quick (overnight), and secure. The drawback, however, is the process to set up and maintain vendor banking information in the accounting system to initiate EFT. This process, which includes the initial vendor setup, a 'pre-note' transmission (an electronic file sent to the bank to verify the existence of the bank account), and account maintenance. Currently, the Controller's office has 1.25 FTE (full time equivalents) positions dedicated to setting up, maintaining, and providing security controls for the 150k vendors on file in the accounting system.

[2] Division of Purchases. US Bank program. Est. based upon March 2010 – October 2010 statements.

Based on these factors, EFT payments are currently best suited for repeat vendors with an ongoing relationship with the State. Examples of such vendors would be: Municipalities, healthcare providers, major retail stores, utility companies and other vendors who contract with the State. Conversely, low volume, or transient vendors, are ill-suited to utilize the EFT platform under current staffing capabilities; an example of such a population would be tax refund recipients (MRS handles EFT returns independently of the accounting system). Payees like these are often tracked via 'misc vendor codes' to avoid such vendor setup.

In a check analysis done by OSC, the top 5 miscellaneous vendors of FY 2010 were as follows:[3]

1. MISC1 (Child Support) - 435,443 items totaling $52,851,836
2. MHW4787 (SSI) - 371,041 items totaling $4,857,157
3. MTX6IND1040 (Tax refunds) - 196,113 items totaling $121,024,150
4. MMRSMERES (Misc. Tax) -59,581 items totaling $28,122,891
5. MUNCLMPROP (Unclaimed Property) – 16,530 items totaling $12,793,257

These top miscellaneous vendors account for 1.078 million of the 1.6 million checks issued. This will not be the case going forward. Beginning in FY 2011, DHHS has begun to transition item #2, SSI payments, to the Pine Tree Card. Their goal is to transition 100% of the 370k+ items to the payment card by the middle of FY2011. SSI is an ideal candidate for a payment card. By 2012, DHHS hopes to have Child Support, item #1, transitioned to the payment card also. Based solely on these efforts, the State should see a 51% reduction in check issuance by the end of FY 2012. This is a significant change and a marked step into a completely electronic era.

The two charts below illustrate the scale of payment card transactions in comparison to other methods of payment in the State of Maine. In 2010, payment card transactions (known as allotments) were approximately 45% of all the transactions in State government, followed by checks with 40%. With the shift of SSI (State Supplemental Income) from checks to the EBT card (fully implemented in December 2010) in the current fiscal year, and the planned addition of Child Support payments to follow, it is estimated that payment card transactions will then rise to 66% of all State of Maine payment transactions.

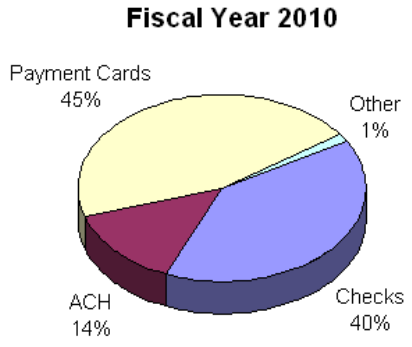

Figure 1 - Statewide transaction breakdown in 2010

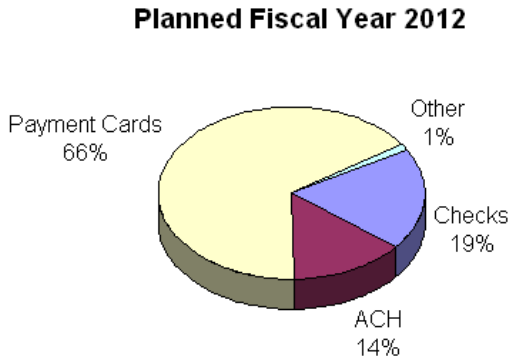

Figure 2 - Estimated statewide transaction breakdown by the end of FY 2012

[3] Complete check vendor statistics presented to the group can be found in the attachments to the 2nd meeting agenda found in Appendix C

2.2 Payment Cards

Payment Cards, which include electronic benefit transaction (EBT) cards and debit cards, are fast becoming primary methods of payment for many State and Federal programs. Payment cards are also finding an increased role in businesses, often taking the place of paper certificates or cash refunds.

In the Payment Card world, there are generally two types of cards which can be used in two distinct ways. A card can be reloadable, or fixed – Open loop, or closed.

	Open Loop	**Closed Loop**
Reloadable	Funds can be added to card by Agency. Can be used at any merchant or network that accepts debit/credit cards.	Funds can be added to card by Agency. Use is restricted to specific merchants (i.e. prepaid telephone card, merchant gift card).
Fixed	One time disbursements with a set value. Can be used at any merchant or network that accepts debit/credit cards.	One time disbursements with a set value. Use is restricted to specific merchants (i.e. prepaid telephone card, merchant gift card).

Table 2 - Payment card type matrix

Payment cards are offered by a number of large financial services companies. When compared to paper checks, the primary advantages of a payment card are:

For the Recipient:

- No check cashing/fees
- No bank account needed
- Increased security
- Quicker access to funds

For the State:

- Enhanced tracking of disbursed funds
- More efficient cash management
- Reloadable cards eliminate the need to issue checks, saving on printing, mailing, and administrative costs associated with check issuance
- Quicker disbursement of benefits
- Quicker recovery of erroneous or unused benefits

2.3 State of Maine Agency Payment Card Usage

In Maine, there are currently 3 agencies utilizing payment cards:

- The Department of Health & Human Services (Pine Tree Card)
- Dirigo Health (Pine Tree Card)
- The Department of Labor (MAP Card)

Below are some of the details outlining each of the programs utilizing payment cards.

					Monthly Average	
Agency	**Program**	**Card Name**	**Card Type**	**Vendor**	**Total Amount**	**# Cardholders**
DHHS	SNAP	Pine Tree Card	Reloadable/ Open Loop - Quest	ACS	$ 31,292,221.00	123,721
DHHS	TANF	Pine Tree Card	Reloadable/ Open Loop - Quest	ACS	$ 6,171,652.00	14,755
DHHS	PaS	Pine Tree Card	Reloadable/ Open Loop - Quest	ACS		
DHHS	ASPIRE	Pine Tree Card	Reloadable/ Open Loop - Quest	ACS		
DHHS	Transitional Trans. & Child Care	Pine Tree Card	Reloadable/ Open Loop - Quest	ACS		
DHHS	State Supplemental Income	Pine Tree Card	Reloadable/ Open Loop - Quest	ACS	$ 471,500.00	36,832
DIRIGO	Refugee Cash Assistance	Pine Tree Card	Reloadable/ Open Loop - Quest	ACS	$ 14,541.00	52
DIRIGO	Dirigo Premium Refunds	Pine Tree Card	Reloadable/ Open Loop - Quest	ACS	$ 199,444.95	737
DOL	Unemployment Insurance	Maine Automated Payment Card	Reloadable/ Open Loop - VISA	Chase		9,000

Key:

SNAP Supplemental Nutrition Assistance Program
TANF Temporary Assistance for Needy Families
PaS Parents as Scholars
ASPIRE Additional Support in Training and Employment

Table 3 - State of Maine Payment Card Usage

2.3.1 The Pine Tree Card

The Pine Tree Card is the unbranded (meaning it bears no credit company logo i.e. VISA, MasterCard, Discover, AmEx) electronic benefit transfer Card used primarily by DHHS to distribute SNAP (formerly known as Food Stamps) and TANF benefits. The card was introduced in 2004, in response to federal regulation requiring States to implement EBT programs. In 2005, TANF was added, and in the years since, 5 more programs have been transitioned to the platform.

Figure 3 - The Pine Tree Card

Vendor *(Pine Tree Card)*

Affiliated Computer Services[4] (ACS) won the original competitive bid and since the first implementation has been the sole vendor of the Pine Tree Card. With annual revenues of $15.2 billion, ACS is an IT services company listed on the New York Stock Exchange (NYSE) employing approximately 130,000 people worldwide.[5] Their EBT platform, EPPIC, is used nationwide and provides State administrative access to all programs on the Pine Tree Card.

In 2009, ACS unsuccessfully bid upon Maine Department of Labor's Unemployment Insurance electronic payment card request for proposal. The Maine DOL contract was awarded to JP Morgan Chase & Co. and is discussed in more detail later in this report.

Payment Process – State Perspective *(Pine Tree Card)*

Payments to benefit recipients are done on a daily basis. To initiate card loading, DHHS creates an electronic file that is uploaded to the EPPIC system. This upload identifies the amount of funds that will be added to each card. Amounts newly loaded can be available for the recipient immediately, if necessary. The EPPIC system is capable of maintaining and reporting the individual card balances and the associated account code identification for program allocations.

The Pine Tree Card is a ***post-funded*** EBT card. Post-funding simply means that the State does not send cash to the administrator (ACS) until *after* the beneficiary has spent the corresponding amount. Each business day, ACS requests one automated clearing house debit from a State account in the amount of the total of all benefits spent during the previous day cycle. To illustrate this process:

> *DHHS issues Jane Q. Citizen $150.00 in cash benefits on Monday, January 1st. Jane checks her balance on Tuesday the 2nd, and sees that her balance is $150.00. A week later, Jane visits a local ATM on Wednesday the 10th, at 11 a.m. Her withdrawal is $80.00.*

It is not until Thursday morning, the 11th, that the State's account is debited for the $80.00 cash. As this scenario illustrates, Post-funding allows the State to retain and invest the unspent benefit amount within the State's cash pool. In this case the State held the cash from January 1st through January 11th. The State also retains the remaining $70.00 on Jane's available balance until it is withdrawn or spent.

Pricing *(Pine Tree Card)*

The pricing model is a per case/month fee dependant on the type of benefit. For SNAP benefits, the cost is $.95/case, while the cash cost (Non-SNAP programs i.e. TANF, SSI, Dirigo) is $.85/case and for a number of direct deposit recipients the cost is $.25/transaction. Total fees are encumbered not to exceed $1,280,000 in each of the fiscal years FY11 – FY15.[6] In the month of November, cases numbered 159,264 with subsequent charges for the Pine Tree Card coming to $145,374.00 with $38,965,918.97 in benefits distributed.[7] On average, there are 11.55 client

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[4] Purchased by the Xerox Company in September 2009
[5] ACS Annual Report - 2009
[6] Maine EBT Contract 2010
[7] Based upon December 1, 2010 ACS invoice. Does not include $393.12 charge for payphone calls made to toll free customer service number at $.26 cents per call.

transactions per SNAP case, and 6.61 client transactions per Cash based benefit.[8] Also, on average, 50% of the fees are paid for by federal reimbursement.

This currently contracted pricing scheme also includes a tiered billing system:[9]

SNAP Program

Caseload	Year 1	Year 2	Year 3	Year 4	Year 5
< 50,000	$ 1.05	$ 1.05	$ 1.05	$ 1.05	$ 1.05
50,001 - 80,000	$ 1.05	$ 1.05	$ 1.05	$ 1.05	$ 1.05
80,001- 110,000	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
110,001 - 140,000	$ 0.95	$ 0.95	$ 0.95	$ 0.95	$ 0.95
140,001 - 170,000	$ 0.85	$ 0.85	$ 0.85	$ 0.85	$ 0.85
170,001 - 200,000	$ 0.80	$ 0.80	$ 0.80	$ 0.80	$ 0.80
> 200,001	$ 0.75	$ 0.75	$ 0.75	$ 0.75	$ 0.75

Cash Price (Non-SNAP programs) per Case Month w/2 free ATM Transactions

Caseload	Year 1	Year 2	Year 3	Year 4	Year 5
< 10,000	$ 0.85	$ 0.85	$ 0.85	$ 0.85	$ 0.85
10,001 - 15,000	$ 0.85	$ 0.85	$ 0.85	$ 0.85	$ 0.85
15,001 - 20,000	$ 0.85	$ 0.85	$ 0.85	$ 0.85	$ 0.85
20,001 - 25,000	$ 0.85	$ 0.85	$ 0.85	$ 0.85	$ 0.85
25,001 - 30,000	$ 0.85	$ 0.85	$ 0.85	$ 0.85	$ 0.85
30,001 - 35,000	$ 0.85	$ 0.85	$ 0.85	$ 0.85	$ 0.85
> 35,001	$ 0.85	$ 0.85	$ 0.85	$ 0.85	$ 0.85

Table 4 – ACS billing tier for the State of Maine Pine Tree Card

Cardholder Convenience *(Pine Tree Card)*

The Pine Tree Card comes in one style, as seen in Figure 2. From the date of request, it takes a maximum of 2 days for a beneficiary to receive the card in the mail. The card is accompanied by instructions on how to use it. Once the card is activated, the cardholder chooses a 4 digit PIN and can begin to use it by swiping the magnetic stripe at any card reader location where the 'Quest' logo is accepted. In Maine, there are 1790 ATM locations that accept Pine Tree Cards. The first two ATM withdrawals and balance inquiries of the month are of no charge to the client. Three or more withdrawals cost an additional $.65 cents per transaction. These amounts are in addition to surcharges which may be charged by the ATM itself. Similarly, at retail locations which allow benefit recipients to receive cash back, no card fees are charged. Retailers may, however, impose a small fee. Currently, there are 1506 SNAP authorized retailers in the State of Maine. 968 accept both SNAP and Cash benefit payments with the Card. 442 only accept SNAP benefits.[10] Card balances and transaction history can be found online, using www.pinetreecard.com, or by calling the toll free ACS customer service number. In addition, balance inquiries can be made at the ATM or retailer terminal.

[8] Office of Integrated Access and Support
[9] Maine EBT Contract 2010
[10] Office of Integrated Access and Support

Purchases are made similarly to the way people commonly use debit cards. The SNAP program, however, limits the items that can be purchased to select categories. Breads, cereals, fruits, vegetables, meats, and dairy products are an example of items that are covered by the program. Items such as alcohol, tobacco, household supplies, vitamins, hot foods, and other non-food items are not SNAP eligible.[11] If a beneficiary receiving *both* SNAP and cash program (i.e. State Supplemental Benefits, TANF) benefits wishes to purchase both SNAP eligible and non-eligible items in one visit, they must swipe the Pine Tree Card twice in what is essentially two separate transactions.

Figure 4 - Quest logo with SNAP and Cash icons

In addition to transaction detail and balance history, the ACS customer service number provides other services like resolution of erroneous charges and lost or stolen cards. The call center is required by contract to answer phone calls within 4 rings 98.5% of the time. When a client requests to speak to an operator, they are required to receive one within 30 seconds 98.5% of the time. During the month of November 2010, there were 4,648 calls placed to an operator, and 345,047 calls placed with the IVR (Interactive Voice Response). Replacement of lost or stolen cards is provided at no cost to the recipient.

2.3.2 The Maine Automated Payment card (Unemployment Insurance)

The MAP card is the branded (VISA) electronic benefit transfer card used by the Department of Labor's Bureau of Unemployment Compensation to distribute unemployment benefits. The card was introduced in June of 2010, and now all Unemployment Insurance benefits (UI) are distributed electronically (direct deposit or MAP card). Approximately 9,000 individuals receive unemployment benefits on a weekly basis via the MAP card.[12]

Figure 5 – The MAP Card

Vendor *(MAP Card)*

JP Morgan Chase & Co. won the competitive bid to bring payment cards to the Unemployment Program in December of 2009. The program began a test pilot in June of 2010 and began full implementation beginning in July. With annual revenues of $100 billion, JP Morgan Chase is a global financial services firm listed on the New York Stock Exchange (NYSE) employing 220,000 people worldwide.[13]

Payment Process – State Perspective *(MAP Card)*

Payments to benefit recipients are done on a daily basis. To initiate card loading, DOL creates an electronic ACH (Automated Clearing House) file. This file is sent to the bank which then processes each individual item as an ACH debit from the state account. The money thus flows from the State account (TD Bank) to the cardholder's account at JP Morgan Chase on the following day. From initiation, funds can arrive in the beneficiary's card account in as little as 2 business days.

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[11] USDA Food & Nutrition Service list of eligible food items
http://www.fns.usda.gov/snap/retailers/eligible.htm
[12] Bureau of Unemployment Compensation
[13] JP Morgan Chase & Co. Annual Report - 2009

The MAP card is therefore a ***pre-funded*** payment card. Pre-funding, opposite from post-funding (as with the Pine Tree Card), simply means that the State sends the cash to the administrator (JP Morgan Chase) simultaneously to the benefit being 'loaded' on the card. The administrator holds the cash and any interest earnings on that unspent cash until the funds are spent down by the recipient.

Pricing *(MAP Card)*

JP Morgan Chase does not charge the State to operate the MAP card. Primary sources of revenues received by JP Morgan Chase through the administration of this program are from the following sources:

- Float earnings on unspent benefits
- Card fees
- Interchange fees

Float Earnings – Float can be described as the value of the money issued, but not yet deducted from the issuer's account. In the example of a paper check, float begins once the check is written and ends when the recipient cashes the check and funds are sent from the issuer's account to the bank where the check is being redeemed. During that time, which can range widely, those funds can earn interest for the issuer while technically being owned by the recipient. On the average day, the State Treasurer's office earns interest on approximately $60mm worth of check float.[14] JP Morgan now becomes the holder of funds that would have been issued as checks, and can therefore earn revenue until that money is spent by the recipient. Under normal circumstances, this scenario would result in a loss of revenue for the State.

Card Fees – Fees paid by the cardholder for transactions such as ATM withdrawals, pin-based retail purchases, insufficient funds, foreign currency conversion and activity such as online bill payments, monthly paper statements, and card replacement.

Interchange Fees – The transaction fee on credit card and debit card purchases charged by the banks that issue the cards. The interchange fee is designed to compensate for risk (the card user might not pay) and for the costs of processing a transaction. It is paid by the merchants who accept the cards for payment. An interchange fee typically comprises a fixed charge per transaction plus a percentage of the amount charged.[15] JP Morgan Chase estimates its interchange fees on debit cards to be between 1-2% of the average total transaction, and less than 5% for signature transactions.[16]

> **Further explained: "…**Each credit card transaction includes four parties: the merchant accepting the card, the merchant's bank, the bank that issued the card, and the card user. Suppose a consumer uses a credit card for a $100 purchase. The merchant may sell the transaction to its bank for $98.00. That bank, in turn, sells the transaction to the issuing bank for $98.50. The cardholder is subsequently billed for the full $100 purchase. The card issuer's share of this transaction, in this case $1.50, is the interchange fee. Interchange fees are a function of several variables, including the quantity of transactions

[14] Office of the State Treasurer
[15] "Interchange fee." *Business*. LoveToKnow, n.d. Web. 23 November 2010. http://www.yourdictionary.com/business/interchange-fee
[16] Conference call w/ JP Morgan Chase – 11/4/10

a merchant processes, the processing procedure followed by the merchant (in-person transactions incur a smaller fee than mail-order transactions), whether the card is swiped or entered manually (swiped is less expensive), and the type of card that is used in the transaction (premium cards that offer rewards are more expensive)…"[17]

Cardholder Convenience *(MAP Card)*

The MAP card comes in one style, as seen in Figure 3. It is a branded card with the VISA logo, which means it's accepted at any location which displays the VISA logo. From the date of request, its takes on average 7 days for a beneficiary to receive the card in the mail. The card is accompanied by instructions on how to use it. A 4 digit pin number is assigned, accompanied by security suggestions on how to keep benefits safe. Once the card is activated, the cardholder can begin to use it by swiping the magnetic stripe at any card reader location where the 'VISA' logo is accepted. In Maine, there are 1,800 ATM locations and 520 VISA member banks that accept the MAP card. Beneficiaries are allowed one free withdrawal per deposit at any Chase, Allpoint and Key Bank networks (250 ATMs in Maine). ATM withdrawals exceeding 1 per deposit or at an unaffiliated ATM network cost $1.50 each (in addition to surcharges which may be charged by the ATM itself). The program also allows unlimited free over-the-counter teller withdrawal at all VISA member banks.

Figure 6 – The MAP card is accepted at VISA member locations

As of May of 2008, 28,100 locations in Maine accept the MAP card with no fees and unlimited usage. Pin-based transactions (which include receiving cash back) cost $.25 cents, and retailers may impose an additional fee. Cardholders are allowed unlimited balance inquires at ATM locations with no fees. Card balances and transaction history can also be found online, using www.myaccount.chase.com, by calling the toll free JP Morgan Chase customer service number.

Purchases are made identically to the way people commonly use debit or credit cards. As a completely cash based card (UI program only), there are no restrictions on what items can be purchased, or what types of retailers can be visited.

In addition to transaction detail and balance history, the JP Morgan customer service number provides services such as, card activation, transaction dispute, PIN change, transaction inquiry, program information, eligibility inquiry, report lost/stolen card/damaged card, replacement card request, & address change.

[17] "Interchange fee." *Business*. LoveToKnow, n.d. Web. 23 November 2010. http://www.yourdictionary.com/business/interchange-fee

The following table outlines all currently contracted card fees to MAP cardholders. [18]

Service	Fee
ATM Cash Withdrawal at any Chase, Allpoint or Key Bank ATM	1 free per deposit; $1.50 each thereafter
ATM Cash Withdrawal at all other ATMs in U.S.*	$1.50 each
ATM Cash Withdrawal at ATMs outside U.S.*	$3.00 each
ATM Balance Inquiry at any ATM in U.S.	Free
ATM Balance Inquiry at ATMs outside U.S.	Free
Retail Purchase with signature	Free
Retail Purchase with PIN (includes cash back)	$0.25 each
Teller Withdrawal at a Visa Member Bank	Free
Online Bill Payment at www.myaccount.chase.com	$0.75 per bill payment
Transaction Denied for Insufficient Funds**	$1.00 per transaction
Monthly Statement Online	Free
Monthly Statement — mail	$0.75 per month
Card Replacement — standard delivery	1 free per year; $5.00 each thereafter
Card Replacement — expedited delivery	$15.00 per card
Foreign Currency Conversion***	3% of transaction
* Some ATM owners and operators may charge an additional fee per transaction. There are no surcharges at Key Bank, Allpoint and Chase ATMs.	
** This fee will be assessed if an ATM or POS transaction is denied due to insufficient funds in your Account.	
*** A monthly fee will be assessed on each account that has been inactive for 180 days and has a balance. Fee is not assessed during periods of activity. Account activity is defined as a deposit, withdrawal, purchase or any type of financial activity.	

Table 5 - MAP card recipient fees

2.4 State of Maine - Future Payment Card Programs

DHHS is planning to implement child support payments on the Pine Tree Card by FY12. This is currently the only new program with known plans to migrate from paper check payment to a payment card platform. In this case, the agency already has a contract for payment card services in place. It is unknown what future programs or payment types are on the horizon, but any agency with no current contract could join the DHHS ACS platform under the current terms or decide to begin its own procurement process and obtain an entirely new vendor. There is no current legislation directly prohibiting such a move. Nationally, payment card usage is wide ranging and far reaching. Some examples include:

[18] JP Morgan Chase – Executive Summary (RFP Proposal) May 2008

- Employee Payroll
- Provider Payments
- Disability
- Workers Compensation
- Child Care
- Social Security
- Correctional Facilities
- Court-Ordered Payments
- Military Personnel
- Tax Refunds

While payment card providers may claim significant advantages over other forms of payment, including cost and security, the most apparent fact is that these electronic forms of payment are becoming an increasing portion of the payment landscape. In 2006, checks represented 32% of the non-cash payment market. Just three years later, that has dropped to 22%. In the same time period, debit card payments have increased from 26% to 35%. Debit (35%), credit (20%), prepaid cards (5%), and ACH (18%) transactions now account for 78% of all non-cash payments. Prepaid cards, which include funds distributed by government agencies to disburse benefits, has seen the most growth at 22% in the three year period.[19]

2.5 Payment Card Providers

Currently, there are 3 main processors which provide the full range of EBT services for the SNAP and WIC (Women, Infants and Children) programs. They are ACS, JP Morgan Chase, and FIS (Fidelity Information Services). ACS and JP Morgan Chase have been discussed already. FIS (formerly eFunds) is a banking and payment technology company based in Jacksonville, Florida. With annual revenues of $3.8 billion, FIS is listed on the New York Stock Exchange (NYSE) and employs 31,000 people worldwide. [20] All three vendors submitted a proposal for the most recent Maine EBT card contract.

2.6 Current Contracts and Purchasing Options

There are currently two independent contracts for payment cards with two different vendors. The contract details are as follows:

Agency	Vendor	Begin Date	End Date	Amount	Renewal Option	Renewal Term
DHHS	ACS	4/1/2010	3/31/2015	$ 6,400,000	Yes	2x – 1 year
DOL	JP Morgan Chase	12/1/2009	11/30/2014	$ -	Yes	1x - 5 year

Table 6 - State of Maine Payment Card Contract Details

2.6.1 Open Vendor Model (Multiple Cards)

The open vendor model is the current environment whereby payment card contracts are not controlled on a State level. With an open vendor model, each State agency is autonomous

[19] 2010 Federal Reserve Payments Study
[20] FIS 2009 Annual Report

and is allowed to acquire a payment card issuer by going through the RFP (Request for Proposal) process through the Division of Purchases. The open vendor model allows for multiple payment card vendors with an unlimited number of payment cards available.

There are various benefits to this option. The primary benefit is that this model is currently in place, with the two primary agencies satisfied with their services and contracts. With no changes to policy needed, this would be the easiest option and cause the least disturbance. The open vendor model allows agencies to choose their own vendor, and to custom their RFP to suit their specific program and budgetary needs.

The drawbacks to this model are varied. There exists the possibility that the State could lose out on savings due to economies of scale. Also, State agencies can independently contract for such financial services without the approval of agencies such as the Office of the State controller, and the Office of the State Treasurer. This could create a situation where a contract might be favorable to the contracting agency, but unfavorable on a State-wide basis. An example of that would be a 'no-cost to the agency' proposal whereby the payment card provider would receive float earnings which would otherwise go to the State or benefit recipient. Another potential drawback could arise from unfettered payment card issuance, with 4 or more agencies creating their own version of payment cards. This could lead to the public's confusion and general inconvenience. Decentralized payment card contracts, like those under this model, also provide less administrative and technical efficiency than would a comparable centralized contract.

2.6.2 Two Vendor Model (2 Cards)

The two vendor model is also similar to the current environment. However, instead of individual agency control, two vendors would exist and provide services for all State agencies. Under this system, the two contracts for payment card services would go through the RFP process to be expanded as Statewide contracts for:

1. EBT cards (Pine Tree Card)
2. Branded card (MAP card)

This two vendor model would limit the total number of payment cards to two. Agencies who would like to begin utilizing payment card services would be guided to the option that best suited their needs and provided the best value for the State.

There are various benefits to this option. The primary benefit is the limiting of payment cards to two separate cards. This would prevent new agencies from entering into separate contracts than those currently in place and thus limit the number of cards that citizens might have to use, and achieves some economy of scale by limiting the services to two vendors. Another benefit of this model is that it allows the current card programs and vendors to continue unchanged.

There are also drawbacks to this model. By allowing two vendors to maintain the business of the State, there is the possibility that the State could lose out on savings due to further economies of scale. It's also possible that limiting the number of vendors or cards to 2 could prevent a level of customization that some agencies might prefer. This could also be the case with beneficiary populations, who could prefer not to utilize cards associated with other programs.

2.6.3 One Vendor Model (Unified Payment Card)

The one vendor model is the model that would allow for a true unified payment card. This would be one card that would provide all payment card benefits. Under this system, there would be one Statewide master contract for payment card services, one vendor awarded the contract, and one card utilized for benefits.

There are various benefits to this option. The primary benefit is the possibility of savings from the economy of scale. While the amount of savings cannot yet be identified, purchasing industry experts point to economies of scale as integral factors in driving costs down. An example of this can be found in the way the current payment contracts are set up. Under the ACS contract, and illustrated in Table 4, each program utilizing the Pine Tree Card (non SNAP) pays a share of the $.85 cent per case fee. If there are 5 programs sending payments to one beneficiary, they each pay $.17 cents.[21] Therefore, if another program is added and pays that same beneficiary, the cost is split 6 ways, so each would pay $.14 cents. Similar economies of scale could exist in other areas and at the vendor level.

The One Vendor Model also ensures central oversight to payment card contracts. This would prevent agencies from making decisions that could affect the State negatively as a whole. The one vendor model would limit the number of payment cards beneficiaries have to carry to just one. This means that there would also be a single contact point for card based benefits Statewide.

The drawbacks to the Unified Payment Card model are significant. Only one state, Utah, has a payment card contract that *attempts* to move in the direction of a single payment card. There are varied reasons for this, the two most important being prohibitively high equipment costs at the retailer location, and strict FNS (Food and Nutrition Service) guidelines (for SNAP program). Other drawbacks include disruption to the current card programs, agencies and beneficiaries; loss of customization and card options, and a single point of failure for the State's many payment card benefits.

2.6.4 One Vendor Model (2 Cards)

This model blends the Unified Payment Card model's (2.6.3) one vendor approach with the Two Vendor two cards model (2.6.2). Under this system, there would be one Statewide master contract for payment card services, one vendor awarded the contract, and two cards utilized for benefits.

This model allows for the economies of scale provided by a one vendor solution while allowing flexibility in an emerging market that has yet to produce a single payment card option. The benefits to this option would include Statewide oversight of a master contract, limiting of payment cards to 2, and the ability to have both a non-branded EBT card and a branded debit card solution.

The primary drawback to this option would be the complicated process to convert the current two vendor situation to a single contracted vendor. The Office of the State Treasurer and

[21] The allocation process described here assumes each program is issuing the same number of transactions to the beneficiary.

the Division of Purchases would need to take a lead role in coordinating the new RFP process to acquire a master payment card contract that could service the needs of both of the primary State agencies utilizing the payment cards (DHHS & Labor) and their clients. Another drawback is the concern that a single vendor would create a single point of failure for the State's many payment card benefits.

2.6.5 The 'WIC Problem'

A drawback to any of the models which require a master agreement (all but Open Vendor Model 2.6.1) is the potential inability of the master agreement to ensure the compatibility of, and the best pricing for a payment card benefit program not currently existing. While such a master agreement would be written in a way which allows new programs and agencies to utilize it, a point of concern would be the emergence of a new electronic payment program unlike any other existing program (at the time of RFP) requiring extensive, additional specifications not foreseen in the master agreement. An example of this would be the WIC (Women, Infants & Children) program. The WIC program, which currently uses food vouchers to indicate allowable purchases at the retail location, is considered the most complex transaction at the retail POS.[22] While WIC is known, and can be planned for, the possibility exists that future, even more complicated and therefore expensive, payment card programs could arrive.

Under the current Open Vendor Model, DHHS may potentially plan to go through the RFP process for the WIC payment card program exclusively.

[22] Wisconsin WIC EBT Assessment - January 2010

3.0 RELATED EMERGING ISSUES

3.1 Interchange Fee Regulation

On July 21, 2010, the President signed into law the Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111-203, H.R. 4173). This sweeping legislation included a section known as the Durbin amendment (Sec. 920) which aims to control how much banks can charge merchants on interchange fees (See 2.2.2 "Pricing" for definition). The section establishes an Interchange Fee Board (Federal Reserve) which *"…may prescribe regulations… regarding any interchange transaction fee that an issuer may receive or charge with respect to an electronic debit transaction… Reasonable interchange transaction fees.--The amount of any interchange transaction fee that an issuer may receive or charge with respect to an electronic debit transaction shall be reasonable and proportional to the cost incurred by the issuer with respect to the transaction."*

The Federal Reserve Board has begun meetings to weigh a proposed cap of debit-card transaction fees that could cut card-issuer profits and benefit retailers. According to one source, *"The changes are likely to significantly cut into card-issuer profits to the point where some banks, including JPMorgan Chase and Wells Fargo, are reconsidering their debit card businesses. The banks say that while debit cards are unlikely to go away, perks and rewards that come with the use of cards will be limited if any, going forward."*[23] In September, Bank of America recorded a $10.4 billion goodwill charge -- a reduction in the intangible value of the business -- because of the interchange rule. The bank, based in Charlotte, North Carolina, has said the caps could reduce annual revenue by $2.3 billion.[24] During a meeting on December 16, 2010, the Fed proposed new rules which could reduce debit interchange fees by up to 70 percent.[25]

It is not clear how this legislation and forthcoming rule will affect the overall payment card market and therefore the State of Maine payment cards. The Durbin amendment, however, did provide a ***1 year exemption for government-administered payment programs*** and reloadable prepaid cards in the case of "…a debit card or general-use prepaid card that has been provided to a person pursuant to a Federal, State or local government-administered payment program…" After the year has passed, ***the State program remains exempt as long as there are no fees for an overdraft, or fees imposed by the issuer for the first withdrawal per month.***[26] Based on this exemption, preliminary understanding is that the new interchange rules will not directly affect the State's current payment card programs. Rulemaking is required to be complete on April 21, 2011, followed by a final rule after public comment.

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[23] "Banks Brace For Swipe Fee Rules" TheStreet.com. Web, http://www.thestreet.com/story/10943066/1/banks-brace-for-swipe-fee-rules.html?cm_ven=GOOGLEN

[24] "Federal Reserve Said to Consider Debit-Card Fee Cap" Bloomberg.com. Web http://www.bloomberg.com/news/2010-12-09/federal-reserve-said-to-consider-interchange-fee-cap-on-dec-16.html

[25] "Fed Proposes Lower Store Fees on Debit Purchases" Washingtonpost.com. Web, http://www.washingtonpost.com/wp-dyn/content/article/2010/12/16/AR2010121606528.html

[26] Full text of the Durbin Amendment can be found at the website of the US Government Printing Office: http://www.gpo.gov/fdsys/pkg/PLAW-111publ203/content-detail.html. Section 920.

4.0 RECOMMENDATIONS

After consideration of the information presented and discussion of options and related issues made during the course of its work, the Unified Payment Card Work Group unanimously concluded that a Unified Payment Card is not immediately achievable at this time but makes the following recommendations:

1. **Issue an RFP (Request for Proposal) to establish a Statewide Master contract for Payment Card Services.** This contract would facilitate a transfer from the Open Vendor Model (2.6.1) currently in use, to the One-Vendor-Two-Card Model (2.6.4). The Group concludes that consolidation of current and future Payment Card contracts to a single vendor would provide an efficiency of delivery that should translate into cost savings and increased cardholder convenience. Because of the complexity of the variables involved, and the unknown pricing components that card providers may utilize, the Group feels that the most fair and accurate solution is the competitive RFP process. If it is determined that proposal responses result in increased cost savings or efficiency of delivery, the new (or incumbent) vendor will begin providing Payment Card Services on a master State-wide agreement level. The timing of this RFP should take into account two important factors: 1.) Possible termination charges for the current contracts with ACS and JP Morgan. Contract termination for the ACS contract is estimated at $100,000 per year. 2.) In the case of unsatisfactory results from this RFP process, enough time should be allowed for DHHS and DOL to commence their individual RFP award processes before the end of their current contracts.

2. **Establishment of a Payment Card RFP Reviewers panel.** This panel, consisting of members from the Department of Health and Human Services, Department of Labor, Office of the State Controller, Office of the State Treasurer, and the Division of Purchases, would oversee the RFP process for the Statewide Master contract for Payment Card Services. This group would be responsible for determining if the RFP proposal in Recommendation #1 is more advantageous for the State and cardholders than the current payment card solutions. Other interested stakeholders may be included.

3. **Modification of M.R.S.A. Title 5 Section 1543.** This language modification, included in section 5.1, clarifies current statute to ensure that all forms of State disbursement fall under the checks and balances of the Office of the State Controller and Office of the State Treasurer.

4. **Modification of M.R.S.A. Title 5 Section 1543-A.** This language modification, included in section 5.2, gives authority to the Office of the State Controller and Office of the State Treasurer to transition State disbursements to more cost effective methods of payment, such as EFT.

5.0 SUGGESTED LEGISLATION

The following is the modified language proposed by the Unified Payment Card Group. Additions are underlined, deletions are in strikethrough.

5.1 Modification of M.R.S.A. Title 5 Section 1543

Title 5: ADMINISTRATIVE PROCEDURES AND SERVICES
Part 4: FINANCE
Chapter 143: ACCOUNTS AND CONTROL

§1543. DISBURSEMENTS; EXCEPTIONS

Money may not be drawn from the State Treasury except in accordance with appropriations duly authorized by law. Every disbursement from the State Treasury must be upon the authorization of the State Controller and the Treasurer of State, ~~as evidenced by their facsimile signatures,~~ except that the Treasurer of State may authorize interbank and intrabank transfers for purposes of pooled investments. Disbursements ~~must~~ may be in the form of a check or an electronic transfer of funds against a designated bank or trust company acting as a depository of the State Government. [1993, c. 680, Pt. A, §9 (RPR).]

The State Controller and the Treasurer of State are authorized to issue rules, policies or procedures to limit the number of disbursements made for less than $5. [1993, c. 410, Pt. UU, §1 (NEW).]

Notwithstanding the foregoing paragraph, the Commissioner of Labor is authorized to prepare and sign warrants for the payment of benefits to eligible unemployed persons and allowances to persons eligible under federally sponsored human resources development programs that authorize the Department of Labor to designate the recipients of allowances from federal funds granted or allocated to the department under these programs, which warrants, upon being delivered to the payee, become a check against a designated bank or trust company acting as a depository of the State Government. The authority of the commissioner to prepare and sign the warrants is limited solely to the payment of benefits to eligible unemployed persons and to allowances to persons eligible under these federal programs. The facsimile signature of the commissioner who is leaving office is valid until a new signature plate for the signature authorized has been obtained for the commissioner's successor. [1995, c. 462, Pt. B, §2 (AMD).]

Notwithstanding the foregoing paragraphs, the treasurer of the 3 Indian school committees is authorized to prepare and sign warrants for the payment of Indian school payrolls and bills. [1973, c. 571, §3-A (NEW); 1973, c. 625, §29 (NEW).]

5.2 Modification of M.R.S.A. Title 5 Section 1543-A

Title 5: ADMINISTRATIVE PROCEDURES AND SERVICES
Part 4: FINANCE
Chapter 143: ACCOUNTS AND CONTROL

§1543-A. DIRECT DEPOSIT OF CERTAIN DISBURSEMENTS

1. **Electronic funds transfer system.** The State Controller and the Treasurer of State shall establish an electronic funds transfer system for the purpose of transferring directly into payees' accounts held at accredited financial institutions the payment of any amount or obligation owed by the State. Beginning with the payroll after the effective date of this section that is closest to January 1, 2008, the State shall pay all state employees' wages and salaries through an electronic funds transfer system. Except as set forth in subsection 2, all wages and salaries of state employees must be transferred by means of electronic funds transfer directly into an employee's account in an accredited financial institution designated by the employee, and each state employee shall complete a direct deposit application on such forms as the State Controller shall prescribe. The direct deposit application authorizes the State Controller to initiate credit and debit entries and to correct erroneous credit entries to the employee's designated account. The State Controller shall develop policies and procedures to allow the employee to change the designated account at any time. [2007, c. 539, Pt. E, §1 (NEW) .]

2. **Waiver provisions.** The State may waive the mandatory direct deposit of the wages or salary for a state employee in subsection 1 if the State Controller determines that:

A. The employee has a physical or mental disability that would impede the employee's ability to gain access to electronically deposited funds; [2007, c. 539, Pt. E, §1 (NEW).]

B. The employee has religious convictions that preclude the use of direct deposits; or [2007, c. 539, Pt. E, §1 (NEW).]

C. The facts of the particular case warrant a waiver of the mandatory direct deposit of the employee's wages or salary. [2007, c. 539, Pt. E, §1 (NEW).]

[2007, c. 539, Pt. E, §1 (NEW) .]

3. **Transfers to multiple payees.** A single transfer may contain payments to multiple payees.

[2007, c. 539, Pt. E, §1 (NEW) .]

4. **System administration.** The State Controller and the Treasurer of State shall establish the standards and procedures for administering the electronic funds transfer system.

[2007, c. 539, Pt. E, §1 (NEW) .]

5. Non-Payroll Disbursements. The State Controller and State Treasurer are authorized to establish rules for requiring accounting payments to be made by electronic transfer.

APPENDIX A

Part HHH

An Act Making Supplemental Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2010 and June 30, 2011

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period may not terminate until after the beginning of the next fiscal year; and

Whereas, certain obligations and expenses incident to the operation of state departments and institutions will become due and payable immediately; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

PART HHH

Sec. HHH-1. Unified payment card work group established. The Treasurer of State shall convene a work group to review disbursement options related to a unified payment card for state expenditures in order to determine if increased cardholder convenience and further state budget savings can be achieved.

Sec. HHH-2. Participants. In convening the work group under section 1, the Treasurer of State shall include representatives from the Department of Administrative and Financial Services, Office of the State Controller, Division of Purchases, Bureau of Revenue Services and Office of Information Technology; the Department of Labor; the Department of Health and Human Services; the Department of Corrections; the Department of Education; and the Department of Professional and Financial Regulation. The Treasurer of State shall serve as chair of the work group and may accept resources as approved and provided by work group participants.

Sec. HHH-3. Duties. The work group under section 1 shall:

1. Review current payment card offerings;

2. Explore opportunities to expand payment card offerings;

3. Determine any cost savings and expenses associated with a unified payment card; and

4. Recommend actions and timelines, if appropriate.

Sec. HHH-4. Report. The work group under section 1 shall submit its report, including any recommended implementing legislation, to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs by January 15, 2011.

Unified Payment Card Work Group

APPENDIX B

Minutes of the Unified Payment Card Work Group
Meeting #1

Unified Payment Card Work Group – Third Floor, Cross Office Building, Conference Room #300 (10:00 a.m. – 11:30a.m.)

Meeting # 1 Agenda: – Establishing Current Process and Defining the Payment Card Market

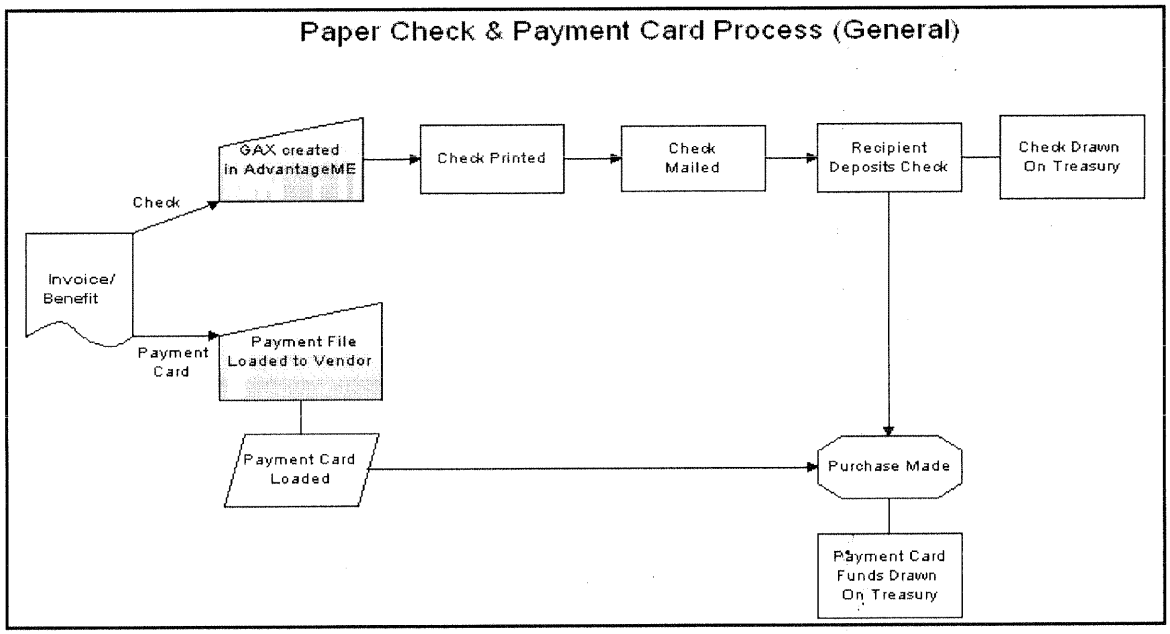
Present: Terry Brann, OSC; Melissa Hutchings, PFR; Karynlee Harrington, Will Kilbreth, Dirigo Health; Kim Smith, DOL; Kevin Scheirer, Purchases; Greg McNeal, OIT; Barbara VanBurgel, DHHS; Valerie Seaberg, Education; Sharelyn Parker, Corrections; David Lemoine, Tim Rodriguez, Barbara Raths, OST

1. Welcome - Treasurer Lemoine welcomed group

2. Legislative Charge – Treasurer Lemoine presented an overview of Unified Payment Card work group legislative instruction and relevance of payment cards nationally and locally.

3. HHH Stakeholders – Treasurer Lemoine discussed the stakeholder's which may be affected by this legislation. Citizens, State Agencies, Issuers, Merchants etc.

4. Current Payment Process – Tim Rodriguez of the Treasurer's Office outlined the way payments are currently issued by the State. Approximately 1.6 million checks were issued by the State in fiscal year 2009, compared to approx 500k electronic payments. Tim presented the Paper Check & Payment Card Process chart (below), which outlines the processing difference between check and payment card issuance and use.



Tim defined the main types of payment cards, also represented in a chart. He highlighted the difference between Open and Closed loop cards, and reloadable and fixed ones. For the purpose of cash benefits issued by the State of Maine, reloadable, open loop cards are the most used type.

	Open Loop	Closed Loop
Reloadable	Funds can be added to card by Agency. Can be used at any merchant.	Funds can be added to card by Agency. Only at select merchants.
Fixed	One time disbursements with a set value. Can be used at any merchant.	One time disbursements with a set value. Only at select merchants.

5. Payment Card Process – Tim gave an overview of the typical process of payment cards. Card distribution, loading (assigning value to card), funding (when Treasury pays cash to issuer), usage (merchandise, cash etc), reporting (payment information sent by issuer to State).

6. Benefits/Insights – Current State Payment Card use –

Kim Smith, of the Department of Labor talked to the group about DOL's experience converting to and using payment cards for the Unemployment Compensation program. DOL began their payment card program in June of 2010. Kim talked about the ease of transition from the check based payment system to the current choice of ACH/EFT or the MAP (Maine Automated Payment) card (Chase bank). Enrollment reached 30,000 individuals at the end of July 2010. In addition to the costs of the program being borne by the vendor, resulting in no additional costs to DOL, Kim cited the enhanced security as an important added benefit.

Barbara VanBurgel, of OIAS DHHS followed with the highlights of DHHS' experience with payment cards beginning in 2004. She presented the handout 'General Information Regarding Electronic Benefit Transfer (EBT) System' (Attached). 7 programs are currently handled by one vendor (ACS). Benefits cited were: security, ease and quickness of payment, ability to comply with federal SNAP (formerly known as Food Stamp) regulations, defined cost of issuance.

A general discussion ensued, with questions probing the ease of use of payment cards, and the difference in approaches of DOL and Dirigo Health (also uses the ACS platform). DOL selected an issuer/option that did not require any State or Federal funding. Dirigo Health chose to use DHHS existing relationship with its vendor at a fee per case basis.

State Controller Terry Brann presented paper check volume statistics, citing SSI, Child Support, and MRS payments as 3 high volume areas where savings could be had if payments were issued electronically. The group discussed other targets for electronic payments: School districts, Municipalities.

7. Can increased cardholder convenience and further state budget savings be achieved from a unified payment card for state expenditures?

The group agreed that some savings appear to be available. Further exploration of electronic disbursements in general will be needed. Treasurer Lemoine asked the group members for suggested agenda items for the next meeting.

The group adjourned at 11:30.

Office of Integrated Access and Support
Maine Department of Health & Human Services

General Information Regarding Electronic Benefit Transfer (EBT) System

HISTORY

- Federal Department of Agriculture, Food and Nutrition Services required states to use an Electronic Benefit Transfer system to distribution of SNAP (prior Food Stamp) Benefits
- Maine implemented the system in 2004 for SNAP
- Temporary Assistance for Needy Families (TANF) benefits were added in 2005
- Continuation of transitioning benefits to this method distribution for OIAS administered benefits
- For cash benefits, people have the choice of either EBT or Direct Deposit

CURRENTLY

Programs currently on OIAS Electronic Benefit Transfer (EBT) system

Federal and State SNAP
Temporary Assistance for Needy Families (TANF)
Parent As Scholars (PaS)
ASPIRE Support Services
Transitional Transportation and Child Care Benefits
State Supplemental Income
Dirigo Premium Refunds

Future: Child Support Payments

August 2010 Statistics

	SNAP Benefits	Cash	Direct Deposit
Cases	118,195	15,832	613
Deposits to Cases	122,223	28,986	915
Cost per case	$.95/case	$.85/case	$.25/case
Total Value Deposited	$31,183,010.00	$7,245,425.60	$222,911.18
Average Transactions Per Case	11.55	6.61	
Average Transaction Value	$22.84	$69.23	

ADMINISTRATIVE ADVANTAGES

- No more lost or stolen checks or coupons
- Each transaction is tracked
- Ability to "status" a card 24/7
- Can get a benefit to the person in 20 minutes
- Location of usage is tracked at all times
- State retains the financial "float"
- Only pay the vendor when benefit is withdrawn
- Repayments and cancellations of benefits can be done both by batch and by administrative terminal
- Users and permissions are controlled by the State, USDA or ACS depending on where the user works
- Usage at any retailer can be tracked

APPENDIX C

Minutes of the Unified Payment Card Work Group
Meeting #2

Unified Payment Card Work Group – DRAFT Minutes
Third Floor, Cross Office Building, Conference Room #300 1:30 – 2:40 pm

Meeting # 2 Agenda: – Identifying Payment Costs and Determining best payment practices

Present: Terry Brann, OSC; Sharelyn Parker, Corrections; Melissa Hutchings, PFR; Michael Frey, DHHS; Mark Lutte, Kevin Scheirer, Purchases; Valerie Seaberg, Education; Steve Campana, OIT; David Lemoine, Kristi Carlow, Tim Rodriguez, OST

1. Welcome – Treasurer Lemoine welcomed group.

2. Review of meeting #1 – Final minutes from 9/22/10 meeting distributed. Motion to approve: Terry Brann. Seconded: Valerie Seaberg. All in favor.

3. Transaction Costs in the State of Maine – Tim Rodriguez presented transaction cost statistics (Attachment) for the following payment types: EFT, Check, DHHS EBT card, MAP card model, State Procurement card. Costs ranged from $1.26 per transaction (MAP card model) to a profit of $6.14 per transaction (Procurement Card). Costs were calculated excluding the cost of labor, but included details such as check printing, postage, card fees, earnings on float, and rebates.

4. Unified Payment Card – Treasurer Lemoine reminded the group of the legislative charge to determine if increased cardholder convenience and further budget savings could be achieved with a unified payment card approach.

A discussion followed on the feasibility of and possible savings from combining the two primary payment cards serviced by ACS (DHHS, Dirigo) and JP MorganChase (DOL). Questions were raised about the length of remaining contracts (2015 and 2014, respectively), savings from increased volume pricing (unknown), existence of a single payment card issuer with the ability to service all the needs of Maine government (unknown), and the possibility of rebates offerings similar to the Procurement card arrangement.

The topic of cardholder convenience and how to properly quantify it ensued. Categories were offered, such as: Acceptance, number of different cards clients must carry, fees (i.e. ATM, signature purchases), aesthetics, reporting (State & client), timeliness of payments, and security.

Michael Frey (DHHS) stressed the inherent relationship between the SNAP program and other benefits, underlining the role of the Card issuer's ability to administer the non-cash benefit which limits items purchased.

The group felt that these questions would need to be answered before any conclusions could be drawn. Several members with expertise in these topics offered to research the specifics and report back to Tim Rodriguez, for group presentation at the next meeting. (See Action items at end)

5. Other Payment option opportunities – State Controller, Terry Brann presented a detailed summary of payments (Attached) made by paper check during FY2010. The information showed that of the 1.5mm+ checks issued, 74% (1.1mm) were issued to "miscellaneous vendors" - high volume, relatively low dollar recipients. The 74% accounted for only 13% of the dollar value of all checks issued. The top 3 misc vendors (by check issuance totals) were Child Support, SSI, and MTX (Income Tax). DHHS has already begun efforts to transition the Child Support and SSI payments to the EBT card, accounting for over 800k checks. The Controller and group agreed that the focus has been correctly applied to moving these types of payments to an electronic format, considering the sheer volume and relatively low dollar amounts which are ideal for electronic disbursement.

6. Review – No definitive answers could be made while some of the important cost and convenience statistics are still forthcoming. The group will reconvene within 3-4 weeks after the remaining questions are researched.

7. Schedule meeting #3 of Unified Payment Card group – TBD

Action Items:

1. Mark Lutte, Purchases, will look into past RFP's from the Procurement card contract and contact the submitting entities to determine what other types of services they are capable of providing.

2. Michael Frey, DHHS-OIAS, will determine if there are other vendors who provide SNAP EBT card administration, to see if there is any overlap in the payment card market.

3. Kim Smith, DOL, will research the fee structure for MAP cardholders.

Meeting adjourned at 2:40 p.m.

APPENDIX D

Minutes of the Unified Payment Card Work Group
Meeting #3

Unified Payment Card Work Group – Third Floor, Cross Office Building
Conference Room #300 1:30 – 3:30 pm 12/21/10

Meeting # 3 Agenda: – Finalizing Unified Payment Card Report and Determining Recommendations

1. Welcome – Treasurer Lemoine welcomed group

Present: Doug Cotnoir, OSC; Sharelyn Parker, Corrections; Kevin Scheirer, Mark Lutte, Purchases; Arthur Henry, OIT; Valerie Searburg, Education; Michael O'Connor, DHHS; David Lemoine, Bruce Poliquin, Kristi Carlow, Tim Rodriguez, OST.

2. Review of meeting #2

a. Minutes – Final draft of minutes from 10/19/10 meeting distributed. Motion to approve Mark Lutte. Seconded Valerie Seaberg. All in favor.

b. Action items – All previous action items completed, findings included in the draft report.

3. Purchases Findings – Card Rebates - Mark Lutte discussed his findings from meetings with US Bank, Citigroup, JP Morgan, Bank of America related to the possibility of rebates existing in the benefit payment card market. In general, Mark's finding was that the vendors would not rule out providing a rebate, but would also not commit or indicate a rebate was an option used extensively in the benefit payment card market. The general understanding is that the State's procurement card model is different from the EBT market and that rebates are more common in the former (but also possible for the latter, subject to the size of the programs involved).

4. Draft Report – The group reviewed the draft report. Tim Rodriguez highlighted the sections touching on payment costs, payment card usage, payment card providers and then a detailed discussion of the possible payment card options ensued (Section 2.6). The group discussed the advantages and disadvantages of current payment card model, a two-vendor-two-card model, a unified payment card model, a one-vendor-two-two-card model and the related issues.

Discussion revolved around the efficiencies resulting from a single vendor approach, as well as the drawbacks. Some members voiced concerns about one vendor and the problems associated with a single point of failure. Discussion continued on possible backup scenarios and emergency conversions to a different vendor should the current vendor fail. Another issue discussed was the emergence of new, more complicated electronic payment programs which might not fit in a pre-priced contract, with the example of the WIC program being put forth.

The group found the One-Vendor-Two-Card Model (2.6.4) to be most favorable. However, without an RFP process, the group decided that it would be too difficult to identify cost savings. The members decided to recommend this model with the caveat that an unsatisfactory RFP result would enable the current model to continue without change.

Other issues discussed were electronic payments and controls, with the Office of the State Controller (OSC) and the Office of the State Treasurer (OST) having an interest in ensuring all state disbursements were sent efficiently and securely. The group discussed legislation needed for such goals.

5. Recommendations – The group unanimously recommended the One-Vendor-Two-Two-Card model with an included acknowledgement of possible related drawbacks. It was suggested that the Commissioner of DAFS should be included on the report distribution list.

6. Review

a. Conclusions

b. Items to be resolved – Tim Rodriguez will assemble the changes into a new draft and submit the draft for 'members' review and final approval.

APPENDIX E

Department of Health and Human Services
ACS Contract (Pine Tree Card)

STATE OF MAINE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
Agreement to Purchase Services

Encumbrance #:	10A 20090825000000001352
DHHS Agreement #:	IAS-10-016
Vendor/Customer #:	VC1000000512

THIS AGREEMENT, made this 31 day of August, 2009, is by and between the State of Maine, Department of Health and Human Services, hereinafter called "Department," and ACS State and Local Solutions Inc. mailing address 8260 Willow Oaks Corporate Drive, Fairfax, VA, 22031, physical address same, billing address Affiliated Computer Services, P.O. Box 201322, Dallas, TX 75320-1322; hereinafter called "Provider, for the period of April 1, 2010 to March 31, 2015.

WITNESSETH, that for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the Department, the Provider hereby agrees with the Department to furnish all qualified personnel, facilities, materials and services and in consultation with the Department, to perform the services, study or projects described in Rider A, and under the terms of this Agreement.

The following Riders and Attachments are hereby incorporated into this Agreement and made part of it by reference:

Rider A -- Specifications of Work to be Performed
Appendix A: Department's Electronic Benefit Transfer Request for Proposal including all appendices, distributed 9/18/2008, also the questions and answers, distributed 11/10/2008.
Appendix B: Provider's proposal entitled "Maine Electronic Benefit Transfer" dated 12/2/2008
Rider B – Payment and Other Provisions
Rider C – Rider B Exceptions
Rider D – Additional Requirements
F-2 Agreement Compliance Form
Rider G –Identification of Country In Which Contracted Work Will Be Performed
Rider I -- Assurance of Compliance
Appendix C: Business Associate Agreement

The provisions of the State of Maine Terms and Conditions and Riders in order, this agreement, Riders B, A, appendix A, C, D, G, I, F-2, and Rider A, appendix B supersede provisions contained elsewhere in the RFP only to the extent of any irreconcilable conflict. In the absence of an irreconcilable conflict, the selected vendor will be responsible for complying with all provisions contained in the RFP that address the same subject matter as provisions in the State of Maine Terms and Conditions.

WITNESSETH, that this contract is consistent with Executive Order 17 FY 08/09 or a superseding Executive Order, and complies with its requirements.

IN WITNESS WHEREOF, the Department and the Provider, by their representatives duly authorized, have executed this agreement in one original copy.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

By: _____
Russell J. Begin, Deputy Commissioner for Finance

ENCUMBERED
JAN 05 2010
STATE CONTROLLER

And

ACS STATE AND LOCAL SOLUTIONS, INC.

By: _____

Total Agreement Amount: $6,400,000.00

Approved: _____ JAN 05 20
Chair, State Purchases Review Committee

OCT - 7 20

Cont'd
STATE OF MAINE
STANDARD AGREEMENT COVER PAGE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

DHHS Agreement#: IAS-10-016
Encumbrance #: 10A 20090825000000001352

Community Agency Name: ACS State & Local Solutions, Inc.

Address: 375 McCarter Highway Newark New Jersey, 07114

Program Name: Service:

Geographic Area Served: Statewide

DHHS District #all DHHS Region #4 Employer ID#: VC1000000512
Agency Fiscal Year:

FOR DEPARTMENT USE ONLY

Agreement Period

Effective Date: April 1, 2010
Termination Date: March 31, 2015
Amended Effective Date: _____
Amendment
Amended Termination Date: _____
Budget Revision

Type of Agreement

☒ Contract-State Services ☒ New
☐ Grant- Client Services ☐ Renewal
☐
☐

CFDA #	ACCOUNT #	FY 2012 Encumbrance	FY 2013 Encumbrance	Agreement Total
1.	014-10A-4900-01-4099	12,000	12,000	24,000
2.	010-10A-4807-01-4099	556,000	556,000	1,112,000
3. 10.561	013-10A-4807-01-4099-FSA11	139,000		139,000
4. 93.558	015-10A-4103-01-4099-TF11	39,000		39,000
5. 10.561	013-10A-4807-01-4099-FSA-12	417,000	139,000	556,000
6. 93.558	015-10A-4103-01-4099-TF12	117,000	39,000	156,000
7. 10.561	013-10A-4807-01-4099-FSA-13		417,000	417,000
8. 93.558	015-10A-4103-01-4099-TF13		117,000	117,000
9.				
10.				
TOTALS		$1,280,000	$1,280,000	$2,560,000

Agreement Routing: Agreement Administrator: Stacy McCurdy

Purchased Service Manager: John Costello

STATE OF MAINE
STANDARD AGREEMENT COVER PAGE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

DHHS Agreement#: IAS-10-016
Encumbrance #: 10A 20090825000000001352

Community Agency Name: ACS State & Local Solutions, Inc.

Address: 375 McCarter Highway Newark New Jersey, 07114

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Geographic Area Served: Statewide

DHHS District #all DHHS Region #4 Employer ID#: VC1000000512
Agency Fiscal Year:

FOR DEPARTMENT USE ONLY

Agreement Period

Effective Date: April 1, 2010
Termination Date: March 31, 2015
Renewal
Amended Effective Date: _____
Amendment
Amended Termination Date: _____
Budget Revision

Type of Agreement

☒ Contract-State Services ☒ New
☐ Grant- Client Services ☐
☐
☐

CFDA #	ACCOUNT #	FY 2014 Encumbrance	FY 2015 Encumbrance	Agreement Total
1.	014-10A-4900-01-4099	12,000	9,000	21,000
2.	010-10A-4807-01-4099	556,000	417,000	973,000
3. 10.561	013-10A-4807-01-4099-FSA13	139,000		139,000
4. 93.558	015-10A-4103-01-4099-TF13	39,000		39,000
5. 10.561	013-10A-4807-01-4099-FSA-14	417,000	139,000	556,000
6. 93.558	015-10A-4103-01-4099-TF14	117,000	39,000	156,000
7. 10.561	013-10A-4807-01-4099-FSA-15		278,000	278,000
8. 93.558	015-10A-4103-01-4099-TF15		78,000	78,000
9.				
10.				
TOTAL		$1,280,000	$960,000	$2,240,000

Agreement Routing: Agreement Administrator: Stacy McCurdy

Purchased Service Manager: John Costello

RIDER A
SPECIFICATIONS OF WORK TO BE PERFORMED

I. AGREEMENT FUNDING SUMMARY

Funds are provided under this Agreement for the provision of EBT services. The level of funding and service descriptions is detailed in Section III Service Specifications/Performance Guidelines, below. The sources of funds and compliance requirements for this Agreement follow:

A. $2,840,000.00 from the State General Fund. Use of funds shall be in accordance with requirements detailed in the Maine Uniform Accounting and Auditing Practices for Community Agencies (CMR 08-114, Chapter 1); and with the terms of this Agreement.

B. $0.00 from the State Fund for Healthy Maine. Use of funds shall be in accordance with requirements detailed in the Maine Uniform Accounting and Auditing Practices for Community Agencies (CMR 08-114, Chapter 1); and with the terms of this Agreement.

C.$780,000.00 from the Federal Block Grant Funds (CFDA# _93.558_). Use of funds shall be in accordance with restrictions contained in the appropriate CFDA; with Federal OMB Circulars A-110, A-122, and A-128; with CMR 08-114, Chapter 1, as applicable; and with the terms of this Agreement.

D. $2,780,000.00 from the USDA federal Funds (CFDA #_10.561_). Use of funds shall be in accordance with restrictions contained in the appropriate CFDA; with Federal OMB Circulars A-87; 7 CFR part 3016 and 7CFR 274, as applicable; including all other regulations with the terms of this Agreement.

II. GENERAL REQUIREMENTS

A. **Reporting.** The Provider shall submit monthly financial and performance reports in accordance with the specifications of the Department, according to the following schedule:
See RFP response for the different reports needed either daily or monthly

The Provider understands that the reports are due within the timeframes established and that the Department will not make subsequent payment installments under this Agreement until such reports are received, reviewed and accepted.

The Provider further agrees to submit such other data and reports as may be requested by the Agreement Administrator. The Provider shall submit all data and reports to the Department in accordance with 34-B M.R.S.A. §1207 and in accordance with Section 6 of Rider B of this Agreement.

B. The Provider agrees to meet the terms of the Provider's proposal entitled "Maine Electronic Benefit Transfer" dated 12/2/2008.

III. SERVICE SPECIFICATIONS AND PERFORMANCE GUIDELINES

1) *The initial task under this contract will be to upgrade the system now being used so that the system for the State of Maine will be at the same level as that in effect for other states. This effort will include the following high-level task descriptions:*
   a. *JAD Sessions;*
   b. *Preparation of a transition and conversion;*
   c. *Quality and Performance Reviews;*
   d. *Creation and delivery of design documents for the changes;*
   e. *Creation and delivery of a life cycle test plan;*
   f. *Creation and delivery of a system test plan;*
   g. *Creation and delivery of a business continuity and recover plan;*
   h. *Creation and delivery of a system security plan;*
   i. *Creation and delivery of a change and release management plan;*
   j. *Creation and delivery of a disaster services plan;*

2) *The detailed description of the work for the system conversion is further set forth in draft work project plan attached as Appendix A.*

3) *When the new and upgraded electronic benefits system is operational, ACS will be responsible for the following duties and tasks:*

   a. *On-going retailer management and training;*
   b. *On-going Point of Sale (POS) installations and maintenance;*
   c. *On-going retailer recruitment;*
   d. *On-going retailer, client and State of Maine Help Desk services;*
   e. *On-going client card issuance and training;*
   f. *On-going fraud detection support;*
   g. *Maintain system documentation library;*
   h. *Maintain key system design and operations manuals;*
   i. *Receive and submit required EBT batch files;*
   j. *Ensure compliance with all Federal regulations;*
   k. *Provide Food Nutrition Service (FNS) data files as required;*
   l. *Complete daily EBT settlement and reconciliation activity;*
   m. *Produce and provide all operational reports to FNS and the State of Maine;*
   n. *Distribute vault cards to local agency offices;*
   o. *Support manual voucher processing;*
   p. *Maintain Customer Service Knowledge base of FAQ's;*
   q. *Respond to change and enhancement requests;*
   r. *Respond to accounting and audit requests;*
   s. *Maintain software in escrow;*
   t. *Deliver Release Impact statements with all software upgrades;*
   u. *Maintain settlement/transaction history files;*
   v. *Maintain POS Inventory files;*
   w. *Maintain system baseline;*
   x. *Provide problem notification and resolution;*
   y. *Provide notification of scheduled downtime;*
   z. *Provide post-implementation risk analysis;*

4) *Additional monthly, quarterly and annual work to be performed:*

   a. *Monthly status meetings with the State of Maine;*
   b. *Monthly status reports to the State of Maine;*
   c. *Monthly performance self-reporting;*
   d. *Quarterly retailer contract status report;*
   e. *Quarterly cash access location report;*
   f. *Quarterly review and update of the systems Operations manual;*
   g. *Quarterly review and update of the detailed design documents;*
   h. *Quarterly reconciliation variance report;*
   i. *Annual SAS70 audit;*
   j. *Annual review of cash access services;*
   k. *Annual survey of retailer lane coverage;*
   l. *Annual disaster back-up site test;*
   m. *Annual EBT reconciliation/certification;*
   n. *Annual software release plan;*
   o. *Annual review of equipment deployment levels;*

5) To provide the Department with unlimited, non-exclusive rights to any and all custom software as described in the Electronic Benefits Transfer RFP. Custom software shall be described as that specifically developed for the Department for this project during the course of this agreement or previous agreement. For the purpose of the agreement, this does not include any title or license to EPPIC™ software as described in the ACS proposal.

Performance standards, etc.
The State of Maine accepts a corporate parent guarantee of $2.5 million instead of the performance bond.

RIDER B
PAYMENT AND OTHER PROVISIONS

1. **AGREEMENT AMOUNT:** See attached schedule and refer to the RFP financial response. These prices are for each case that receives a benefit in the month being billed.

11.5.1.3 Food Stamp Programs

Food Stamp Programs:									
Caseload	Year 1	Year 2	Year 3	Year 4	Year 5			Option Yr. 1	Option Yr. 2
< 50,000	$1.05	$1.05	$1.05	$1.05	$1.05			$1.05	$1.05
50,001-80,000	$1.05	$1.05	$1.05	$1.05	$1.05			$1.05	$1.05
80,001-110,000	$1.00	$1.00	$1.00	$1.00	$1.00			$1.00	$1.00
110,001-140,000	$0.95	$0.95	$0.95	$0.95	$0.95			$0.95	$0.95
140,001-170,000	$0.85	$0.85	$0.85	$0.85	$0.85			$0.85	$0.85
170,001-200,000	$0.80	$0.80	$0.80	$0.80	$0.80			$0.80	$0.80
>200,001	$0.75	$0.75	$0.75	$0.75	$0.75			$0.75	$0.75

11.5.1.4 Cash Price per Case Month with 2 free ATM Transactions

Cash Programs: Incremental Increase for Up to Two Free ATM Transactions Per Month									
Caseload	Year 1	Year 2	Year 3	Year 4	Year 5			Option Yr. 1	Option Yr. 2
< 10,000	$0.85	$0.85	$0.85	$0.85	$0.85			$0.85	$0.85
10,000-15000	$0.85	$0.85	$0.85	$0.85	$0.85			$0.85	$0.85
15,000-20,000	$0.85	$0.85	$0.85	$0.85	$0.85			$0.85	$0.85
20,000-25000	$0.85	$0.85	$0.85	$0.85	$0.85			$0.85	$0.85
25,000-30,000	$0.85	$0.85	$0.85	$0.85	$0.85			$0.85	$0.85
30,000-35000	$0.85	$0.85	$0.85	$0.85	$0.85			$0.85	$0.85
>35001	$0.85	$0.85	$0.85	$0.85	$0.85			$0.85	$0.85

2. **INVOICES AND PAYMENT**. The Department will pay the Provider as follows:
The Department shall pay the Provider monthly payments; the total amount of the payments will not exceed the agreement amount. Payments may be adjusted on a quarterly basis, based upon the level of expenditures as reported on the quarterly financial reports as indicated in Rider A.

Payments may be delayed or reduced when:
The provider has not submitted required program and fiscal reports.
There is an under expenditure of budgeted funds or under delivery of services amounting to 10% or more of the total agreement for 3 consecutive months.
Services have been provided to ineligible recipients.
An audit finding shows that the provider holds an overpayment from a prior contract.
Other circumstances where, in the judgment of the Agreement Administrator, delay or reduction of payment is appropriate.

Payments are subject to the Provider's compliance with all items set forth in this Agreement and subject to the availability of funds.

3. **BENEFITS AND DEDUCTIONS**. If the Provider is an individual, the Provider understands and agrees that he/she is an independent contractor for whom no Federal or State Income Tax will be deducted by the Department, and for whom no retirement benefits, survivor benefit insurance, group life insurance, vacation and sick leave, and similar benefits available to State employees will accrue. The Provider further understands that annual information returns, as required by the Internal Revenue Code or State of Maine Income Tax Law, will be filed by the State Controller with the Internal Revenue Service and the State of Maine Bureau of Revenue Services, copies of which will be furnished to the Provider for his/her Income Tax records.

4. **INDEPENDENT CAPACITY**. In the performance of this Agreement, the parties hereto agree that the Provider, and any agents and employees of the Provider, shall act in the capacity of an independent contractor and not as officers or employees or agents of the State.

5. **DEPARTMENT'S REPRESENTATIVE**. The Agreement Administrator shall be the Department's representative during the period of this Agreement. He/she has authority to curtail services if necessary to ensure proper execution. He/she shall certify to the Department when payments under the Agreement are due and the amounts to be paid. He/she shall make decisions on all claims of the Provider, subject to the approval of the Commissioner of the Department.

6. **AGREEMENT ADMINISTRATOR**. All progress reports, correspondence and related submissions from the Provider shall be submitted to:

Name and Title:	Michael O'Connor 11 State House Station
Address:	442 Civic center drive Augusta, ME 04333-0011
Telephone:	207-287-6932
E-mail Address:	Michael.T.OConnor@Maine.gov

who is designated as the Agreement Administrator on behalf of the Department for this Agreement, except where specified otherwise in this Agreement.

The following is designated as the Program Administrator for this Agreement and shall be responsible for oversight of the programmatic aspects of this Agreement.

Name and Title:	Michael O'Connor 11 State House Station
Address:	41 Anthony Ave. Augusta, ME 04333-0011
Telephone:	207-287-6932
E-mail Address:	Michael.T.OConnor@Maine.gov

7. **CHANGES IN THE WORK**. The Department may order changes in the work, the Agreement Amount being adjusted accordingly. Any monetary adjustment or any substantive change in the work shall be in the form of an amendment, signed by both parties and approved by the State Purchases Review Committee. Said amendment must be effective prior to execution of the work.

8. **SUB-AGREEMENTS**. Unless provided for in this Agreement, no arrangement shall be made by the Provider with any other party for furnishing any of the services herein contracted for without the consent and approval of the Agreement Administrator. Any sub-agreement hereunder entered into subsequent to the execution of this Agreement must be annotated "approved" by the Agreement Administrator before it is reimbursable hereunder. This provision will not be taken as requiring the approval of contracts of employment between the Provider and its employees assigned for services there under.

9. **SUBLETTING, ASSIGNMENT OR TRANSFER**. The Provider shall not sublet, sell, transfer, assign or otherwise dispose of this Agreement or any portion thereof, or of its right, title or interest therein, without written request to and written consent of the Agreement Administrator. No subcontracts or transfer of agreement shall in any case release the Provider of its liability under this Agreement.

10. **EQUAL EMPLOYMENT OPPORTUNITY**. During the performance of this Agreement, the Provider agrees as follows:

a. The Provider shall not discriminate against any employee or applicant for employment relating to this Agreement because of race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability, or sexual orientation, unless related to a bona fide occupational qualification. The Provider shall take affirmative action to ensure that applicants are employed and employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, physical or mental disability, or sexual orientation.

   Such action shall include but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Provider agrees to post in conspicuous places available to employees and applicants for employment notices setting forth the provisions of this nondiscrimination clause.

b. The Provider shall, in all solicitations or advertising for employees placed by or on behalf of the Provider relating to this Agreement, state that all qualified applicants shall receive consideration for employment without regard to race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability, or sexual orientation.

c. The Provider shall send to each labor union or representative of the workers with which it has a collective bargaining agreement, or other agreement or understanding, whereby it is furnished with labor for the performance of this Agreement a notice to be provided by the contracting agency, advising the said labor union or workers' representative of the Provider's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. The Provider shall inform the contracting Department's Equal Employment Opportunity Coordinator of any discrimination complaints brought to an external regulatory body (Maine Human Rights Commission, EEOC, and Office of Civil Rights) against their agency by any individual as well as any lawsuit regarding alleged discriminatory practice.

e. The Provider shall comply with all aspects of the Americans with Disabilities Act (ADA) in employment and in the provision of service to include accessibility and reasonable accommodations for employees and clients.

f. Contractors and subcontractors with contracts in excess of $50,000 shall also pursue in good faith affirmative action programs.

g. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

11. **EMPLOYMENT AND PERSONNEL.** The Provider shall not engage any person in the employ of any State Department or Agency in a position that would constitute a violation of 5 M.R.S.A. § 18 or 17 M.R.S.A. § 3104. The Contractor shall not engage on a full-time, part-time or other basis during the period of this Agreement, any other personnel who are or have been at any time during the period of this Agreement in the employ of any State Department or Agency, except regularly retired employees, without the written consent of the State Purchases Review Committee. Further, the Provider shall not engage on this project on a full-time, part-time or other basis during the period of this Agreement any retired employee of the Department who has not been retired for at least one year, without the written consent of the State Purchases Review Committee. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

12. **STATE EMPLOYEES NOT TO BENEFIT**. No individual employed by the State at the time this Agreement is executed or any time thereafter shall be admitted to any share or part of this Agreement or to any benefit that might arise there from directly or indirectly that would constitute a violation of 5 M.R.S.A. § 18 or 17 M.R.S.A. § 3104. No other individual employed by the State at the time this Agreement is executed or any time thereafter shall be admitted to any share or part of this Agreement or to any benefit that might arise there from directly or indirectly due to his employment by or financial interest in the Provider or any affiliate of the Provider, without the written consent of the State Purchases Review Committee. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

13. **WARRANTY**. The Provider warrants that it has not employed or contracted with any company or person, other than for assistance with the normal study and preparation of a proposal, to solicit or secure this Agreement and that it has not paid, or agreed to pay, any company or person, other than a bona fide employee working solely for the Provider, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon, or resulting from the award for making this Agreement. For breach or violation of this warranty, the Department shall have the right to annul this Agreement without liability or, in its discretion to otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

14. **ACCESS TO RECORDS**. The Provider shall maintain all books, documents, payrolls, papers, accounting records and other evidence pertaining to this Agreement and make such materials available at its offices at all reasonable times during the period of this Agreement and for such subsequent period as specified under Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) rules. The Provider shall allow inspection of pertinent documents by the Department or any authorized representative of the State of Maine or Federal Government, and shall furnish copies thereof, if requested.

15. **TERMINATION.** The performance of work under the Agreement may be terminated by the Department in whole, or in part, whenever for any reason the Agreement Administrator shall determine that such termination is in the best interest of the Department. Any such termination shall be effected by delivery to the Provider of a Notice of Termination specifying the extent to which performance of the work under the Agreement is terminated and the date on which such termination becomes effective. The Agreement shall be equitably adjusted to compensate for such termination, and modified accordingly.

16. **GOVERNMENTAL REQUIREMENTS**. The Provider warrants and represents that it will comply with all governmental ordinances, laws and regulations.

17. **GOVERNING LAW**. This Agreement shall be governed in all respects by the laws, statutes, and regulations of the United States of America and of the State of Maine. Any legal proceeding against the State regarding this Agreement shall be brought in State of Maine administrative or judicial forums. The Provider consents to personal jurisdiction in the State of Maine.

18. **STATE HELD HARMLESS**. The Provider agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims, costs, expenses, injuries, liabilities, losses and damages of every kind and description (hereinafter in this paragraph referred to as "claims") resulting from or arising out of the performance of this Agreement by the Provider, its employees, agents, or subcontractors. Claims to which this indemnification applies include, without limitation, the following: (i) claims suffered or incurred by any contractor, subcontractor, material man, laborer and any other person, firm, corporation or other legal entity (hereinafter in this paragraph referred to as "person") providing work, services, materials, equipment or supplies in connection with the performance of this Agreement; (ii) claims arising out of a violation or infringement of any proprietary right, copyright, trademark, right of privacy or other right arising out of publication, translation, development, reproduction, delivery, use, or disposition of any data, information or other matter furnished or used in connection with this Agreement; (iii) claims arising out of a libelous or other unlawful matter used or developed in connection with this Agreement; (iv) claims suffered or incurred by any person who may be otherwise injured or damaged in the performance of this Agreement; and (v) all legal costs and other expenses of defense against any asserted claims to which this indemnification applies. This indemnification does not extend to a claim that results solely and directly from (i) the Department's negligence or unlawful act, or (ii) action by the Provider taken in reasonable reliance upon an instruction or direction given by an authorized person acting on behalf of the Department in accordance with this Agreement.

19. **LIMITATION OF LIABILITY** The State Held Harmless provision in Paragraph 18, above, shall be subject to the limitation of liability stated in this Paragraph 19. The provider's, its employees', agents', or subcontractors' liability for claims as described in Paragraph 18 shall be limited to Nineteen Million Dollars ($19,000,000) in the aggregate for all claims, regardless of the form of action (whether in contract or in tort, including negligence), except as otherwise stated in subparagraphs 19 (a) or (b), below.

The Nineteen Million Dollar ($19,000,000) aggregate limitation of liability is the maximum dollar amount for which, collectively, the Provider, its employees, agents, or subcontractors, shall be liable for claims
described in Paragraph 18, except as otherwise stated in subparagraphs 19(a) or (b), below.

(a) Claims Not Subject to the Limitation of Liability. The Nineteen Million Dollar ($19,000,000) aggregate maximum dollar amount of liability stated in this Paragraph 19 shall not apply to claims resulting from or arising out of the following:

(i) Bodily injury or death
(ii) Damage to real or personal property; or
(iii) Violation or infringement of any proprietary right, copyright, trademark, right of privacy or other right arising out of publication, translation, development, reproduction, delivery, use, or disposition of any data, information or other matter furnished or used in connection with this Agreement (the Intellectual Property Rights); except, however, there shall be no liability for violation or infringement of Intellectual Property Rights with respect to the three (3) conditions stated in subparagraphs 19(b)(ii)(1), (2) or (3), below. Damages for claims stated in subparagraphs 19(a)(i), (ii) or (iii), above, shall be without any limitation of liability.

(b) Claims Subject to No Liability. The liability of the Provider, its, employees, agents, or subcontractors, for claims described in Paragraph 18 shall not apply to the following:

(i) Lost profits or savings; or
(ii) Violation or infringement of Intellectual Property Rights solely with respect to any of the three (3) conditions stated below, and a final judgment is obtained by a third party for such violation or infringement of Intellectual Property Rights:

(1) The State's material modification of a software or hardware product deliverable of the Provider, or the State's use of a program deliverable of the Provider in an operating environment materially different from that specified.
(2) The Combination, operation or use by the State of a software or hardware product or program deliverable of the Provider with any software or hardware product or program that is not a deliverable (a) of the Provider, (b) of any contractor or vendor coordinating or partnering on the project, or (c) otherwise identified in the RFP or associated contract documents.

(3) Infringement by a non-Provider deliverable software or hardware product or program operated or used by the State in a stand-alone environment (and that is not operated or used by the State in combination with other software or hardware product or program deliverables as described in subparagraph 19(b)(ii)(2), above); unless, however, the software or hardware product or program is identified in the RFP or any of the associated contract documents as an optional or required product or program.

20. **NOTICE OF CLAIMS**. The Provider shall give the Contract Administrator immediate notice in writing of any legal action or suit filed that is related in any way to the Agreement or which may affect the performance of duties under the Agreement, and prompt notice of any claim made against the Provider by any subcontractor which may result in litigation related in any way to the Agreement or which may affect the performance of duties under the Agreement.

21. **APPROVAL.** This Agreement must have the approval of the State Controller and the State Purchases Review Committee before it can be considered a valid, enforceable document.

22. **LIABILITY INSURANCE.** The Provider shall keep in force a liability policy issued by a company fully licensed or designated as an eligible surplus line insurer to do business in this State by the Maine Department of Professional & Financial Regulation, Bureau of Insurance, which policy includes the activity to be covered by this Agreement with adequate liability coverage to protect itself and the Department from suits. Providers insured through a "risk retention group" insurer prior to July 1, 1991, may continue under that arrangement. Prior to or upon execution of this Agreement, the Provider shall furnish the Department with written or photocopied verification of the existence of such liability insurance policy.

23. **NON-APPROPRIATION**. Notwithstanding any other provision of this Agreement, if the State does not receive sufficient funds to fund this Agreement and other obligations of the State, if funds are de-appropriated, or if the State does not receive legal authority to expend funds from the Maine State Legislature or Maine courts, then the State is not obligated to make payment under this Agreement.

24. **SEVERABILITY.** The invalidity or unenforceability of any particular provision, or part thereof, of this Agreement shall not affect the remainder of said provision or any other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision or part thereof had been omitted.

25. **INTEGRATION**. All terms of this Agreement are to be interpreted in such a way as to be consistent at all times with the terms of Rider B (except for expressed exceptions to Rider B included in Rider C), followed in precedence by Rider A, and any remaining Riders in alphabetical order.

26. **FORCE MAJEURE**. The Department may, at its discretion, excuse the performance of an obligation by a party under this Agreement in the event that performance of that obligation by that party is prevented by an act of God, act of war, riot, fire, explosion, flood or other catastrophe, sabotage, severe shortage of fuel, power or raw materials, change in law, court order, national defense requirement, or strike or labor dispute, provided that any such event and the delay caused thereby is beyond the control of, and could not reasonably be avoided by, that party. The Department may, at its discretion, extend the time period for performance of the obligation excused under this section by the period of the excused delay together with a reasonable period to reinstate compliance with the terms of this Agreement.

27. **SET-OFF RIGHTS.** The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any monies due to the Provider under this Agreement up to any amounts due and owing to the State with regard to this Agreement, any other Agreement, any other Agreement with any State department or agency, including any Agreement for a term commencing prior to the term of this Agreement, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Controller.

28. **ENTIRE AGREEMENT**. This document contains the entire Agreement of the parties, and neither party shall be bound by any statement or representation not contained herein. No waiver shall be deemed to have been made by any of the parties unless expressed in writing and signed by the waiving party. The parties expressly agree that they shall not assert in any action relating to the Agreement that any implied waiver occurred between the parties which is not expressed in writing. The failure of any party to insist in any one or more instances upon strict performance of any of the terms or provisions of the Agreement, or to exercise an option or election under the Agreement, shall not be construed as a waiver or relinquishment for the future of such terms, provisions, option or election, but the same shall continue in full force and effect, and no waiver by any party of any one or more of its rights or remedies under the Agreement shall be deemed to be a waiver of any prior or subsequent rights or remedy under the Agreement or at law.

Rider D
Additional Requirements

1. **AUDIT.** Funds provided under this Agreement to community agencies for social services are subject to the audit requirements contained in the Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP-III), Federal OMB Circular A-110, and may further be subject to audit by authorized representatives of the Federal Government, according to the Agreement Settlement Form (pro forma) contained in Rider F, if applicable. This provision does not apply to contracts that provide only MaineCare seed funds.

Please see http://www.maine.gov/sos/cec/rules/10/chaps10.htm for details on this requirement.

2. **REPORTING SUSPECTED ABUSE OR NEGLECT.** The Provider shall comply with the DHHS rules for reporting abuse or neglect of children or adults pursuant to 22 MRSA §§ 3477 and 4011-A. In addition, the Provider agrees to follow the DHHS rules on reportable events pursuant to 14-197 CMR ch. 12.

3. **CONFIDENTIALITY.** The provider shall comply with Federal and State statutes and regulations for the protection of information of a confidential nature regarding all persons served under the terms of this Agreement. In addition, the provider shall comply with Title II, Subtitle F, Section 261-264 of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, titled "Administrative Simplification" and the rules and regulations promulgated thereunder.

To the extent the Provider is considered a Business Associate under HIPAA, the Provider shall execute and deliver in form acceptable to the Department a Business Associate agreement (BA agreement). The terms of the BA agreement shall be incorporated into this Agreement by reference. The Department shall have recourse to such remedies as are provided for in this Agreement for breach of contract, in the event the Provider either fails to execute and deliver such BA agreement to the Department or fails to adhere to the terms of the BA Agreement.

4. **LOBBYING.** No Federal or State appropriated funds shall be expended by the Provider for influencing or attempting to influence, as prohibited by state or federal law, an officer or employee of any Federal or State agency, a member of Congress or a State Legislature, or an officer or employee of Congress or a State Legislature in connection with any of the following covered actions: the awarding of any agreement; the making of any grant; the entering into of any cooperative agreement; or the extension, continuation, renewal, amendment, or modification of any agreement, grant, or cooperative agreement. The signing of this Agreement fulfills the requirement that providers receiving over $100,000 in Federal or State funds file with the Department with respect to this provision.

If any other funds have been or will be paid to any person in connection with any of the covered actions specified in this provision, the Provider shall complete and submit a "Disclosure of Lobbying Activities" form available at:

http://www.whitehouse.gov/omb/grants/#forms.

5. **DRUG-FREE WORKPLACE.** By signing this agreement, the Provider certifies that it shall provide a drug-free workplace by: publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition; establishing a drug-free awareness program to inform employees about the dangers of drug abuse in the workplace, the grantee's policy of maintaining a drug-free workplace, available drug counseling and rehabilitation programs, employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace; providing a copy of the drug-free workplace statement to each employee to be engaged in the performance of this agreement; notifying the employees that as a condition of employment under the agreement the employee will abide by the terms of the statement and notify the employer of any criminal drug conviction for a violation occurring in the workplace no later than five days after such conviction.

The provider shall notify the state agency within ten days after receiving notice of criminal drug convictions occurring in the workplace from an employee, or otherwise receiving actual notice of such conviction, and will take one of the following actions within 30 days of receiving such notice with respect to any employee who is so convicted: take appropriate personnel action against the employee, up to and including termination, or requiring the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

6. **DEBARMENT AND SUSPENSION.** By signing this agreement, the Provider certifies to the best of its knowledge and belief that it and all persons associated with the agreement, including persons or corporations who have critical influence on or control over the agreement, are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

The Provider further agrees that the Debarment and Suspension Provision shall be included, without modification, in all sub-agreements.

7. **ENVIRONMENT TOBACCO SMOKE.** By signing this agreement, the Provider certifies that it shall comply with the Pro-Children Act of 1994, P.L. 103-227, Part C, which requires that smoking not be permitted in any portion of any indoor facility owned, leased, or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or MaineCare funds, and portions of facilities used for inpatient drug or alcohol treatment.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1,000 per day and/or the imposition of an administrative compliance order on the responsible entity.Also, the provider of foster care services agrees that it will comply with Resolve 2003, c. 134, which prohibits smoking in the homes and vehicles operated by foster parents.

8. **MEDICARE AND MAINECARE ANTI-KICKBACK.** By signing this agreement, the Provider agrees that it shall comply with the dictates of 42 U.S.C. 1320a-7b (b), which prohibits the solicitation or receipt of any direct or indirect remuneration in return for referring or arranging for the referral of an individual to a provider of goods or services that may be paid for with Medicare, MaineCare, or state health program funds.

9. **PUBLICATIONS.** When issuing reports, brochures, or other documents describing programs funded in whole or in part with funds provided through this agreement, the Provider agrees to clearly acknowledge the participation of the Department of Health and Human Services in the program. In addition, when issuing press releases and requests for proposals, the Provider shall clearly state the percentage of the total cost of the project or program to be financed with agreement funds and the dollar amount of agreement funds for the project or program.

10. **MOTOR VEHICLE CHECK.** The Provider shall complete a check with the Bureau of Motor Vehicles on all of Provider's staff and volunteers who transport clients or who may transport clients. This check must be completed before the Provider allows the staff person or volunteer to transport clients, and at least every two years thereafter. If the record of a staff member or volunteer contains an arrest or conviction for Operating under the Influence or any other violations which, in the judgment of the Provider, indicate an unsafe driving history within the previous three (3) years, the Provider shall not permit the staff member or volunteer to transport clients. The Provider shall implement appropriate procedures to ensure compliance with the requirements of this section.

11. **OWNERSHIP.** All notebooks, plans, working papers, or other work produced in the performance of this Agreement that are related to specific deliverables under this Agreement, are the property of the Department and upon request shall be turned over to the Department.

12. **SOFTWARE OWNERSHIP.** Upon request, the State and all appropriate federal agencies shall receive a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to do so, all application software produced in the performance of this Agreement, including, but not limited to, all source, object, and executable code, data files, and job control language, or other system instructions. This requirement applies only to software that is a specific deliverable under this Agreement, or is integral to the program or service funded under this Agreement, and is primarily financed with funding provided under this Agreement.

13. EXCEPTIONS TO OMB CIRCULARS FOR NON-FEDERALLY-FUNDED ACTIVITIES.

(a) Travel. The reimbursement rate for mileage charged to DHHS funded programs cannot exceed the reimbursement rate allowed for state employees. (5 M.R.S.A. §1541(13)(A).

(b) Any other exceptions to OMB Circular A-122 are allowable only with prior written approval from the Department and must be offset against identified unrestricted non-Federal revenue.

14. MAINECARE REGULATIONS. Providers who receive MaineCare funds will assure that their programmatic and financial management policies and procedures are in accordance with applicable MaineCare regulations and that their staff members are familiar with the requirements of the applicable MaineCare service they are providing. Providers will ensure that they are in compliance with the applicable MaineCare regulation prior to billing for the service.

15. REVENUE MAXIMIZATION. The Provider shall conduct its services in such a way as to maximize revenues from MaineCare and other third-party sources such as private insurance as may be available to reduce the need for funds from the Department. Contract funds may not be used to pay for services that are reimbursable by other third party sources, such as private health insurance and MaineCare, under any circumstances. It is the Provider's obligation to seek and obtain reimbursement from other third party sources for any reimbursable services provided to covered individuals.

16. BACKGROUND CHECKS. The Provider agrees to conduct background checks on all prospective employees, persons contracted or hired, consultants, volunteers, students, and other persons who may provide services under this contract. Background checks on persons professionally licensed by the State of Maine will include a confirmation that the licensee is in good standing with the appropriate licensing board or entity. The Provider shall not hire or retain in any capacity any person who may directly provide services to a client under this contract if that person has a record of:

(a) any criminal conviction that involves client abuse, neglect or exploitation;

(b) any criminal conviction in connection to intentional or knowing conduct that caused, threatened, solicited or created the substantial risk of bodily injury to another person;

(c) any criminal conviction resulting from a sexual act, contact, touching or solicitation in connection to any victim; or

(d) any other criminal conviction, classified as Class A, B or C or the equivalent of any of these, or any reckless conduct that caused, threatened, solicited or created the substantial risk of bodily injury to another person within the preceding two years. Employment of persons with records of such convictions more than two years ago is a matter within the Provider's discretion after consideration of the individual's criminal record in relation to the nature of the position.

The Provider shall contact child protective services units within State government to obtain any record of substantiated allegations of abuse, neglect or exploitation against an employment applicant before hiring the same. In the case of a child protective services investigation substantiating abuse, neglect or exploitation by a prospective employee of the Provider, it is the Provider's responsibility to decide what hiring action to take in response to that substantiation, while acting in accordance with licensing standards.

Providers are not required to obtain records from child protective services for employees who (a) do not provide services to children, and (b) work in settings where there is on-site supervision at all times.

17. PROVIDER RESPONSIBILITIES / SUB AGREEMENTS. The Provider is solely responsible for fulfillment of this Agreement with the Department. The Provider assumes responsibility for all services offered and products to be delivered whether or not the Provider is the manufacturer or producer of said services.

(a) Sub-agreements.

i. All sub-agreements must contain the assurances enumerated in Sections 10, 11, and 12 of Rider B and Sections 4, 5, 6, 7 of Rider D;

ii. All sub-agreements must be signed and delivered to the Department's Agreement Administrator within five (5) business days following the execution date of the sub-agreement.

(b) Relationship between Provider, Subcontractor and Department. The Provider shall be wholly responsible for performance of the entire agreement whether or not subcontractors are used. Any sub-agreement into which the Provider enters with respect to performance under this Agreement shall not relieve the Provider in any way of responsibility for performance of its duties. Further, the Department will consider the Provider to be the sole point of contact with regard to any matters related to this Agreement, including payment of any and all charges resulting from this Agreement. The Department shall bear no liability for paying the claims of any subcontractors, whether or not those claims are valid.

(c) Liability to Subcontractor. The requirement of prior approval of any sub-agreement under this Agreement shall not make the Department a party to any sub-agreement or create any right, claim or interest in the subcontractor or proposed subcontractor against the Department. The Provider agrees to defend (subject to the approval of the Attorney General) and indemnify and hold harmless the Department against any claim, loss, damage, or liability against the Department based upon the requirements of Rider B, Section 18.

18. RENEWALS. This Agreement may be renewed at the discretion of the Department.

19. NO RULE OF CONSTRUCTION. The parties acknowledge that this Agreement was initially prepared by the Department solely as a convenience and that all parties hereto, and their counsel, have read and fully negotiated all the language used in the Agreement. The parties acknowledge that, because all parties and their counsel participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement that construes ambiguous or unclear language in favor of or against any party because such party drafted this Agreement.

20. CONFLICT OF INTEREST. The Provider covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Provider further covenants that in the performance of this Agreement, no person having any such known interests shall be employed. (See also Rider B, #11 and #12.)

RIDER F-2 AGREEMENT COMPLIANCE FORM

This section identifies compliance requirements that must be considered in audits of agreements between the Department and a Community Agency. Below is a summary of required compliance tests as well as sections within the agreement award relevant to such testing. Failure to comply with any of these areas could lead to material deficiencies.

X Review the **Federal** compliance requirements specific to the following CFDA identifiers:

CFDA # 10.561 CFDA # 93.558 CFDA # _____

OMB A-133 Compliance Supplement located at www.whitehouse.gov/omb/circulars/a133_compliance/08/08toc.html

and review all the State compliance requirements listed below that apply to Federal Funds.

X Review the **State** compliance requirements in applicable areas specified below:

X	1.) **INTERNAL CONTROL**	
X	2.) **STANDARD ADMINISTRATIVE PRACTICES** A. OMB A-110/Common Rule General Pre-award Requirements Financial and Program Mangement Property Standards Procurement Standards Reports and Records Termination and Enforcement After the Award Requirements	B. Department Additions Standards for Bonding Program Budget
X	3.) **ACTIVITIES ALLOWED OR UNALLOWED**	Rider A & D
X	4.) **ALLOWABLE COSTS/COST PRINCIPLES** X OMB A-122 ____ OMB A-87	____ OMB A-21
X	5.) **CASH MANAGEMENT**	Rider D
X	6) **ELIGIBILITY**	Rider E
X	7.) **EQUIPMENT AND REAL PROPERTY MANAGEMENT**	
X	8.) **MATCHING, LEVEL OF EFFORT, EARMARKING**	
X	9.) **PERIOD OF AVAILABLITY OF FUNDS**	
X	10.) **PROCUREMENT AND SUSPENSION AND DEBARMENT**	Rider D
	11.) **PROGRAM INCOME**	
X	12.) **REPORTING**	Rider A
X	13.) **SUBRECIEPIENT MONITORING**	Rider B & D
X	14.) **SPECIAL TESTS AND PROVISIONS**	
X	15.) **AGREEMENT SETTLEMENT:** (Check all that are applicable)	**COST SHARING** ____ **FEE FOR SERVICE** X **UNIT COST** ____ **LINE ITEM EXPENSE** ____ **OTHER (specify):** ____

RIDER G
IDENTIFICATION OF COUNTRY
IN WHICH CONTRACTED WORK WILL BE PERFORMED

Please identify the country in which the services purchased through this contract will be performed:

☒ **United States. Please identify state:**

☐ **Other. Please identify country: _____**

Notification of Changes to the Information

The Provider agrees to notify the Division of Purchases of any changes to the information provided above.

RIDER I

MAINE STATE DEPARTMENT OF HEALTH AND HUMAN SERVICES ASSURANCE OF COMPLIANCE

ASSURANCE OF COMPLIANCE WITH TITLES VI OF THE CIVIL RIGHTS ACT OF 1964, SECTION 504 OF THE REHABILITATION ACT OF 1973, TITLE IX OF THE EDUCATION AMENDMENTS OF 1972, THE AGE DISCRIMINATION ACT OF 1975, THE CODE OF FAIR PRACTICES AND AFFIRMATIVE ACTION AND STATE OF MAINE EXECUTIVE ORDER 17/FY 04/05.

The Provider/Contractor provides this assurance in consideration of and for the purpose of obtaining Federal/State grants, loans, contracts, property, discounts or other Federal/State financial assistance from the U.S./State Departments of Health and Human Services.

By signing this contract, Rider I Assurance of Compliance is by agreement fully incorporated into the contract.

THE PROVIDER/CONTRACTOR HEREBY AGREES THAT IT WILL COMPLY WITH:

1. Titles VI of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Service (45 C.F.R. Part 80), to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States, shall on the grounds of race, color or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity for which the Provider/Contractor receives Federal/State financial assistance from the Department. Specifically, providers of client services shall develop clear, written communication plans, provide and document training in order to ensure that staff can communicate meaningfully with applicants/clients and/or family members who are limited English proficient (LEP); determine the primary language of applicants/clients and/or family members, and ensure that bi-lingual workers or qualified interpreters will be provided at no cost to the applicant/client.

2. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 84), to the end that, in accordance with Section 504 of that Act and the Regulation, no otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap be excluded from participation in, be denied the benefits of, or subjected to discrimination under any program or activity for which the Provider/Contractor receives Federal/State financial assistance from the Department. Specifically, providers shall develop clear, written communication plans, provide and document training in order to ensure that staff can communicate meaningfully with applicants/clients and/or family members who are deaf, hard of hearing, late deafened, speech impaired and/or nonverbal. The Provider will provide visible or tactile alarms for safety and privacy, telecommunications device for the deaf (TTY), amplified phone or fax machine, and train staff in the use of adaptive equipment. The Provider shall obtain the services of a qualified, licensed sign language interpreter or other adaptive service such as CART or C-Print at no expense to the applicant/client or family member.

3. Title IX of the Educational Amendments of 1972 (Pub. L. 92-318), as amended, and all requirements imposed by for pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 86), to the end that, in accordance with Title IX and the Regulation, no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of /or be otherwise subjected to discrimination under any

education program or activity for which the Provider/Contractor receives Federal/State financial assistance from the Department.

4. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 91), to the end that, in accordance with the Act and the Regulation, no person in the United States shall, on the basis of age, be denied the benefits of, be excluded from participation in or be subjected to discrimination under any program or activity for which the Provider/Contractor receives Federal/State financial assistance from the Department.

5. The Code of Fair Practices and Affirmative Action, 5 M.R.S.A. § 781 *et. seq.*, to the end that, in accordance with the Code of Fair Practices and Affirmative Action, no state or state related agency contractor, subcontractor, or labor union or representative of the workers with which the contractor has an agreement will discriminate because of race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability while providing any function or service to the public, in enforcing any regulation, or in any education, counseling, vocational guidance, apprenticeship and on the job training programs, unless based upon a bona fide occupational qualification. During the performance of this contract, the Provider/Contractor agrees as follows:

A. That it will not discriminate against any employee or applicant for employment because of race, color, religious creed, sex, national origin, ancestry, age physical or mental disability. Such action shall include, but not be limited to the following: Employment, upgrading, demotions, transfers, recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

B. The Provider/Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Provider/Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability.

C. The Provider/Contractor will send to each labor union or representative of the workers with which it has a collective or bargaining agreement, or other contract or understanding, whereby he is furnished with labor for the performances of his contract, a notice, to be provided by the contracting department or agency, advising the said labor union or workers' representative of the contractor's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

D. The Provider/Contractor will cause the foregoing provisions to be inserted in all contracts for any work covered by this agreement so that such provisions will be binding upon each subcontractor.

E. Provider/Contractors and subcontractors with contracts in excess of $50,000 will also pursue in good faith affirmative action programs.

6. State of Maine Executive Order 17 FY 04/05 which provides that all contractors entering into contracts for services to be provided to or on behalf of the State of Maine not discriminate against any employee or applicant for employment because of that employee's or applicant's sexual orientation. Solicitations or advertisements for employment by the contractor or subcontractor shall state that all qualified applicants will receive consideration for employment without regard to sexual orientation. The contractor will notify each labor union or workers'

representative of the contractor's obligations under State of Maine Executive Order 17 FY 04/05 and post such notice in conspicuous places available to employees and applicants for employment. The contractor will cause the requirement of State of Maine Executive Order 17 FY 04/05 to be inserted in all contracts for work covered by a State contract for services such that the requirements will be binding on any and all subcontractors. The Provider further stipulates that services will be provided in a culturally sensitive and age appropriate manner.

The Provider/Contractor agrees that compliance with this assurance constitutes a condition of continued receipt of Federal/State financial assistance, and that it is binding upon the Provider/Contractor, its successors, transferees and assignees for the period during which such assistance is provided. The Provider/Contractor also agrees that the Department may withhold financial assistance to any recipient found to be in violation of the Maine Human Rights Act, 5 M.R.S.A. § 4551 *et. seq.* or the Federal Civil Rights Act, 42 U.S.C. § 1981 *et. seq.* in accordance with 5 M.R.S.A. § 783. If any real property or structure thereon is provided or improved with the aid of Federal/State financial assistance extended to the Provider/Contractor by the Department, this assurance shall obligate the Provider/Contractor, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal/State financial assistance is extended or for another purpose involving the provision of similar service or benefits. If any personal property is so provided, this assurance shall obligate the Provider/Contractor for the period during which it retains ownership or possession of the property. The Provider/Contractor further recognizes and agrees that the United States shall have the right to seek judicial enforcement of the assurance.

* Technical assistance and information relating to the requirements associated with sections 1 through 5 can be found at U.S. Health and Human Services Website: www.hhs.gov/ocr/pregrant/indexpg.html. Technical assistance and information regarding section 1 can also be found at the U.S. Equal Employment Opportunity Commission website: www.eeoc.gov. Technical assistance and information relating to the requirements associated with section 6 can be found at www.state.me.us/mhrc/laws.htm . For technical assistance and information relating to section 6 above, please refer to www.jan.wvu.edu/links/adalinks.html. Information relating to section 6 can be found at http://janus.state.me.us/legis/statutes/search.asp.

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT ("BAA") is by and between **THE STATE OF MAINE DEPARTMENT OF HEALTH AND HUMAN SERVICES** ("**Client**" or "**Covered Entity**"), and **ACS STATE & LOCAL SOLUTIONS, INC.** ("**ACS**" or "**Business Associate**"). This Agreement is an annexure to the agreement for electronic benefit transfer services ("Agreement") between the parties and its terms are incorporated into the Agreement by reference.

WHEREAS, the Privacy and Security Rules promulgated under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") require that a covered entity and its business associate agree to certain specified terms and conditions regarding the treatment and protection of Protected Health Information ("PHI") and Electronic Protected Health Care Information ("EPHI"); and

WHEREAS, Client has contracted with ACS for ACS to provide products and/or services under the Agreement and during the course of ACS providing such products and/or services, Client may provide ACS with PHI or EPHI in order for ACS to perform its duties and responsibilities.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereby covenant and agree to modify the Agreement as follows:

1. Definitions

Terms used, but not otherwise defined, in this BAA shall have the same meaning as those terms in the Privacy and Security Rules. Capitalized terms used herein and not otherwise defined shall have the following meanings:

Business Associate means ACS.

Covered Entity means Client or the client of Client who is a health plan, health care clearinghouse, or a health care provider.

Designated Record Set has the meaning in 45 CFR § 164.501.

Electronic media has the meaning in 45 CFR § 160.103, which is:

a. Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or

b. Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

Electronic Protected Health Care Information or "EPHI" has the meaning in 45 CFR § 160.103, and is limited to the information created or received by Business Associate from or on behalf of Covered Entity.

Protected Health Information or "PHI" has the meaning in 45 CFR § 164.501, and is limited to the information created or received by Business Associate from or on behalf of Covered Entity.

Required By Law has the meaning in 45 CFR § 164.501.

Secretary means the Secretary of the Department of Health and Human Services or designee.

Security Incident has the meaning in 45 CFR § 164.304, which is: the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

2. Obligations and Activities of Business Associate

Business Associate will:

a. Not use or disclose PHI other than as permitted or required by the Agreement or this BAA.

b. Use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this BAA which include but are not limited to administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the EPHI that it creates, receives, maintains or transmits on behalf of Covered Entity.

c. Mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BAA.

d. Report to Covered Entity any use or disclosure of the PHI not provided for by this BAA of which it becomes aware.

e. Ensure that any agent, including a subcontractor, to whom it provides PHI received from or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this BAA to Business Associate with respect to such information. Business Associate will ensure that any agent, including a subcontractor, to whom it provides EPHI agrees to implement reasonable and appropriate safeguards to protect it.

f. Provide reasonable access to PHI to Covered Entity, at the request of Covered Entity, in a Designated Record Set in order for Covered Entity to meet its requirements in 45 CFR § 164.524. This provision is applicable only if the Business Associate maintains PHI in a Designated Record Set.

g. Make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity. This provision is applicable only if the Business Associate maintains PHI in a Designated Record Set.

h. Make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, reasonably available to the Secretary with prior notice and during normal business hours, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

i. Document disclosures of PHI and information related to such disclosures and provide Covered Entity with such information, at Covered Entity's request, as is required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. Business Associate is entitled to assume that any disclosure that is directed by Covered Entity is a disclosure for treatment, payment, or health care operations purposes or otherwise a disclosure that does not require an accounting as set forth in 45 C.F.R. 164.528. If Covered Entity directs Business Associate to make a disclosure that requires an accounting by Business Associate, Covered Entity will notify Business Associate that such disclosure requires an accounting. Failure of Covered Entity to notify Business Associate will relieve Business Associate of the requirement to account for such disclosure.

j. Business Associate may charge a reasonable fee for its services in connection with the access, amendment or accounting of PHI as contemplated under this BAA.

k. Report to Covered Entity any Security Incident of EPHI of which Business Associate becomes aware, in the following time and manner:

(i) any actual, successful Security Incident will be reported to Covered Entity in writing, within five (5) business days of the date on which Business Associate becomes aware of such actual successful Security Incident, and

(ii) any attempted, unsuccessful Security Incident of which Business Associate becomes aware, will be reported to Covered Entity in writing, on a reasonable basis at the written request of Covered Entity, but in no event more often than on a quarterly basis. If the Security Rule is amended to remove the requirement to report unsuccessful Security Incidents, this subsection (ii) shall no longer apply, as of the effective date of the amendment of the Security Rule.

3. Permitted Uses and Disclosures by Business Associate

Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Agreement provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity. Business Associate may use PHI as necessary for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate. Business Associate may disclose PHI if: (i) the disclosure is required by law; or (ii) the Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person and the person notifies the Business Associate of any instance of which it is aware in which the confidentiality of the PHI has been breached.

4. <u>Obligations of Covered Entity</u>

a. Covered Entity will notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity will notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.

c. Covered Entity will notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

5. ***Permissible Requests by Covered Entity***

Covered Entity will not ask Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

6. Term and Termination

a. This BAA will be effective on the date last signed by the parties below.

b. This BAA will terminate on the earlier of the termination of the Agreement or when all PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity.

c. Upon Covered Entity's knowledge of a material breach of this BAA by Business Associate, Covered Entity shall either:

(i) Provide a reasonable opportunity for Business Associate to cure the breach or end the violation and terminate this BAA if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(ii) Immediately terminate this BAA if Business Associate has breached a material term of this BAA and cure is not possible; or

(iii) If neither termination nor cure is feasible, Covered Entity may report the violation to the Secretary.

d. Effect of Termination.

(i) Except as provided in paragraph (ii) of this section, upon termination of this BAA, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(ii) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Business Associate shall extend the protections of this BAA to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

7. **Miscellaneous**

a. Regulatory References. A reference in this BAA to a section in the Privacy or Security Rules means the section as in effect or as amended.

b. Amendment. The Parties agree to negotiate in good faith any amendments to this BAA made necessary by new legislation or amendments to current regulations relating to HIPAA.

c. Survival. The respective rights and obligations of Business Associate under Section 6(d) of this Agreement shall survive the termination of this BAA.

e. No Third Party Rights. This BAA is entered into solely between and may be enforced only by Covered Entity and Business Associate. This BAA shall not be deemed to create any rights in third parties or to create any obligations of Covered Entity or Business Associate to any third party.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto, having been duly authorized, execute this BAA on the dates indicated:

THE STATE OF MAINE DEPARTMENT OF HEALTH AND HUMAN SERVICES

Signature: Russell J. Begin

Printed Name and Title: Russell J. Begin, Deputy Commissioner for Finance

Date: October 30, 2009

ACS STATE & LOCAL SOLUTIONS, INC.

Signature: Sherri Z. Heller

Printed Name and Title: Sherri Z. Heller, Senior Vice President

Date: 9-29-09

APPENDIX F

Maine Department of Labor
JP Morgan Contract (MAP Card)

AdvantageME CT No: 12A 20091109 ~~2856~~ 3157

STATE OF MAINE
DEPARTMENT OF LABOR
Agreement to Purchase Services

THIS AGREEMENT, made this **1st** day of **November, 2009**, is by and between the State of Maine, Department of Labor, Bureau of Unemployment Compensation, hereinafter called "Department," and **J.P. Morgan Chase Bank**, located at **12 Corporate Woods Boulevard, Albany, NY 12211**, telephone number **518-433-2512**, hereinafter called "Provider", for the period of **December 1, 2009** to **November 30, 2014**.

The AdvantageME Vendor/Customer number of the Provider is **VS0000003486**

WITNESSETH, that for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the Department, the Provider hereby agrees with the Department to furnish all qualified personnel, facilities, materials and services and in consultation with the Department, to perform the services, study or projects described in Rider A, and under the terms of this Agreement. The following riders are hereby incorporated into this Agreement and made part of it by reference:

Rider A - Specifications of Work to be Performed
Rider B-IT - Payment and Other Provisions
Rider C – Exceptions to Rider B-IT
Rider D– Elements of the Contract
Rider E– State of Maine Request for Proposal
Rider F– JP Morgan Chase Proposal
Rider G – Identification of Country in Which Contracted Work will be Performed

WITNESSETH, that this contract is consistent with Executive Order 01 FY 08/09 or a superseding Executive Order, and complies with its requirements.

IN WITNESS WHEREOF, the Department and the Provider, by their representatives duly authorized, have executed this agreement in 3 original copies.

DEPARTMENT OF LABOR

By: Laura A. Fortman

Name and Title, Department Representative
Laura A. Fortman, Commissioner

ENCUMBERED
DEC 15 2009
STATE CONTROLLER

And

JP MORGAN CHASE BANK, N.A.

By:

Name and Title, Provider Representative
Robert J. Rehm, Vice President

Total Agreement Amount: $0.00

Approved: Betty M. Lamoreau DEC 15 2009
Chair, State Purchases Review Committee
BP54 (Rev 9/07)

AdvantageME ACCOUNT CODING

VC NUMBER	DOC TOTAL	FND	DEPT	UNIT		SUB UNIT		OBJ		JOB NO.	PROGRAM
VS0000003486	$0.00	013	12A	U210		60		5312			17.225

VC NUMBER	DOC TOTAL	FND	DEPT	UNIT		SUB UNIT		OBJ		JOB NO.	PROGRAM

VC NUMBER	DOC TOTAL	FND	DEPT	UNIT		SUB UNIT		OBJ		JOB NO.	PROGRAM

VC NUMBER	DOC TOTAL	FND	DEPT	UNIT		SUB UNIT		OBJ		JOB NO.	PROGRAM

VC NUMBER	DOC TOTAL	FND	DEPT	UNIT		SUB UNIT		OBJ		JOB NO.	PROGRAM

VC NUMBER	DOC TOTAL	FND	DEPT	UNIT		SUB UNIT		OBJ		JOB NO.	PROGRAM

VC NUMBER	DOC TOTAL	FND	DEPT	UNIT		SUB UNIT		OBJ		JOB NO.	PROGRAM

RIDER A

1) **SPECIFICATIONS OF WORK TO BE PERFORMED**

a) The work to be performed pursuant to this Agreement is set forth in the Request for Proposal, RFP # 200801126, the response to the Bidders Questions (dated 4/24/2008), the Provider's Proposal (as modified by Rider A) and in the Elements of the Contract as described in Rider D of this Agreement.

b) In further clarification of the work to be performed as described in Rider A, Section 1.1, the Provider also agrees:

i) Project Schedule and Work Plan

(1) Updated Detailed Project Plan

(a) As part of the Updated Detail Project Plan (Rider D Section 3), the Provider shall include, for the Department's approval:

(i) The Providers' Updated Detailed Project Plan for meeting the requirement to begin issuing Electronic Access Cards to customers no later than 120 days from the date the contract is signed, Section 5.a.36 of the RFP.

(ii) The Providers' plan for establishing and providing an approved Monthly Reporting Plan, Section 5.a.22 of the RFP.

(iii) The Providers' plan for establishing and providing an approved Disaster Recovery Plan, Section 5.a.34 of the RFP.

(iv) The Providers' plan for meeting Testing requirements as defined in Section 6.3 of the RFP.

(v) The Providers' plan for meeting the Systems Documentation and Operation Manuals requirements as defined in Section 6.4 of the RFP.

(vi) Scheduled tasks for timely delivery of the following plans;

1. The Provider's plan for meeting the Monthly Reporting requirements as defined in Section 5.a.22 of the RFP.
2. The Provider's plan for meeting the security requirements as defined in Section 5.a.17 of the RFP.
3. The Provider's abridged plan for meeting the Disaster Recovery requirements and Business Continuity requirements that include operational failures, State holidays, State shutdown days and State delayed start days as defined in Section 5.a.34 of the RFP.
4. The Provider's plan for meeting Acceptance Testing requirements as defined in Section 6.3 of the RFP.
5. The Provider's plan for meeting the Systems Documentation and Operation Manuals requirements as defined in Section 6.4 of the RFP.

ii) **Subcontractor Staff** The Provider shall provide the planned use of subcontractors to perform the services described in the RFP. This includes the name and address of each subcontractor and the work the subcontractor will be performing.

iii) **Key Personnel** Within three (3) days of the effective date of this Agreement, the Provider shall provide the Department with the proposed project manager and key staff including individuals that will oversee the implementation of the program as well as those who will support the operations of the program after implementation. The Provider shall provide a current resume, telephone number and hours of availability for the proposed project manager. Key personnel for this project shall be approved by the Department prior to the Project Kickoff meeting.

iv) **Training** The Provider will acquire all necessary training materials. The Department will provide the training facility and the required connectivity to the State network.

v) **DOL Electronic Access Card System** The Provider will make available any non-proprietary Electronic Access Card – related instructional, marketing materials developed by the Provider outside this Agreement at no additional cost to the Department.

vi) **Role of State and Provider Staff** The primary responsibility to meet the Request For Proposal and the Provider Proposal requirements lies with the Provider.

vii) **Department Review** The Department shall approve each deliverable of the Updated Detailed Project Work Plan. The Provider shall allow a minimum of five (5) days for Department review and a minimum of two (2) days for Department approval for each deliverable. The Department staff shall be the sole determiners that all major activities and the deliverables conform to the Agreement.

Any changes in the Vendor's tasks and /or schedule in the Updated Detailed Project Work Plan (other than those resulting from additional review times required by the Department) must be approved, in writing, by the Agreement Administrator.

RIDER B-IT

METHOD OF PAYMENT AND OTHER PROVISIONS

1. AGREEMENT AMOUNT $0.00

2. INVOICES AND PAYMENTS The Department will pay the Provider as follows:
Invoices for payment, submitted on forms approved by the Department, shall be submitted to the Agreement Administrator. Invoices shall contain sufficient detail to allow proper cost allocation and shall be accompanied by supporting documentation. No invoice will be processed for payment until approved by the Agreement Administrator.

Payments are subject to the Provider's compliance with all items set forth in this Agreement. The Department will pay the Provider within thirty (30) days following the receipt of an approved invoice.
The Department may withhold a Retainage for project-based services in the following manner:

- The allowable payment amount from each project milestone payment will be multiplied by ten (10) percent, giving the amount that will be withheld from payment. Ninety (90) percent of the allowable project milestone payment amount will be paid to the Provider.

- The Retainage will be held by the Department until the end of the warranty period.

The charges described in this Agreement are the only charges to be levied by the Provider for the products and services to be delivered by it. There are no other charges to be made by the Provider to the Department, unless they are performed in accordance with the provisions of Section 5, Changes in the Work. The Provider shall maintain documentation for all charges against the Department under this Agreement.

3. INDEPENDENT CAPACITY In the performance of this Agreement, the Provider shall act in the capacity of an independent contractor and not as an employee or agent of the State.

4. AGREEMENT ADMINISTRATOR The Agreement Administrator is the Department's representative for this Agreement. She is the single authority to act on behalf of the Department for this Agreement. She shall approve all invoices for payment. She shall make decisions on all claims of the Provider. The Provider shall address all correspondence, notification, progress report, etc. to the Agreement Administrator. The following person is the Agreement Administrator for this Agreement:

Name: Laura Boyett
Title: Director, Bureau of Unemployment Compensation
Address: 47A State House Station, Augusta, Maine 04333-0047

5. CHANGES IN THE WORK The Department may order changes in the work, the Agreement Amount being adjusted accordingly. Any monetary adjustment or any substantive change in the work shall be in the form of an amendment signed by both parties and approved by the State Purchases Review Committee. Said amendment must be effective prior to the execution of the changed work.

6. SUBCONTRATORS The Provider may not enter into any subcontract for the work to be performed under this Agreement without the express written consent of the Department. This provision shall not apply to contracts of employment between the Provider and its employees.

The Provider is solely responsible for the performance of work under this Agreement. The approval of the Department for the Provider to subcontract for work under this Agreement shall not relieve the Provider in any way of its responsibility for performance of the work.

All Subcontractors shall be bound by the terms and conditions set forth in this Agreement. The Provider shall give the State immediate notice in writing of any legal action or suit filed, and prompt notice of any claim made against the Provider by any Subcontractor, which may result in litigation related in any way to this Agreement, or which may affect the performance of duties under this Agreement. The Provider shall indemnify and hold harmless the Department from and against any such claim, loss, damage, or liability as set forth in Section 16, State held Harmless.

7. SUBLETTING, ASSIGNMENT OR TRANSFER The Provider shall not sublet, sell, transfer, assign, or otherwise dispose of this Agreement, or any portion thereof, or of its right, title, or interest therein, without the written approval of the Department. Such approval shall not in any case relieve the Provider of its responsibility for performance of work under this Agreement.

8. EQUAL EMPLOYMENT OPPORTUNITY During the performance of this Agreement, the Provider certifies as follows:

1. The Provider shall not discriminate against any employee or applicant for employment relating to this Agreement because of race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability, or sexual orientation, unless related to a *bona fide* occupational qualification. The Provider shall take affirmative action to ensure that applicants are employed, and employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, physical or mental disability, or sexual orientation.

   Such action shall include but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Provider agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

2. The Provider shall, in all solicitations or advertising for employees placed by, or on behalf of, the Provider, relating to this Agreement, state that all qualified applicants shall receive consideration for employment without regard to race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability, or sexual orientation.

3. The Provider shall send to each labor union, or representative of the workers, with which it has a collective bargaining agreement, or other agreement or understanding, whereby it is furnished with labor for the performance of this Agreement, a notice to be provided by the contracting agency, advising the said labor union or workers' representative of the Provider's commitment under this section, and shall post copies of the notice in conspicuous places, available to employees and applicants for employment.

4. The Provider shall inform the contracting Department's Equal Employment Opportunity Coordinator of any discrimination complaints brought to an external regulatory body (Maine Human Rights Commission, EEOC, Office of Civil Rights, etc.) against itself by any individual, as well as any lawsuit regarding alleged discriminatory practice.

5. The Provider shall comply with all aspects of the Americans with Disabilities Act (ADA) in employment, and in the provision of service, to include accessibility and reasonable accommodations for employees and clients.

6. Contractors and Subcontractors with contracts in excess of $50,000 shall also pursue in good faith affirmative action programs.

7. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each Subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

9. EMPLOYMENT AND PERSONNEL The Provider shall not engage any person in the employ of any State Department or Agency in a position that would constitute a violation of 5 MRSA § 18 or 17 MRSA § 3104. The Provider shall not engage on a full-time, part-time, or any other basis, during the period of this Agreement, any personnel who are, or have been, at any time during the period of this Agreement, in the employ of any State Department or Agency, except regularly retired employees, without the written consent of the State Purchases Review Committee. Further, the Provider shall not engage on this project on a full-time, part-time, or any other basis, during the period of this Agreement, any retired employee of the Department, who has not been retired for at least one year, without the written consent of the State Purchases Review Committee. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement, so that such provisions shall be binding upon each Subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

10. STATE EMPLOYEES NOT TO BENEFIT No individual employed by the State at the time this Agreement is executed, or any time thereafter, shall be admitted to any share or part of this Agreement, or to any benefit that might arise there from, directly or indirectly, that would constitute a violation of 5 MRSA § 18 or 17 MRSA § 3104. No other individual employed by the State at the time this Agreement is executed, or any time thereafter, shall be admitted to any share or part of this Agreement, or to any benefit that might arise there from, directly or indirectly, due to his employment by, or financial interest in, the Provider, or any affiliate of the Provider, without the written consent of the State Purchases Review Committee. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each Subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

11. NO SOLICITATION The Provider certifies that it has not employed or contracted with any company or person, other than for assistance with the normal study and preparation of a proposal, to solicit or secure this Agreement, and that it has not paid, or agreed to pay, any company or person, other than a *bona fide* employee working solely for the Provider, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon, or resulting from, the award of this Agreement. For breach or violation of this provision, the Department shall have the right to terminate this Agreement without liability or, at its discretion, to otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

12. ACCOUNTING, RECORDS, AND AUDIT

1. The Provider shall maintain all books, documents, payrolls, papers, accounting records, and other evidence pertaining to this Agreement, including interim reports and working papers, and make such materials available at its offices at all reasonable times during the period of this Agreement, and for a period of five (5) years following termination or expiration of the Agreement. If any litigation, claim

or audit is started before the expiration of the 5-year period, the records must be retained until all litigation, claims or audit findings involving the agreement have been resolved.

2. Unless the Department specifies in writing a shorter period of time, the Provider agrees to preserve and make available all documents and records pertaining to this Agreement for a period of five (5) years from the date of termination of this Agreement.

3. Records involving matters in litigation shall be kept for one year following the termination of litigation, including all appeals.

4. Authorized Federal and State representatives shall have access to, and the right to examine, all pertinent documents and records during the five-year post-Agreement period. During the five-year post-Agreement period, delivery of, and access to, all pertinent documents and records will be at no cost to the Department.

5. The Provider shall be liable for any State or Federal audit exceptions, if applicable, that arise out of any action, inaction, or negligence by the Provider. In the event of an audit exception for which the Provider is liable, the Provider shall have thirty (30) days to remedy that exception. If the Provider fails to remedy that exception within this time period, the Provider shall immediately return to the Department all payments made under this Agreement which have been disallowed in the audit exception.

6. Authorized State and Federal representatives shall at all reasonable times have the right to enter the premises, or such other places, where duties under this Agreement are being performed, to inspect, monitor, or otherwise evaluate, the work being performed. All inspections and evaluations shall be performed in such a manner that will not compromise the work unreasonably.

7. When Federal funds are involved, the Provider hereby agrees to the conditions of 45 CFR, Section 74.53, regarding retention and access requirements relating to all financial and programmatic records, supporting documents, statistical records, and other records of this Agreement. Additionally, the allowable direct and indirect costs for work to be performed on an hourly reimbursement rate, or cost reimbursement basis, shall be governed by 41 CFR, Subpart 1-15.2.

13. <u>TERMINATION</u> The performance of work under this Agreement may be terminated by the Department in whole or in part, whenever, for any reason the Agreement Administrator shall determine that such termination is in the best interests of the Department. Any such termination shall be effected by the delivery to the Provider of a Notice of Termination specifying the extent to which the performance of work under this Agreement is terminated, and the date on which such termination becomes effective. The Agreement shall be equitably adjusted to compensate for such termination and modified accordingly.

Upon receipt of the Notice of Termination, the Provider shall:

1. Stop work under this Agreement on the date and to the extent specified in the Notice of Termination;

2. Take such action as may be necessary, or as the Agreement Administrator may direct, for the protection and preservation of the property, information, and data related to this Agreement, which is in the possession of the Provider, and in which the Department has, or may acquire, an interest;

3. Terminate all orders to the extent that they relate to the performance of the work terminated by the Notice of Termination;

4. Assign to the Department in the manner, and to the extent directed by the Agreement Administrator, all of the rights, titles, and interests of the Provider under the orders so terminated, in which case the Department shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders;

5. With the approval of the Agreement Administrator, settle all outstanding liabilities and claims, arising out of such termination of orders, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of this Agreement;

6. Transfer title to the Department (to the extent that title has not already been transferred) and deliver in the manner, at the times, and to the extent directed by the Agreement Administrator, equipment and products purchased pursuant to this Agreement, and all files, source code, data manuals, or other documentation, in any form, that relate to all the work completed, or in progress, prior to the Notice of Termination;

7. Complete the performance of such part of the work as shall not have been terminated by the Notice of Termination; and

8. Proceed immediately with the performance of the preceding obligations, notwithstanding any delay in determining or adjusting the amount of any compensation under this section.

Notwithstanding the above, nothing herein shall limit the right of the Department to pursue any other legal remedies against the Provider.

14. GOVERNMENTAL REQUIREMENTS The Provider shall comply with all applicable governmental ordinances, laws, and regulations.

15. GOVERNING LAW This Agreement shall be governed by, interpreted, and enforced in accordance with the laws, statutes, and regulations of the State of Maine, without regard to conflicts of law provisions. The provisions of the United Nations Convention on Contracts for the International Sale of Goods and of the Uniform Computer Information Transactions Act shall not apply to this Agreement. Any legal proceeding against the Department regarding this Agreement shall be brought in the State of Maine in a court of competent jurisdiction.

16. STATE HELD HARMLESS The Provider shall indemnify and hold harmless the Department and its officers, agents, and employees from and against any and all claims, liabilities, and costs, including reasonable attorney fees, for any or all injuries to persons or property or claims for money damages, including claims for violation of intellectual property rights, arising from the negligent acts or omissions of the Provider, its employees or agents, officers or Subcontractors in the performance of work under this Agreement; provided, however, the Provider shall not be liable for claims arising out of the negligent acts or omissions of the Department, or for actions taken in reasonable reliance on written instructions of the Department.

17. LIMITATION OF LIABILITY The Provider's liability for damages sustained by the Department as the result of Provider's default or acts or omissions in the performance of work under this Agreement, whether such damages arise out of breach, negligence, misrepresentation, or otherwise, shall be no greater than:

1. Damages for violation or infringement of any copyright or trademark;

2. Damages for bodily injury (including death) to persons, and damages for physical injury to tangible personal property or real property; and

3. The amount of any other actual direct damages up to the greater of $500,000 or three times the value of the Product or Service that is the subject of the claim, up to a maximum of $25,000,000. For example, if the Product or Service that is the subject of the claim was valued at $15,000,000, then the Provider would be liable for no more than $25,000,000. For purposes of this subsection, the term "Product" would typically include the following, but not be limited to, Materials, Source Code, Machine Code, and Licenses.

Notwithstanding the above, Provider shall not be liable for any indirect or consequential damages.

18. NOTICE OF CLAIMS The Provider shall give the Agreement Administrator immediate notice in writing of any legal action or suit filed related in any way to this Agreement, or which may affect the performance of duties under this Agreement, and prompt notice of any claim made against the Provider by any Subcontractor, which may result in litigation related in any way to this Agreement, or which may affect the performance of duties under this Agreement.

19. APPROVAL This Agreement must be approved by the State Controller and the State Purchases Review Committee before it can be considered a valid enforceable document.

20. INSURANCE REQUIREMENTS The Provider shall procure and maintain, for the duration of the Agreement, insurance against claims for injuries to persons, or damages to property, which may arise from, or in connection with, the fulfillment of this Agreement by the Provider, its agents, representatives, employees, or Subcontractors.

1. **Minimum Coverage**

1. Commercial general liability (including products, completed operations, and broad-form contractual): $1,000,000 per occurrence;

2. Workers' Compensation and employer's liability: as required by law;

3. Vehicle liability: $400,000 per occurrence;

4. Professional liability: $1,000,000; and

5. Property (including contents coverage for all records maintained pursuant to this Agreement): $1,000,000 per occurrence.

2. **Other Provisions** Unless explicitly waived by the Department, the insurance policies should contain, or be endorsed to contain, the following provisions:

1. The Provider's insurance coverage shall be the primary insurance. Any insurance or self-insurance maintained by the Department for its officers, agents, and employees shall be in excess of the Provider's insurance and shall not contribute to it.

2. The Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3. The Provider shall furnish the Department with certificates of insurance and with those endorsements, if any, effecting coverage required by these Insurance Requirements. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the Department before this Agreement commences. The Department reserves the right to require complete, certified copies of all required insurance policies at any time.

4. All policies should contain a revised cancellation clause allowing thirty (30) days notice to the Department in the event of cancellation for any reason including nonpayment.

21. NON-APPROPRIATION Notwithstanding any other provision of this Agreement, if the Department does not receive sufficient funds to pay for the work to be performed under this Agreement, if funds are de-appropriated, or if the State does not receive legal authority to expend funds from the Maine State Legislature or Maine courts, then the State is not obligated to make payment under this Agreement.

22. SEVERABILITY The invalidity or unenforceability of any particular provision, or part thereof, of this Agreement shall not affect the remainder of said provision, or any other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision or part thereof had been omitted.

23. INTEGRATION All terms of this Agreement are to be interpreted in such a way as to be consistent at all times with the terms of Rider B-IT (except for expressed exceptions to Rider B-IT included in Rider C), followed in precedence by Rider A, and any remaining Riders in alphabetical order.

24. FORCE MAJEURE Either party may be excused from the performance of an obligation under this Agreement in the event that performance of that obligation by a party is prevented by an act of God, act of war, riot, fire, explosion, flood, or other catastrophe, sabotage, severe shortage of fuel, power or raw materials, change in law, court order, national defense requirement, strike or labor dispute, provided that any such event, and the delay caused thereby, is beyond the control of, and could not reasonably be avoided by that party. Upon the occurrence of an event of force majeure, the time period for performance of the obligation excused under this section shall be extended by the period of the excused delay, together with a reasonable period, to reinstate compliance with the terms of this Agreement.

25. SET-OFF RIGHTS The State shall have all of its common law, equitable, and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any monies due to the Provider under this Agreement, up to any amounts due and owing to the State with regard to this Agreement, any other Agreement with any State department or agency, including any Agreement for a term commencing prior to the term of this Agreement, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies, or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Controller.

26. INTERPRETATION OF THE AGREEMENT

1. **Reliance on Policy Determinations** The Department shall determine all program policy. The Provider may, from time to time, request the Department to make policy determinations, or to issue operating guidelines required for the proper performance of this Agreement, and the Agreement Administrator shall respond in writing in a timely manner. The Provider shall be entitled to rely upon, and act in accordance with, such written policy determinations and operating guidelines, unless subsequently amended, modified, or changed in writing by the Department, and shall incur no liability in doing so unless the Provider acts negligently, maliciously, fraudulently, or in bad faith. Nothing contained in this Agreement, or in any agreement, determination, operating guideline, or other communication from the Department shall relieve the Provider of its obligation to keep itself informed of applicable State and Federal laws, regulations, policies, procedure, and guidelines, to be in complete compliance and conformity therewith.

2. **Titles Not Controlling** Titles of sections and paragraphs used in this Agreement are for the purpose of facilitating ease of reference only and shall not be construed to imply a contractual construction of the language.

3. **No Rule of Construction** This is a negotiated Agreement and no rule of construction shall apply that construes ambiguous or unclear language in favor of or against any party.

27. PERIOD OF WORK Work under this Agreement shall begin no sooner than the date on which this Agreement has been fully executed by the parties and approved by the Controller and the State Purchases Review Committee. Unless terminated earlier, this Agreement shall expire on the date set out on the first page of this Agreement, or at the completion and acceptance of all specified tasks, and delivery of all contracted products and services as defined in this Agreement, including performance of any warranty and/or maintenance agreements, whichever is the later date.

28. NOTICES All notices under this Agreement shall be deemed duly given: 1) upon delivery, if delivered by hand against receipt, or 2) five (5) business days following posting, if sent by registered or certified mail, return receipt requested. Either party may change its address for notification purposes by giving written notice of the change and setting forth the new address and an effective date.

29. ADVERTISING AND PUBLICATIONS The Provider shall not publish any statement, news release, or advertisement pertaining to this Agreement without the prior written approval of the Agreement Administrator. Should this Agreement be funded, in whole or in part, by Federal funds, then in compliance with the Steven's Amendment, it will be clearly stated when issuing statements, press releases, requests for proposals, bid solicitations, and other documents: (1) the percentage of the total cost that was financed with Federal moneys; and (2) the dollar amount of Federal funds.

30. CONFLICT OF INTEREST The Provider certifies that it presently has no interest and shall not acquire any interest which would conflict in any manner or degree with the performance of its services hereunder. The Provider further certifies that in the performance of this Agreement, no person having any such known interests shall be employed.

31. LOBBYING

1. **Public Funds** No Federal or State-appropriated funds shall be expended by the Provider for influencing, or attempting to influence, an officer or employee of any agency, a member of Congress or State Legislature, an officer or employee of Congress or State Legislature, or an employee of a member of Congress or State Legislature, in connection with any of the following covered actions: the awarding

of any agreement; the making of any grant; the entering into of any cooperative agreement; or the extension, continuation, renewal, amendment, or modification of any agreement, grant, or cooperative agreement. Signing this Agreement fulfills the requirement that Providers receiving over $100,000 in Federal or State funds file with the Department on this provision.

2. **Federal Certification** Section 1352 of Title 31 of the US Code requires that funds appropriated to a Federal agency be subject to a requirement that any Federal Provider or grantee (such as the Department) certifies that no Federal funds will be used to lobby or influence a Federal officer or member of Congress.

The certification the Department has been required to sign provides that the language of this certification shall be included in the award documents for all sub-awards at all tiers (including sub-agreements, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall verify and disclose accordingly. The certification also requires the completion of Federal lobbying reports and the imposition of a civil penalty of $10,000 to $100,000 for failing to make a required report. As a sub-recipient, the Provider understands and agrees to the Federal requirements for certification and disclosure.

3. **Other Funds** If any non-Federal or State funds have been or will be paid to any person in connection with any of the covered actions in this section, the Provider shall complete and submit a "Disclosure of Lobbying Activities" form to the Department.

32. PROVIDER PERSONNEL

1. The parties recognize that the primary value of the Provider to the Department derives directly from its Key Personnel assigned in the performance of this Agreement. Key Personnel are deemed to be those individuals whose résumés were offered by the Provider in the Proposal. Therefore, the parties agree that said Key Personnel shall be assigned in accordance with the time frames in the most recent mutually agreed upon project schedule and work plan, and that no re-deployment or replacement of any Key Personnel may be made without the prior written consent of the Agreement Administrator. Replacement of such personnel, if approved, shall be with personnel of equal or greater abilities and qualifications.

2. The Department shall retain the right to reject any of the Provider's employees whose abilities and qualifications, in the Department's judgment, are not appropriate for the performance of this Agreement. In considering the Provider's employees' abilities and qualifications, the Department shall act reasonably and in good faith.

3. During the course of this Agreement, the Department reserves the right to require the Provider to reassign or otherwise remove any of its employees found unacceptable by the Department. In considering the Provider's employees' acceptability, the Department shall act reasonably and in good faith.

4. In signing this Agreement, the Provider certifies to the best of its knowledge and belief that it, and all persons associated with this Agreement, including any Subcontractors, including persons or corporations who have critical influence on or control over this Agreement, are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any Federal or State department or agency.

5. During the course of this Agreement, the Department reserves the right to require a background check on any of the Provider's personnel (employees and Subcontractors) that are in any way involved in the performance of this Agreement.

33. STATE PROPERTY The Provider shall be responsible for the proper custody and care of any Department or State owned property furnished for the Provider's use in connection with the performance of this Agreement, and the Provider will reimburse the Department for its loss or damage, normal wear and tear excepted.

34. PATENT, COPYRIGHT, AND OTHER PROPRIETARY RIGHTS

1. The Provider certifies that all services, equipment, software, supplies, and any other products provided under this Agreement do not, and will not, infringe upon or violate any patent, copyright, trade secret, or any other proprietary right of any third party. In the event of any claim by a third party against the Department, the Department shall promptly notify the Provider and the Provider, at its expense, shall defend, indemnify, and hold harmless the Department against any loss, cost, expense, or liability arising out of such claim, including reasonable attorney fees.

2. The Provider may not publish or copyright any data without the prior approval of the Department. The State and the Federal Government, if applicable, shall have the right to publish, duplicate, use, and disclose all such data in any manner, and for any purpose whatsoever, and may authorize others to do so.

35. PRODUCT WARRANTY The Provider expressly warrants its products and services for one full year from their final written acceptance by the Department. The responsibility of the Provider with respect to this warranty is limited to correcting deficiencies in any deliverable using all the diligence and dispatch at its command, at no additional cost to the Department. The Provider is also responsible for correcting and/or updating any documentation affected by any operational support performed under this warranty provision.

36. OPPORTUNITY TO CURE The Agreement Administrator may notify the Provider in writing about the Department's concerns regarding the quality or timeliness of a deliverable. Within five (5) business days of receipt of such a notice, the Provider shall submit a corrective action plan, which may include the commitment of additional Provider resources, to remedy the deliverable to the satisfaction of the Agreement Administrator, without affecting other project schedules. The Department's exercise of its rights under this provision is not and shall be not be construed as a waiver of the Department's right to terminate this Agreement pursuant to Section 13, Termination.

37. COVER If, in the reasonable judgment of the Agreement Administrator, a breach or default by the Provider is not so substantial as to require termination, and reasonable efforts to induce the Provider to cure the breach or default are unavailing, and the breach or default is capable of being cured by the Department or by another contractor without unduly interfering with the continued performance by the Provider, then the Department may provide or procure the services necessary to cure the breach or default, in which event the Department shall withhold from future payments to the Provider the reasonable costs of such services.

38. ACCESSIBILITY All IT products must be accessible to persons with disabilities, and must comply with the State Accessibility Policy and the Americans with Disabilities Act. All IT applications must comply with the Computer Application Program Accessibility Standard (Maine.gov/oit/accessiblesoftware). All IT applications and contents delivered through web browsers must comply with the Website Standards (Maine.Gov/oit/webstandard) and the Website Accessibility Policy (Maine.Gov/oit/accessibleweb).

39. STATE IT POLICIES All IT products and services delivered as part of this Agreement must conform to the State IT Policies, Standards, and Procedures (Maine.Gov/oit/oitpolicies) effective at the time this Agreement is executed

40. CONFIDENTIALITY

1. All materials and information given to the Provider by the Department, or acquired by the Provider on behalf of the Department, whether in verbal, written, electronic, or any other format, shall be regarded as confidential information.

2. In conformance with applicable Federal and State statutes, regulations, and ethical standards, the Provider and the Department shall take all necessary steps to protect confidential information regarding all persons served by the Department, including the proper care, custody, use, and preservation of records, papers, files, communications, and any such items that may reveal confidential information about persons served by the Department, or whose information is utilized in order to accomplish the purposes of this Agreement.

3. In the event of a breach of this confidentiality provision, the Provider shall notify the Agreement Administrator immediately.

4. The Provider shall comply with Maine Public Law 10 MRSA §1347 (Notice of Risk to Personal Data Act).

41. OWNERSHIP

1. All data (including Geographical Information Systems data), notebooks, plans, working papers and other works produced, and equipment and products purchased in the performance of this Agreement are the property of the Department, or the joint property of the Department and the Federal Government, if Federal funds are involved. The State (and the Federal Government, if Federal funds are involved) shall have unlimited rights to use, disclose, duplicate, or publish for any purpose whatsoever all information and data developed, derived, documented, or furnished by the Provider under this Agreement, or equipment and products purchased pursuant to this Agreement. The Provider shall furnish such information and data, upon the request of the Department, in accordance with applicable Federal and State laws.

2. Upon termination of this Agreement for any reason, or upon request of the Department, the Provider agrees to convey to the Department good titles to purchased items free and clear of all liens, pledges, mortgages, encumbrances, or other security interests.

42. CUSTOM SOFTWARE For all custom software furnished by the Provider as part of this agreement, the following terms and conditions shall apply:

1. The Department shall own all custom software. The Department shall grant all appropriate Federal and State agencies a royalty-free, non-exclusive, and irrevocable license to reproduce, modify, publish, or otherwise use, and to authorize others to do so, all custom software. Such custom software shall include, but not be limited to, all source, object and executable code, operating system instructions for execution, data files, user and operational/administrative documentation, and all associated administrative, maintenance, and test software that are relevant to this Agreement.

2. A fundamental obligation of the Provider is the delivery to the Department of all ownership rights to the complete system, free of any claim or retention of rights thereto by the Provider. The Provider acknowledges that this system shall henceforth remain the sole and exclusive property of the Department, and the Provider shall not use or describe such software and materials without the written permission of the Department. This obligation to transfer all ownership rights to the Department on the part of the Provider is not subject to any limitation in any respect.

43. OFF-THE-SHELF (OTS) SOFTWARE For all OTS software purchased by the Provider as part of this Agreement, the following terms and conditions shall apply.

1. This Agreement grants to the Department a non-exclusive and non-transferable license to use the OTS software and related documentation for its business purposes. The Department agrees that the Provider may, at its own expense, periodically inspect the computer site in order to audit the OTS software supplied by the Provider, installed at the Department's site, at mutually agreed upon times. In the event that a separate license agreement accompanies the OTS software, then the terms of that separate license agreement supersede the above license granted for that OTS software.

2. This Agreement does not transfer to the Department the title to any intellectual property contained in any OTS software. The Department will not decompile or disassemble any OTS software provided under this Agreement, or modify any OTS software that bears the copyright notice of a third party. The Department will make and maintain no more than one archival copy (for back-up purpose) of each OTS software, and each copy will contain all legends and notices, and will be subject to the same conditions and restrictions as the original.

3. If the CPU on which any OTS software is licensed becomes temporarily unavailable, use of such OTS software may be temporarily transferred to an alternative CPU until the original CPU becomes available.

44. PRICE PROTECTION

1. The Provider shall ensure that all prices, terms, and warranties included in this Agreement are comparable to, or better than, the equivalent terms being offered by the Provider to any present customer meeting the same qualifications or requirements as the Department. If, during the term of this Agreement, the Provider enters into agreement(s) that provide more favorable terms to other comparable customer(s), the Provider shall provide the same terms to the Department.

2. If Federal funding is used for the acquisition of products and/or services under this Agreement, interest cannot be paid under any installment purchase or lease-purchase agreement entered into as a part of this Agreement.

45. THIS ITEM IS INTENTIONALLY LEFT BLANK

46. ENTIRE AGREEMENT This document contains the entire Agreement of the parties, and neither party shall be bound by any statement or representation not contained herein. No waiver shall be deemed to have been made by any of the parties unless expressed in writing and signed by the waiving party. The parties expressly agree that they shall not assert in any action relating to this Agreement that any implied waiver occurred between the parties which is not expressed in writing. The failure of any party to insist in any one or more instances upon strict performance of any of the terms or provisions of this Agreement, or to exercise an

option or election under this Agreement, shall not be construed as a waiver or relinquishment for the future of such terms, provisions, option, or election, but the same shall continue in full force and effect. Use of one remedy shall not waive the Department's right to use other remedies. Failure of the Department to use a particular remedy for any breach shall not be deemed as a waiver for any subsequent breach. No waiver by any party of any one or more of its rights or remedies under this Agreement shall be deemed to be a waiver of any prior or subsequent rights or remedies under this Agreement.

RIDER C

EXCEPTIONS TO RIDER B-IT

These terms and conditions shall take precedence over the original Rider B IT provisions as written.

Rider B IT Adjustments

Section 2 INVOICES AND PAYMENTS

a) Modify Section 2 to read as follows:

a. Section 2 **COST AND FEE SCHEDULE**

i. This agreement amount is for zero dollars. There will be no invoices and payments submitted to the Department during the term of this Agreement.

ii. The agreed upon Cost and Fee Schedule is referenced in Appendix I. The Provider shall not charge for any services or fees that are not included in the Cost and Fee Schedule. The Cost and Fee Schedule shall be in affect for the Term of this Agreement.

RIDER D

I. ELEMENTS OF THE CONTRACT

The following documents constitute the State of Maine Contract for Special Services with JP Morgan Chase Bank and are herein incorporated into the Contract Provisions:

1. State of Maine Contract for Special Services, Page 1;
2. State of Maine Rider C, Exceptions to Rider B-IT;
3. State of Maine Contract for Special Services, Rider B-IT, Method of Payment and Other Provisions;
4. State of Maine Contract for Special Services, Rider A, Specification of Work to be Performed;
5. State of Maine Contract for Special Services, Rider D, Elements of the Contract;
6. Appendix I – JP Morgan Chase Cost and Fee Schedule
7. Appendix II – JP Morgan Chase Project Work Plan
8. State of Maine Contract for Special Services, Rider E, State of Maine Request for Proposal
9. State of Maine Contract for Special Services, Rider F, JP Morgan Chase Proposal
10. State of Maine, Rider G, Identification of Country in which contracted work will be Performed;

II. CONTRACT INTERPRETATION - CONTROLLING TERMS

It is mutually understood and agreed that in the event of any conflict among the provisions for the documents, attachments, and/or exhibits that constitute the State of Maine Contract for Special Services with listed in Article I above, the conflict shall be resolved by giving precedence to the documents in the order listed, with Element 1, State of Maine Contract for Special Services, Page 1, having the highest precedence and Element 10, State of Maine, Rider G, Identification of Country in which contracted work will be Performed being subordinate to all other listed documents.

III. GENERAL DEPARTMENT PROVISIONS

a. **PROJECT MANAGER** The Agreement Administrator may designate in writing a person or persons with delegated authority to act on the Agreement Administrator's behalf (the "Project Manager"), and the Provider may rely upon such designation until given notice of its revocation; provided, however, that in no event shall any such designation be effective to allow the Project Manager, without the approval of the Agreement Administrator, to (i) authorize the payment of invoices; (ii) consent to any amendment or modification of the Agreement; or (iii) terminate this Agreement. If no Project Manager has been designated regarding this Agreement, the Agreement Administrator shall perform the functions of the Project Manager identified in subsequent sections.

b. **TERM OF THE AGREEMENT**

i. **Term of the Agreement**

Unless earlier terminated pursuant to the terms of this Agreement, the term of this Agreement shall begin on the first day after this Agreement has been fully executed by the parties and approved by the State Purchases Review Committee, and shall expire on the date set out on page 1 of this Agreement, or at the completion of all specified tasks and delivery of all contracted products, goods, and services as defined in this Agreement, including performance of any warranty and/or maintenance agreements, whichever is the later date.

ii. **Extensions**

In the event Provider is delayed by any act or omission of the Department (including, without limitation, the failure of the Department, or a third party hired by the Department, to deliver any material when and as required by the Agreement, or to perform any of its covenants or obligations under the Agreement), then for each day of extension caused by such delay, Provider shall be entitled to a one-day extension of the time for Provider's performance.

iii. **Renewals**

This Agreement may be renewed for additional one five (5) year period, at the discretion of the Department.

c. **UPDATED DETAILED PROJECT WORK PLAN** Within fourteen (14) calendar days of the effective date of this Agreement, the Provider shall prepare an Updated Detailed Project Plan which shall detail due dates, milestones and deliverables for each of the Agreement requirements. The Department approved Updated Project Plan replaces the previous plan and shall be incorporated into this Agreement as Appendix II and made a part thereof.

d. **PROGRAM CLARIFICATIONS**

i. The Provider shall establish an operational guideline for exchange of transmission files and business continuity requirements to be approved by the Department.
ii. The Provider and the Department shall establish the reporting needs for preceding activities and for reporting claimant account usage.
iii. The Provider shall ensure that they accommodate the Departments file transfer requirements to meet all business needs.
iv. The Department shall not utilize the option to originate ACH Direct Deposit files through the Provider.
v. The Department shall not utilize the option of Agent Service Center online adjustment functionality for ACH reversals.
vi. The Department shall be notified ninety (90) days prior to changes in Provider policy to allow for impact negotiations.
vii. The Department requires that the Provider give 31 days of prior notification for changes in policy or procedure that affect cardholders.
viii. In the event the State's Originating Depository Financial Institution (ODFI) changes, the Department and the Provider will determine the impact on this Agreement.
ix. Upon receipt of an administrative subpoena from the Department for individual records, request will be provided from the Provider within five (5) business days. The Provider shall document the process that will allow access to Provider's information. Documentation to Department shall be within thirty (30) days of Agreement signing.

e. **DISPUTE RESOLUTION** In the event of any dispute arising during the term of the Contract concerning performance of the Contract, either party shall serve notice of such dispute on the other party, and the dispute shall be decided by the Agreement Administrator and approved by the Contractor, the State Project Manager shall reduce his decision to writing and serve a copy on the Contractor, if approved by the Contractor. The decision of the Agreement Administrator shall be

final and conclusive. The Agreement Administrator's decision in the event of any written notice of dispute shall be final subject to the Contractor's right to relief under applicable law.

f. **INSTRUCTIONAL MARKETING MATERIALS** The Provider shall make available any non-proprietary Department Electronic Access Card related Instructional, Marketing Materials developed by the Provider for this agreement or outside this Agreement at no additional cost to the Department. Materials shall be made available in a format agreed to by the Department.

RIDER E
State of Maine's Request for Proposal

1. State of Maine's REQUEST FOR PROPOSAL

The following documents are herein incorporated into Rider E:

State of Maine, Department of Labor, Bureau of Unemployment Compensation, Request for Proposals (RFP) #200801126, DOL Electronic Access Card and any amendments, and written questions and answers (incorporated by reference).

RIDER F

1. JP Morgan Chase Bank PROPOSAL

The following documents are herein incorporated into Rider F:

J.P. Morgan Chase Bank's proposal in response to the State Of Maine, Department of Labor, and Bureau of Unemployment Compensation Request for Proposal (RFP) #200801126 DOL Electronic Access Card-May 1, 2008 submitted in response to Rider D (incorporated by reference).

RIDER G
IDENTIFICATION OF COUNTRY IN WHICH CONTRACTED WORK WILL BE PERFORMED

Please identify the country in which the services purchased through this contract will be performed:

☒ **United States. Please identify state: Illinois, Ohio and Florida**

☐ **Other. Please identify country: ____**

Notification of Changes to the Information

The Provider agrees to notify the Division of Purchases of any changes to the information provided above.

APPENDIX I
JPMorgan Chase Costs and Fees

SOLUTIONS FROM JPMORGAN CHASE FOR THE MAINE DOL ELECTRONIC ACCESS CARD

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Section 10—Costs and Fees

Introduction

JPMorgan Chase Bank, N.A. is pleased to provide best-in-class pricing to the State of Maine Department of Labor (DOL) for our Direct Payment Card program. Our program is offered to DOL at **no cost**.

JPMorgan Chase understands that the people seeking unemployment compensation are often struggling to make ends meet and that for them every penny saved is important. To that end, JPMorgan Chase has reviewed cardholder fees and we are offering your claimants a **no cost** solution as well. A cardholder will be able to access their funds and manage their account in a manner that allows them to withdraw their unemployment compensation benefits without incurring any costs. For example,

- We will not charge a monthly maintenance fee or an account set-up fee.
- We will not charge for the first ATM withdrawal after a deposit at any Chase, Allpoint or Key Bank location anywhere in the United States.
- We will never charge a surcharge fee at any Chase, Allpoint or Key Bank ATM anywhere in the nation.
- We will not charge for signature-based purchases at Point-of-Sale locations.
- We will not charge for teller assisted cash withdrawals at any Chase, Key or Visa member bank.
- We will never charge the cardholder to obtain customer service via our toll-free telephone number or our cardholder website.
- We will not charge for balance inquires made via our Automated Response Unit (ARU), cardholder website or at a Chase, Allpoint, Key Bank or Visa member ATMs.
- We will not charge the cardholder to obtain one replacement card per 12 month period from date of enrollment.
- We will not charge the cardholder to receive an electronic monthly statement.
- We will not charge the cardholder a fee if an overdraft occurs.

10.1 Costs and Fees

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The Vendor must complete the following Costs and Fees Schedule. Indicate in the appropriate column whether the cost is assessed to the State or the Cardholder. All cells should be filled-in with an amount, "$0.00" or "N/A." The Vendor may not charge for any fee not included on this schedule. Any fees not included in sections A, B, or C should be included in section D. All fees should be good for the initial length of the contract. New fees may be negotiated if the contract is extended beyond the initial period.

JPMorgan Chase has read and understands the requirements listed above. The pricing included in Section 11, *Costs and Fee Schedules*, is provided in the schedule formatted by the State. We have filled-in the appropriate column whether the cost is assessed to the State or the Cardholder *[Req. Checkpoint 10]*. All cells are filled-in with an amount, "$0.00" or "N/A." We understand that we may not charge for any fee not included on this schedule and that fees not included in Sections A, B, or C should be included in Section D. All fees provided are offered for the initial length of the contract. We understand that new fees may be negotiated if the contract is extended beyond the initial period.

SOLUTIONS FROM JPMORGAN CHASE FOR THE MAINE DOL ELECTRONIC ACCESS CARD

Section 11—Costs and Fees Schedule

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Vendor Name:

[redacted]	Fee Assessed To: State	Fee Assessed To: Cardholder	Fee Occurrence: Monthly, annually, etc.
A. Customer Usage Fee			
1 Monthly Service Fee	$0.00	$0.00	
2 Card Issuance Fee	$0.00	$0.00	
3 Additional Card Fee	$0.00	$0.00	
4 ATM Cash Withdrawal Fee	$0.00	$0.00	One free withdrawal per deposit at any Chase, Allpoint or Key Bank ATM location nationwide. Subsequent network withdrawals, or any made at ATMs outside our extensive network are charged to the cardholder at $1.50 each.
5 ATM Balance Inquiry	$0.00	$0.00	Unlimited free.
6 ATM Surcharge at Member and Nonmember banks (provide estimated range of fees)	$0.00	$0.00	A surcharge will never be charged at our Member ATM locations (Chase, Allpoint or Key Bank) nationwide. Surcharges outside our network are set by the ATM owners and typically range between $1.00 and $3.00.
7 International ATM Transaction Fee	$0.00	$3.00	Each transaction.
8 ATM Denial Fee	$0.00	$1.00	Each transaction.
9 POS Transaction Fee	$0.00	$0.00/$0.25	Unlimited free for signature-based POS transactions. Cardholder is charged $0.25 each for PIN-based POS transactions.
10 Web Balance Inquiry	$0.00	$0.00	Unlimited free.
11 Customer Service Fees			
a. Voice Response Fee	$0.00	$0.00	Unlimited free.
b. Customer Service Representative Fee	$0.00	$0.00	Unlimited free.
13 PIN Changes	$0.00	$0.00	Unlimited free.
14 Research and Retrieval Requests	$0.00	$0.00	Unlimited free.

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Vendor Name: [redacted]

	Fee Assessed To: State	Fee Assessed To: Cardholder	Fee Occurrence: Monthly, annually, etc.
B. Customer Card Replacement Fees:			
1 Replacement Card Fee	$0.00	$0.00	One free per year; $5.00 fee charged to cardholder for subsequent replacements within one year.
2 Additional Card Replacement Fee	$0.00	$0.00	One free per year; $5.00 fee charged to cardholder for subsequent replacements within one year.
3 Expedited Card Fee	$0.00	$15.00	Each, includes expedited delivery and cost of card.
C. Overdraft Fees			
1 ATM Card Overdraft FEE	$0.00	$0.00	We will never charge for overdrafts.
2 Negative Balance Fees	$0.00	$0.00	We will never charge for negative balances.
D. Other Fees Not Included Above:			
1 Inactivity Fee	$0.00	$1.50	After 180 days of inactivity if the account has a balance.
2 Web Bill Payment	$0.00	$0.75	Optional service provided to the cardholder at $0.75 per secure payment, regardless of method of delivery (electronic or check).
3 Teller Assisted Over the Counter Withdrawal	$0.00	$0.00	Unlimited free.
4 Paper Statement	$0.00	$0.75	Per month upon request
5 FX/Currency Conversion	$0.00	3.0%	Association conversion fee.

E. Use lines below for any needed explanation of any of the above fees (add additional lines as needed):

A6 Members are Chase, Allpoint and Key Bank locations nationwide

A8 Denials are charged for non-sufficient funds (NSF) only

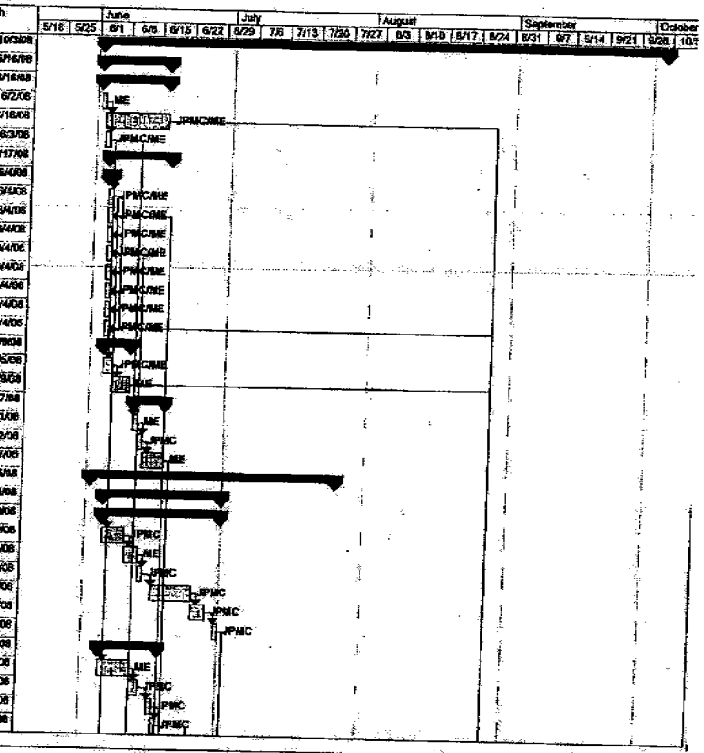
A9 Cardholders can, in most cases, choose signature over PIN at checkout thus eliminating any fee

D2 Web Bill Pay is an optional service that cardholders can enroll in to pay bills online

APPENDIX II
Updated Project Plan

State of Maine - Dept of Labor Unemployment
EAC / Electronic Access Card Program
Preliminary Project Work Plan

ID	Outline Number	Task Name	Duration	Start	Finish
1	1	Maine DOL / UI Electronic Access Card Implementation	88 days	Mon 6/2/06	Fri 10/3/06
2	1.1	I. Initiating	11 days	Mon 6/2/06	Mon 6/16/06
3	1.1.1	Contract Signing	11 days	Mon 6/2/06	Mon 6/16/06
4	1.1.1.1	Contract Awarded	1 day	Mon 6/2/06	Mon 6/2/06
5	1.1.1.2	Contract Negotiations and Complete Execution	10 days	Tue 6/3/06	Mon 6/16/06
6	1.1.1.3	Management Joint Conf. Call - Prepare for and Schedule Kick-Off Meeting	1 day	Tue 6/3/06	Tue 6/3/06
7	1.2	II. Planning	10 days	Wed 6/4/06	Tue 6/17/06
8	1.2.1	Kick-Off Meeting with ME and JPMC	1 day	Wed 6/4/06	Wed 6/4/06
9	1.2.1.1	Decision & Input on Card Design	1 day	Wed 6/4/06	Wed 6/4/06
10	1.2.1.2	Program Overview & Client Options	1 day	Wed 6/4/06	Wed 6/4/06
11	1.2.1.3	Present Fulfillment and Marketing Materials	1 day	Wed 6/4/06	Wed 6/4/06
12	1.2.1.4	Present File Transfer Options	1 day	Wed 6/4/06	Wed 6/4/06
13	1.2.1.5	Discuss Batch Interface Requirements	1 day	Wed 6/4/06	Wed 6/4/06
14	1.2.1.6	Discuss Conversion and Implementation	1 day	Wed 6/4/06	Wed 6/4/06
15	1.2.1.7	Discuss Customer Service	1 day	Wed 6/4/06	Wed 6/4/06
16	1.2.1.8	Review Project Plan	1 day	Wed 6/4/06	Wed 6/4/06
17	1.2.2	Establish Enrollment Plan	4 days	Wed 6/4/06	Mon 6/9/06
18	1.2.2.1	Determine Sequence for Enrollments	2 days	Wed 6/4/06	Thu 6/5/06
19	1.2.2.2	Receive Approval for Enrollment Sequence	2 days	Fri 6/6/06	Mon 6/9/06
20	1.2.3	Authorized Contacts	5 days	Wed 6/11/06	Tue 6/17/06
21	1.2.3.1	Identify & Provide JPMC List of 6 Authorized Signers	1 day	Wed 6/11/06	Wed 6/11/06
22	1.2.3.2	Provide General Support Contact Information to State	1 day	Thu 6/12/06	Thu 6/12/06
23	1.2.3.3	JPMC Provide Authorized Signer's List to Central Support	3 days	Fri 6/13/06	Tue 6/17/06
24	1.3	III. Design Phase	39 days	Mon 6/26/06	Fri 7/25/06
25	1.3.1	Card Design Phase	18 days	Tue 6/6/06	Mon 6/26/06
26	1.3.1.1	Card Design	18 days	Thu 6/6/06	Mon 6/26/06
27	1.3.1.1.1	Review Card & Present Design, if necessary	3 days	Thu 6/6/06	Mon 6/8/06
28	1.3.1.1.2	State Approvals Final Card Design	5 days	Tue 6/13/06	Thu 6/12/06
29	1.3.1.1.3	Submit Card Design to Visa for Approval	1 day	Fri 6/13/06	Fri 6/13/06
30	1.3.1.1.4	Receive Visa Approval for Card Design	7 days	Mon 6/19/06	Tue 6/24/06
31	1.3.1.1.5	Create Card Art Files	3 days	Wed 6/21/06	Fri 6/23/06
32	1.3.1.1.6	Card Art Files to Card Production	1 day	Mon 6/26/06	Mon 6/26/06
33	1.3.1.2	State Program Options Decisions & Profile Set Up Design	8 days	Thu 6/8/06	Tue 6/17/06
34	1.3.1.2.1	State Determines Program Options for Profile Set Up	5 days	Thu 6/8/06	Wed 6/14/06
35	1.3.1.2.2	Prepare State Client Requirements for Profile Set Up	2 days	Thu 6/12/06	Fri 6/13/06
36	1.3.1.2.3	Client Requirements Review by JPM Implementation Team	1 day	Mon 6/15/06	Mon 6/15/06
37	1.3.1.2.4	Client Requirements Approved by Implementation Team	1 day	Tue 6/17/06	Tue 6/17/06



Project: 'StateName' UA-Debit Card
Date: Fri 6/2/06

Task | Split | Progress | Milestone | Summary | Project Summary | External Tasks | External Milestone | External MilTask | Split | Progress | Milestone

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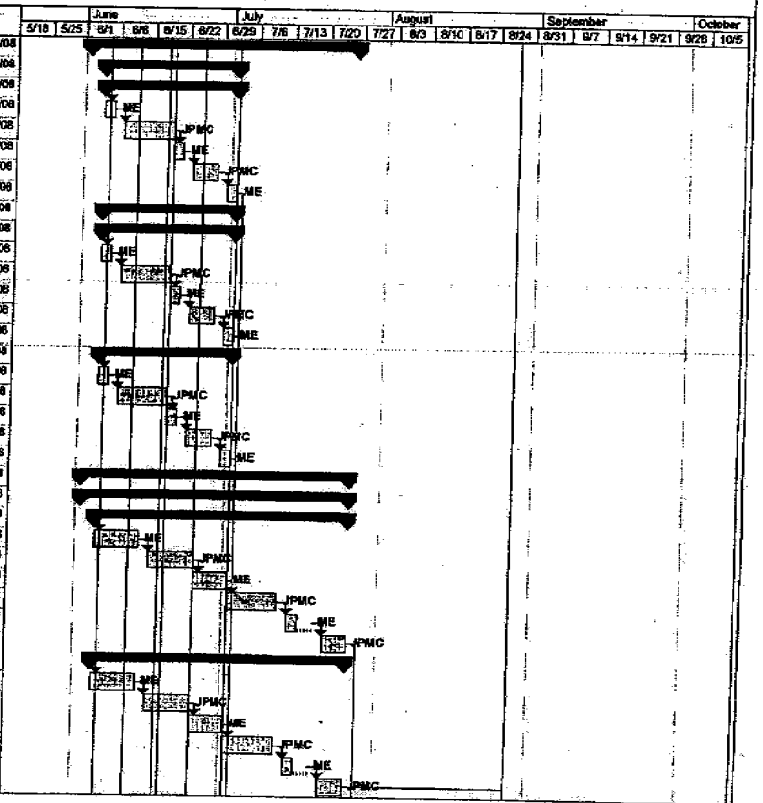
State of Maine - Dept of Labor Unemployment
EAC / Electronic Access Card Program
Preliminary Project Work Plan

ID	Outline Number	Task Name	Duration	Start	Finish
38	1.3.2	Marketing materials	39 days	Mon 6/2/06	Fri 7/25/06
39	1.3.2.1	Program Introduction-Check Stuffers in Payments - STF	19 days	Thu 6/5/06	Tue 7/1/06
40	1.3.2.1.1	Check Stuffer - STF	19 days	Thu 6/5/06	Tue 7/1/06
41	1.3.2.1.1.1	State Reviews and Comments on Draft Creative/Layouts - STF	2 days	Thu 6/5/06	Fri 6/6/06
42	1.3.2.1.1.2	Develop and Submit Final Creative/Layouts - STF	8 days	Mon 6/9/06	Wed 6/18/06
43	1.3.2.1.1.3	State Approves Final Creative/Layouts - STF	2 days	Thu 6/19/06	Fri 6/20/06
44	1.3.2.1.1.4	Translate to Spanish - STF	5 days	Mon 6/23/06	Fri 6/27/06
45	1.3.2.1.1.5	Review/Approves Spanish Copy - STF	2 days	Mon 6/30/06	Tue 7/1/06
46	1.3.2.2	Marketing Materials for Local Offices	19 days	Thu 6/5/06	Tue 7/1/06
47	1.3.2.2.1	Creative/Layouts for Debit Card Take One Brochure - TOB	19 days	Thu 6/5/06	Tue 7/1/06
48	1.3.2.2.1.1	State Reviews and Comments on Draft Creative/Layouts - TOB	2 days	Thu 6/5/06	Fri 6/6/06
49	1.3.2.2.1.2	Develop and Submit Final creative/Layouts - TOB	8 days	Mon 6/9/06	Wed 6/18/06
50	1.3.2.2.1.3	State Approves Final Creative/Layouts - TOB	2 days	Thu 6/19/06	Fri 6/20/06
51	1.3.2.2.1.4	Translate to Spanish - TOB	5 days	Mon 6/23/06	Fri 6/27/06
52	1.3.2.2.1.5	State Review/Approves Spanish Copy - TOB	2 days	Mon 6/30/06	Tue 7/1/06
53	1.3.2.2.2	Creative/Layouts for Debit Card Poster - PSTR	19 days	Thu 6/5/06	Tue 7/1/06
54	1.3.2.2.2.1	State Reviews and Comments on Draft Creative/Layouts - PSTR	2 days	Thu 6/5/06	Fri 6/6/06
55	1.3.2.2.2.2	Develop and Submit Final Creative/Layouts - PSTR	8 days	Mon 6/9/06	Wed 6/18/06
56	1.3.2.2.2.3	State Approves Final Creative/Layouts - PSTR	2 days	Thu 6/19/06	Fri 6/20/06
57	1.3.2.2.2.4	Translate to Spanish - PSTR	5 days	Mon 6/23/06	Fri 6/27/06
58	1.3.2.2.2.5	State Review/Approves Spanish Copy - PSTR	2 days	Mon 6/30/06	Tue 7/1/06
59	1.3.2.3	Cardholder Materials	39 days	Mon 6/2/06	Fri 7/25/06
60	1.3.2.3.1	Prepare Instructional Training Materials	39 days	Mon 6/2/06	Fri 7/25/06
61	1.3.2.3.1.1	Creative/Layouts for Debit Card Carrier - CC	36 days	Thu 6/5/06	Fri 7/25/06
62	3.2.3.1.1.1	State Reviews and Comments on Draft Creative/Layouts - CC	7 days	Thu 6/5/06	Fri 6/13/06
63	3.2.3.1.1.2	Develop and Submit Final Creative/Layouts - CC	7 days	Mon 6/16/06	Tue 6/24/06
64	3.2.3.1.1.3	State Approves Final Creative/Layouts - CC	5 days	Wed 6/25/06	Tue 7/1/06
65	3.2.3.1.1.4	Translate Card Carrier to Spanish - CC	7 days	Wed 7/2/06	Fri 7/11/06
66	3.2.3.1.1.5	State Reviews & Approves Translated Card Carrier - CC	5 days	Mon 7/14/06	Fri 7/18/06
67	3.2.3.1.1.6	Determine Card Carrier Stock Code for Vendor - CC	5 days	Mon 7/21/06	Fri 7/25/06
68	1.3.2.3.1.2	Creative/Layouts for Debit Card Welcome Letter - LTR	36 days	Thu 6/5/06	Fri 7/25/06
69	3.2.3.1.2.1	State Reviews and Comments on Draft Creative/Layouts - LTR	7 days	Thu 6/5/06	Fri 6/13/06
70	3.2.3.1.2.2	Develop and Submit Final Creative/Layouts - LTR	7 days	Mon 6/16/06	Tue 6/24/06
71	3.2.3.1.2.3	State Approves Final Creative/Layouts - LTR	5 days	Wed 6/25/06	Tue 7/1/06
72	3.2.3.1.2.4	Translate Welcome Letter to Spanish - LTR	7 days	Wed 7/2/06	Fri 7/11/06
73	3.2.3.1.2.5	State Reviews & Approves Translated Welcome Letter - LTR	5 days	Mon 7/14/06	Fri 7/18/06
74	3.2.3.1.2.6	Determine Welcome Letter Stock Code for Vendor - LTR	5 days	Mon 7/21/06	Fri 7/25/06



Project: 'StateName' LTA -Debit Card
Date: Fri 4/25/06

Task | Progress | Summary | External Tasks | External MilTask | Progress
Split | Milestone | Project Summary | External Milestone | Split | Milestone

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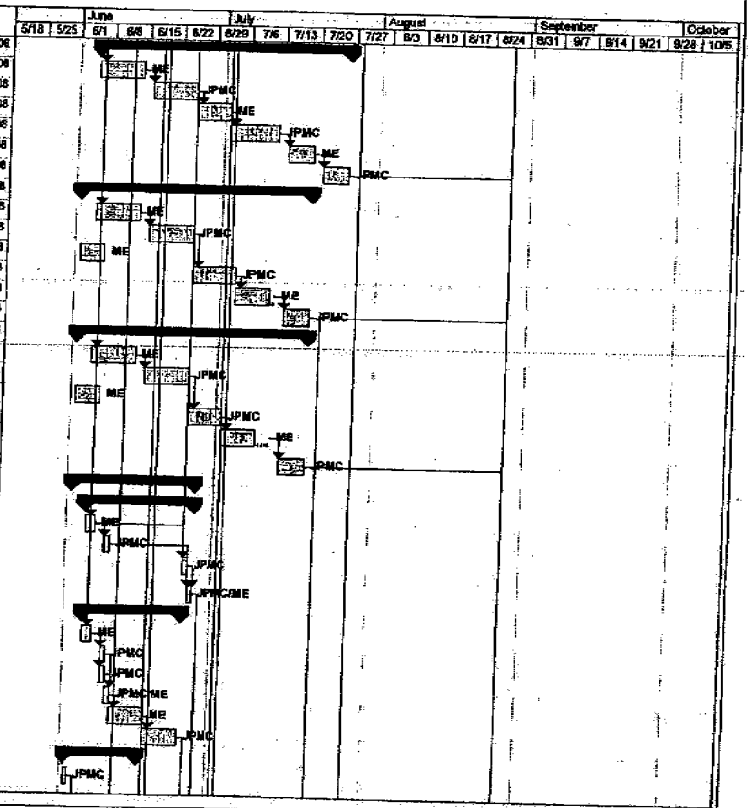
State of Maine - Dept of Labor Unemployment
EAC / Electronic Access Card Program
Preliminary Project Work Plan

ID	Outline Number	Task Name	Duration	Start	Finish
75	1.3.2.3.1.3	Creative/Layouts for Debit Card User Guide - UG	34 days	Thu 5/5/08	Fri 7/25/08
76	3.2.3.1.3.1	State Review & Comments on Draft - UG	7 days	Thu 6/5/08	Fri 6/13/08
77	3.2.3.1.3.2	Provide Final User Guide Brochure for State Approval - UG	7 days	Mon 6/16/08	Tue 6/24/08
78	3.2.3.1.3.3	State Review/Approve Final User Guide Brochure - UG	5 days	Wed 6/25/08	Tue 7/1/08
79	3.2.3.1.3.4	Translate User Guide to Spanish - UG	7 days	Wed 7/2/08	Fri 7/11/08
80	3.2.3.1.3.5	State Reviews & Approves Translated User Guide - UG	5 days	Mon 7/14/08	Fri 7/18/08
81	3.2.3.1.3.6	Determine User Guide Stock Code for Vendor - UG	5 days	Mon 7/21/08	Fri 7/25/08
82	1.3.2.3.1.4	Creative/Layouts for Debit Card AllPoint Brochure - APB	34 days	Mon 5/2/08	Fri 7/18/08
83	3.2.3.1.4.1	State Review & Comments on Draft - APB	7 days	Thu 6/5/08	Fri 6/13/08
84	3.2.3.1.4.2	Provide Final AllPoint Brochure for State Approval - APB	7 days	Mon 6/16/08	Tue 6/24/08
85	3.2.3.1.4.3	State Review/Approve Final AllPoint Brochure - APB	5 days	Mon 6/2/08	Fri 6/6/08
86	3.2.3.1.4.4	Translate AllPoint Brochure to Spanish - APB	7 days	Wed 6/25/08	Thu 7/3/08
87	3.2.3.1.4.5	State Reviews & Approves AllPoint Brochure - APB	5 days	Fri 7/4/08	Fri 7/11/08
88	3.2.3.1.4.6	Determine AllPoint Stock Code for Vendor - APB	5 days	Mon 7/14/08	Fri 7/18/08
89	1.3.2.3.1.5	Cardholder Terms & Conditions - T&C	34 days	Mon 5/2/08	Fri 7/18/08
90	3.2.3.1.5.1	State Reviews Fee Schedule and Comments on Draft - T&C	7 days	Thu 6/5/08	Fri 6/13/08
91	3.2.3.1.5.2	Provide Final Terms & Conditions for State Approval - T&C	7 days	Mon 6/16/08	Tue 6/24/08
92	3.2.3.1.5.3	State Review/Approve Final Terms & Conditions - T&C	5 days	Mon 6/2/08	Fri 6/6/08
93	3.2.3.1.5.4	Translate Terms & Conditions to Spanish - T&C	5 days	Wed 6/25/08	Tue 7/1/08
94	3.2.3.1.5.5	State Reviews & Approves Translated Terms & Conditions - T&C	7 days	Wed 7/2/08	Fri 7/11/08
95	3.2.3.1.5.6	Determine Terms & Conditions Stock Code for Vendor - T&C	5 days	Mon 7/14/08	Fri 7/18/08
96	1.3.2.4	Technical Review	19 days	Mon 6/2/08	Thu 6/26/08
97	1.3.2.4.1	Decision on File Transfer Option - FTO	16 days	Thu 6/5/08	Thu 6/26/08
98	1.3.2.4.1.1	Decision on File Transfer Option - FTO	2 days	Thu 6/5/08	Fri 6/6/08
99	1.3.2.4.1.2	JPMC Submits File Transfer/Batch Interface Request - FTO	1 day	Mon 6/9/08	Mon 6/9/08
100	1.3.2.4.1.3	Arrange Conference Call with Technical File Transfer Connectivity Teams - FTO	1 day	Wed 6/25/08	Wed 6/25/08
101	1.3.2.4.1.4	Discussion with Technical Teams on File Transfer - FTO	1 day	Thu 6/26/08	Thu 6/26/08
102	1.3.2.4.2	Batch Enrollment Interface Specifications - BIF	14 days	Thu 6/5/08	Tue 6/24/08
103	1.3.2.4.2.1	State Reviews Batch Interface Specs - BIF	2 days	Thu 6/5/08	Fri 6/6/08
104	1.3.2.4.2.2	Submit Questions/Discussion Items on Interface Specs - BIF	1 day	Mon 6/9/08	Mon 6/9/08
105	1.3.2.4.2.3	Arrange Conference Call with Technical Teams - BIF	1 day	Mon 6/9/08	Mon 6/9/08
106	1.3.2.4.2.4	Conference Call with Technical Team - BIF	1 day	Tue 6/10/08	Tue 6/10/08
107	1.3.2.4.2.5	State Enrollment System Requirements Documented - BIF	5 days	Wed 6/11/08	Tue 6/17/08
108	1.3.2.4.2.6	Batch Interface Enrollment Requirements Documented - BIF	5 days	Wed 6/18/08	Tue 6/24/08
109	1.3.2.4.3	Disaster Recovery/Business Resiliency Presentation	11 days	Mon 6/2/08	Mon 6/16/08
110	1.3.2.4.3.1	JPMC Conducts Disaster Recovery/Business Resiliency Presentation to State	1 day	Mon 6/2/08	Mon 6/2/08



Project: 'StateName' UIA -Debit Card
Date: Fri 4/25/08

Task | Split | Progress | Milestone | Summary | Project Summary | External Tasks | External Milestone | External MileTask | Split | Progress | Milestone

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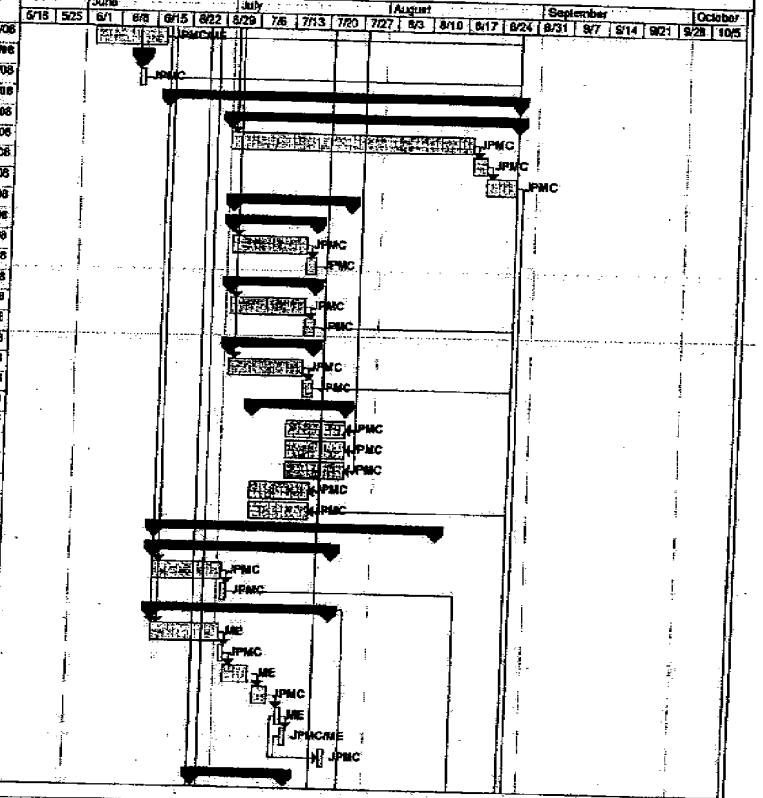
State of Maine - Dept of Labor Unemployment
EAC / Electronic Access Card Program
Preliminary Project Work Plan

ID	Outline Number	Task Name	Duration	Start	Finish
111	1.3.2.4.3.2	JPMC Responds to Questions Regarding Business Residency	10 days	Tue 6/3/08	Mon 6/16/08
112	1.3.2.4.4	ACH	1 day	Thu 6/12/08	Thu 6/12/08
113	1.3.2.4.4.1	Provide ABA Routing and Transit Number	1 day	Thu 6/12/08	Thu 6/12/08
114	1.4	IV. Build Phase	50 days	Wed 6/18/08	Wed 8/27/08
115	1.4.1	Card Production	41 days	Tue 7/1/08	Wed 8/27/08
116	1.4.1.1	Produce Cards	34 days	Tue 7/1/08	Mon 8/18/08
117	1.4.1.2	Perform Card Quality Assurance Review	3 days	Tue 8/19/08	Thu 8/21/08
118	1.4.1.3	Finish any required Card Rework	4 days	Fri 8/22/08	Wed 8/27/08
119	1.4.2	Marketing Material Production	17 days	Wed 7/2/08	Fri 7/25/08
120	1.4.2.1	Check Stuffer Production - STF	12 days	Wed 7/2/08	Fri 7/18/08
121	1.4.2.1.1	Produce Initial quantity of Check Stuffers - STF	10 days	Wed 7/2/08	Wed 7/16/08
122	1.4.2.1.2	Send Check Stuffers to State - STF	2 days	Thu 7/17/08	Fri 7/18/08
123	1.4.2.2	Take One Brochure Production - TOB	12 days	Wed 7/2/08	Fri 7/18/08
124	1.4.2.2.1	Produce Initial quantity of Take One Brochure - TOB	10 days	Wed 7/2/08	Wed 7/16/08
125	1.4.2.2.2	Send Take One Brochures to State - TOB	2 days	Thu 7/17/08	Fri 7/18/08
126	1.4.2.3	Produce/Send Distribute Initial Quantity of Posters - PSTR	12 days	Wed 7/2/08	Fri 7/18/08
127	1.4.2.3.1	Produce Initial Quantity of Posters - PSTR	10 days	Wed 7/2/08	Wed 7/16/08
128	1.4.2.3.2	Send Take One Posters to State - PSTR	2 days	Thu 7/17/08	Fri 7/18/08
129	1.4.2.4	Card Fulfillment Production	15 days	Mon 7/7/08	Fri 7/25/08
130	1.4.2.4.1	Produce Initial Quantity of Card Carriers & Send to Card Vendor	10 days	Mon 7/14/08	Fri 7/25/08
131	1.4.2.4.2	Produce Initial Quantity of Welcome Letters & Send to Card Vendor	10 days	Mon 7/14/08	Fri 7/25/08
132	1.4.2.4.3	Produce Initial Quantity of User Guide & Send to Card Vendor	10 days	Mon 7/14/08	Fri 7/25/08
133	1.4.2.4.4	Produce Initial Quantity of AllPoint Brochure & Send to Card Vendor	10 days	Mon 7/7/08	Fri 7/18/08
134	1.4.2.4.5	Produce Initial Quantity of Terms & Conditions & Send to Card Vendor	10 days	Mon 7/7/08	Fri 7/18/08
135	1.4.3	Technology	40 days	Wed 6/18/08	Wed 8/13/08
136	1.4.3.1	UAT Client Profile Set Up	25 days	Wed 6/18/08	Wed 7/23/08
137	1.4.3.1.1	Set Up Client Profile in UAT System	10 days	Wed 6/18/08	Tue 7/1/08
138	1.4.3.1.2	Verify UAT Set Up	1 day	Wed 7/2/08	Wed 7/2/08
139	1.4.3.1.3	Staff Training this section (moved from prior to UAT verification)	25 days	Wed 6/18/08	Wed 7/23/08
140	1.4.3.1.3.1	Identify State Users to be Trained	10 days	Wed 6/18/08	Tue 7/1/08
141	1.4.3.1.3.2	Send UAT Access Forms to State	1 day	Wed 7/2/08	Wed 7/2/08
142	1.4.3.1.3.3	State Completes Form for Each UAT User and Submits to JPMorgan	3 days	Thu 7/3/08	Tue 7/8/08
143	1.4.3.1.3.4	UAT User Access Set Up	3 days	Wed 7/9/08	Fri 7/11/08
144	1.4.3.1.3.5	Users Confirm Access to UAT	1 day	Mon 7/14/08	Mon 7/14/08
145	1.4.3.1.3.6	Schedule Agent Service Center Training Dates	1 day	Tue 7/15/08	Tue 7/15/08
146	1.4.3.1.3.7	Conduct Agent Service Center Training to State and Local Office Staff	1 day	Wed 7/23/08	Wed 7/23/08
147	1.4.3.2	File Transfer Setup/Build/Test	12 days	Fri 6/27/08	Tue 7/15/08



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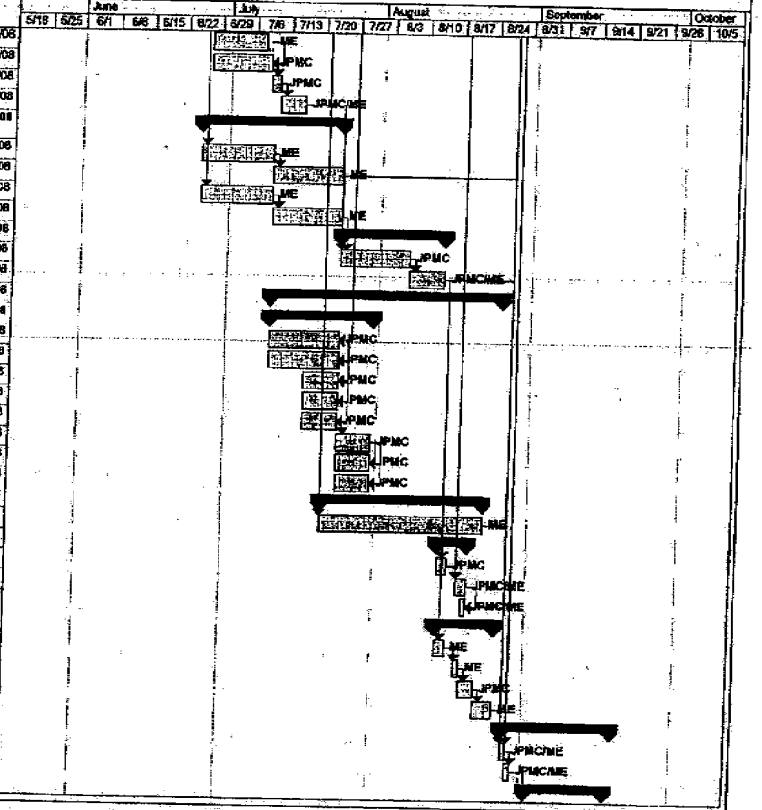
State of Maine - Dept of Labor Unemployment
EAC / Electronic Access Card Program
Preliminary Project Work Plan

ID	Outline Number	Task Name	Duration	Start	Finish
148	1.4.3.2.1	Client File Transfer System Setup	7 days	Fri 6/27/08	Tue 7/8/08
149	1.4.3.2.2	JPMC File Transfer System Setup	7 days	Fri 6/27/08	Tue 7/8/08
150	1.4.3.2.3	Enable IP Access Through Telecom	2 days	Wed 7/9/08	Thu 7/10/08
151	1.4.3.2.4	Test File Transfer Exchange	3 days	Fri 7/11/08	Tue 7/15/08
152	1.4.3.3	State Enrollment System & Batch Interface Enrollment Setup/Build - INTERNAL	20 days	Wed 6/25/08	Wed 7/23/08
153	1.4.3.3.1	Design/Code State Enrollment System	10 days	Wed 6/25/08	Wed 7/9/08
154	1.4.3.3.2	State Internal Enrollment System Certification	10 days	Thu 7/10/08	Wed 7/23/08
155	1.4.3.3.3	Design/Code Batch Interface Enrollment File	10 days	Wed 6/25/08	Wed 7/9/08
156	1.4.3.3.4	State Internal Batch Interface Enrollment File Certification	10 days	Thu 7/10/08	Wed 7/23/08
157	1.4.3.4	Batch Enrollment Acceptance Testing with JPMorgan	15 days	Thu 7/24/08	Wed 8/13/08
158	1.4.3.4.1	Certify Batch Enrollment Files/Process	10 days	Thu 7/24/08	Wed 8/6/08
159	1.4.3.4.2	Acceptance of Connectivity and Batch Interface Enrollment Certification	5 days	Thu 8/7/08	Wed 8/13/08
160	1.5	V. Operations Implementation	33 days	Thu 7/10/08	Mon 8/25/08
161	1.5.1	Operations Readiness (was moved from build phase)	15 days	Thu 7/10/08	Wed 7/30/08
162	1.5.1.1	Complete/Verify Claims Process	10 days	Thu 7/10/08	Wed 7/23/08
163	1.5.1.2	Complete/Verify Settlement Process	10 days	Thu 7/10/08	Wed 7/23/08
164	1.5.1.3	800 Number Setup and Validation	5 days	Thu 7/17/08	Wed 7/23/08
165	1.5.1.4	Customer Service Setup and Validation	5 days	Thu 7/17/08	Wed 7/23/08
166	1.5.1.5	Activate monthly reporting through Agent Service Center	5 days	Thu 7/17/08	Wed 7/23/08
167	1.5.1.6	Activate Customer Service	5 days	Thu 7/24/08	Wed 7/30/08
168	1.5.1.7	Activate Batch Enrollment Processing	5 days	Thu 7/24/08	Wed 7/30/08
169	1.5.1.8	Activate Card Distribution Services	5 days	Thu 7/24/08	Wed 7/30/08
170	1.5.2	Program Introduction Notifications	25 days	Mon 7/21/08	Fri 8/22/08
171	1.5.2.1	Include Check Stuffer in Payment Envelope	25 days	Mon 7/21/08	Fri 8/22/08
172	1.5.3	Production Setup	4 days	Thu 8/14/08	Tue 8/19/08
173	1.5.3.1	Move UAT Profile Build into Production	2 days	Thu 8/14/08	Fri 8/15/08
174	1.5.3.2	Move File Trans Setup & Batch Interface Code into Production	2 days	Mon 8/18/08	Tue 8/19/08
175	1.5.3.3	Perform Production Test	1 day	Tue 8/19/08	Tue 8/19/08
176	1.5.4	Agent Service Center Production Set Up	8 days	Thu 8/14/08	Mon 8/25/08
177	1.5.4.1	State Identifies Users that Require Production Access	2 days	Thu 8/14/08	Fri 8/15/08
178	1.5.4.2	State Completes Form for Each User and Submits to JPMorgan	1 day	Mon 8/18/08	Mon 8/18/08
179	1.5.4.3	Production User Access Set Up	3 days	Tue 8/19/08	Thu 8/21/08
180	1.5.4.4	Users Confirm Access to Production	2 days	Fri 8/22/08	Mon 8/25/08
181	1.6	VI. Go Live	15 days	Thu 8/28/08	Thu 9/18/08
182	1.6.1	Conduct Go/No Go Meeting	1 day	Thu 8/28/08	Thu 8/28/08
183	1.6.2	Communicate Go/No Go Decision to Functional Groups	1 day	Fri 8/29/08	Fri 8/29/08
184	1.6.3	Enrollments	12 days	Tue 9/2/08	Wed 9/17/08



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State of Maine - Dept of Labor Unemployment
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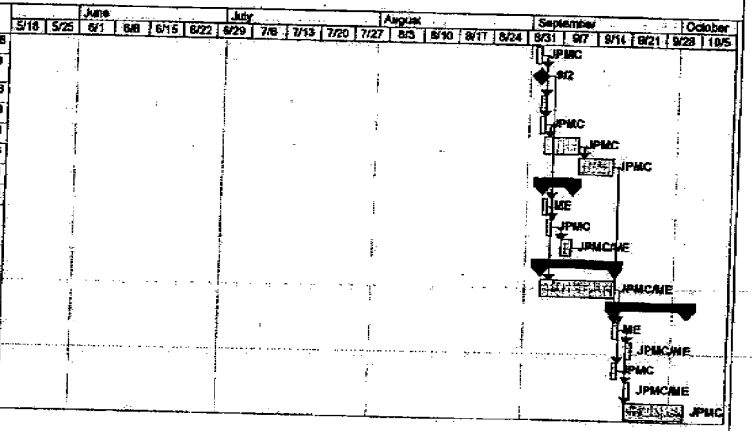
ID	Outline Number	Task Name	Duration	Start	Finish
185	1.6.3.1	Receive 1st Production Batch Enrollment File	1 day	Tue 9/2/08	Tue 9/2/08
186	1.6.3.2	90-Day Milestone Checkpoint	0 days	Tue 9/2/08	Tue 9/2/08
187	1.6.3.3	Validate Enrollment via Agent Service Center	1 day	Wed 9/3/08	Wed 9/3/08
188	1.6.3.4	Mail Initial Cards for Enrollment	1 day	Wed 9/3/08	Wed 9/3/08
189	1.6.3.5	Continue Receiving Enrollment Files	5 days	Thu 9/4/08	Wed 9/10/08
190	1.6.3.6	Mail Cards for Enrollments	5 days	Thu 9/11/08	Wed 9/17/08
191	1.6.4	Payments	4 days	Thu 9/4/08	Tue 9/9/08
192	1.6.4.1	Transmit Initial ACH File to DOFI	1 day	Thu 9/4/08	Thu 9/4/08
193	1.6.4.2	Receive and Post ACH Payments	1 day	Fri 9/5/08	Fri 9/5/08
194	1.6.4.3	Verify Deposits	2 days	Mon 9/8/08	Tue 9/9/08
195	1.6.5	Daily Checkpoint Calls	11 days	Thu 9/4/08	Thu 9/18/08
196	1.6.5.1	Conduct Daily Checkpoint Calls	11 days	Thu 9/4/08	Thu 9/18/08
197	1.7	VII. Production Operations	11 days	Fri 9/19/08	Fri 10/3/08
198	1.7.1	Achieve Go/No Go Decision for statewide EAC expansion	1 day	Fri 9/19/08	Fri 9/19/08
199	1.7.2	Begin Statewide EAC Expansion Planning	1 day	Mon 9/22/08	Mon 9/22/08
200	1.7.3	Internal Transition to Operations Departments	1 day	Fri 9/19/08	Fri 9/19/08
201	1.7.4	External Turnover with Client and Business as Usual Staff	1 day	Mon 9/22/08	Mon 9/22/08
202	1.7.5	Develop Statewide EAC Expansion Work Plan	10 days	Mon 9/22/08	Fri 10/3/08



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