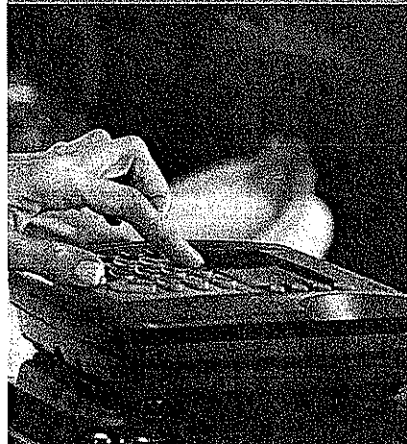




State of
West Virginia



Department of Health and Human Resources

Proposal for EBT System Services

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RFP #HHR90049

April 14, 2009

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Cost Proposal

WV Department of Health and Human Resources
DR # 09-00049

JPMORGAN CHASE

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Section 4: Cost

RFP Requirement: Section 4: Cost

The Vendor is strongly encouraged to complete the Pricing Response Forms found in Part 4.5, Cost Proposal Format. The following information is intended to provide Vendors with a format for submitting price quotations that will facilitate the evaluation of responses. Price quotations are strongly encouraged to be submitted using the provided pricing sheets. Vendors are advised to provide their best price response, as there will be no "best and final offer" opportunities. The only exception to this pricing provision would be in the event of a tie or if a revised proposal is requested.

Unless noted otherwise, prices quoted shall apply for the duration of the term of the contract as executed in response to this RFP.

Vendors are encouraged to identify cost savings options for EBT services in West Virginia. As part of the pricing response, Vendors shall identify cost reduction factors, rationale for pricing, and optional services that would serve to produce cost savings to the State of West Virginia.

If applicable, sign and submit the Resident Vendor Preference Certificate with the proposal.

JPMorgan Chase Bank, N.A. (JPMorgan Chase) has completed the required pricing response forms and they are included within the Cost Proposal. We accept that the prices quoted will apply for the duration of the term of the contract.

JPMorgan Chase has proposed cost reduction factors, rationale and optional services to produce potential cost savings to the State. These cost reduction options have been itemized in Schedule 6A in this Cost Proposal. We also have submitted the Resident Vendor Preference Certificate with the Cost Proposal.

4.1 Pricing Response Schedules

RFP Requirement 4.1.1

Vendors are strongly encouraged to use the Pricing Response Schedules as found in Part 4.5, to submit the proposed project prices.

JPMorgan Chase has utilized the Pricing Response Schedules as found in Part 4.5 to submit the proposed project prices. In certain areas where additional clarification of terms and/or assumptions would enhance the review of our offering, we have clearly indicated such using inserted ***Notes**, including any appropriate references.

4.2 Response Requirements

RFP Requirement 4.1.2

Responses shall include prices for services in the following categories of EBT-related functions and activities as specified in the RFP:

- System Development and Conversion Costs – Schedule 1C.
- Cost Per Case Month (CPCM) pricing for food stamp only, cash only and combined food stamp and cash cases.
- Incremental cost increases/decreases for alternative service options.
- Per unit pricing for 1-800 payphone charges for client helpline calls.
- System enhancement costs.
- Client fee for cash-only withdrawals (after two free transactions) in a one -month period.

Vendors shall include information that identifies the specific location of all technical and support services (i.e., EBT help line, Retailer Help Desk, State Support Help Desk, etc.) Price quotations for the core EBT services shall be expressed in terms of Cost Per Case Month (CPCM). CPCM represents the fixed cost to deliver the mandatory category of services to a single case for one month. Price quotations provided on the mandatory component shall include all costs associated with operation of the EBT system for the core services. Pricing will be volume based ("tiered") dependent upon the total actual number of active cases on the EBT system.

Our response includes prices for services in the required categories as designated above. Note that our response has included a cost of zero (\$0) for startup costs for system development and system transition.

Location of technical and support services are as follows:

- EBT Helpline
 - Elgin, Illinois
 - Columbus, Ohio
- Retailer Help Desk
 - Tampa, Florida
 - Corpus Christi, Texas
 - Hagerstown, Maryland
- State Support Help Desk
 - Tampa, Florida

Price quotations for the core EBT services have been expressed in terms of Cost per Case Month (CPCM), representing the fixed cost to deliver the mandatory category of services to a single case for one month. Price quotations provided on the mandatory component include all costs associated with operation of the EBT system for the core services. Pricing is volume-based (tiered) dependent upon the total actual number of active cases on the EBT system.

4.3 Pricing Assumptions

RFP Requirement 4.1.3

Vendors should use the following assumptions in development of their pricing tables:

The System Development and Conversion costs shall be fixed based upon the requirements within the RFP.

The CPCM pricing provided by the vendors shall be fixed for the life of the contract.

Vendors should use the tiers within the CPCM pricing schedule to cover the fluctuations of the case volumes.

The State will pay the actual cost of the Vendor's phone service carrier for client calls to the EBT help line from payphones. The fees for payphone calls are to be identified within Schedule 3B of the Pricing Response.

JPMorgan Chase used the assumptions required per the requirements in RFP Part 4.1.3 in development of the pricing tables.

4.4 Definition of Active Case

RFP Requirement 4.1.4

The Core Service CPCM represents the total cost to deliver the specified category of service to a case for one month at the specified caseload volume. A "case" is defined as the single beneficiary unit receiving benefits from one or more programs through a single cardholder account. For example, a beneficiary unit receiving both Food Stamps and TANF through a single card would represent a single, combined case. The Vendor shall apply the quoted CPCM to all active cases.

We accept the definition of an active case as expressed in RFP Part 4.1.4 and will apply this when billing the State.

4.5 Schedule 1A—Pricing for Core EBT Services

RFP Requirement 4.1.5

Prices for Core EBT Services shall be presented on Schedule 1A. Core EBT Service price quotations shall include all costs associated with the operation of the West Virginia EBT system for the term of the contract. Program-specific caseload data are presented in Appendix A. While this data may be used to project caseload and transaction volume, caseloads are not guaranteed. Due to program changes and other factors affecting programs, as well as the potential to add programs to the EBT system, EBT caseload volumes are subject to change. To accommodate potential changes in the EBT caseload volume, pricing for Core EBT Services shall be volume-based. It is the State of West Virginia's expectation that as caseload volumes increase, pricing for EBT services will decrease.

Schedule 1A, Core Service Costs shall be Quoted as a Cost Per Case Per Month (CPCM).

The quoted Core Service CPCM includes the monthly maintenance cost, which represents the fully loaded fixed cost per month to maintain a case account, including costs for all food stamp POS functions (balance inquiries, denials, etc.), transaction authorizations, EBT card issuance (excluding 100% card replacement), settlements and customer service. State the number of calls by categories that are included in the CPCM. Pricing shown on Schedule 1A, shall include the costs of transaction fees with the switch and processing fees associated with **unlimited POS food stamp transactions**. Therefore, the cost for unlimited food stamp transactions at POS devices must be included in the Core Services CPCM for EBT. Recipients will bear the surcharges for commercial ATM cash withdrawals and transaction fees in excess of two withdrawals. Costs for the two cash only transaction fees to be paid by the State should not be included in the CPCM, but will be billed separately for only the actual transactions completed. The pricing for these costs are shown on Schedule 1B.

Also included within the CPCM shall be the deployment, maintenance and retailer services associated with state deployed EBT only POS equipment up to 1,500 machines. Another component of the core pricing is cardholder customer service available 24 hours a day, seven days a week. The core pricing shall include customer service via a *domestic* center with a limitation of balance inquiry calls per day. Allow for a minimum of 2.5 IVR calls and .2 live CSR calls per billable case per month. Clearly identify the cost per call for IVR and CSR calls not included within the CPCM.

Prices for Core EBT Services are presented on Schedule 1A per the requirements of RFP Part 4.1.5. Core EBT Service price quotations include all costs associated with the operation of the West Virginia EBT system for the term of the contract. Inclusions and exclusions on Schedule 1A are per the requirements of the RFP.

Note: We have included costs for up to 1,500 POS terminals as part our CPCM price in Schedule 1A, per the requirement. However, as the Cost Worksheets for years 2 through 5 use a baseline number of 2,000 POS terminals for calculation of annual costs, we have interpreted this to mean that the State's intention was to use 2,000 units as the core deliverable. As a result, we have set the cap for POS terminals in all Cost Worksheets at 2,000, and reflect a per unit price of zero (\$0.00) for additional POS terminals above 1,500 in Schedule 2A.

4.6 Schedule 1B—Pricing for Cash-Only Transactions

RFP Requirement 4.1.6

For budgetary or other reasons, the State of West Virginia may limit the number of transactions provided at no cost to recipients. Therefore, on Schedule 1B, Vendors shall indicate the cost of the transactions by type as stated on the form. Do not include any costs which are a component of the Schedule 1A.

On Schedule 1B, JPMorgan Chase has proposed the cost of transactions by type as stated on the form. Costs that are a component of the Schedule 1A have been excluded.

Note: Per Technical Requirement 3.2.24 and clarified in Question #24 of Vendor's Questions and State Response to HHR 90049 Addendum #5, the State will pay for the fees associated with the first two cash-only withdrawal transactions. Therefore, we have modified the description in Schedule 1B, line 3, to reflect this and to provide continuity with the description of Cash Withdrawal Transaction Fees used in Cost Worksheets for Years 2 through 5.

4.7 Schedule 1C—Development and Conversion Costs

RFP Requirement 4.1.7

The State is requiring that initial planning, programming, implementation and other professional services costs associated with the development and transition to a new Vendor or new processes with the same Vendor be reflected within this chart. The State is electing to have new EBT cards issued to 100% of the cases. The cost for the production and mailing for these is to be included within the category specified. Payment for these costs will be on a fixed price basis and are contingent upon documentation of the successful completion of the deliverable tied to the payment unit. The Vendor shall provide costs within the defined categories as follows:

EBT System Design and Development—Vendors shall provide cost directly related to the design, development, and testing of the EBT system being provided to the State. The cost of the interfaces to the State's eligibility system should be included within this category.

EBT-only Terminal Conversion Costs—Vendors shall provide costs related to the transition of EBT only retailer from the current EBT Contractor to the Vendor's EBT system. Costs to be included in this category are the cost to deploy the new POS terminal, train retailers, and retailer transaction acquiring costs until the EBT database has been converted.

EBT Database Conversion Costs—Vendors shall provide costs related to the conversion of the EBT database from the current Contractor to the Vendor's EBT system. These costs shall include development and testing of conversion programs, performing mock conversions, and performing the actual database conversion.

EBT Card Issuance Costs—Vendors shall provide costs related to the design, development and testing of the card issuance process/100% card replacement.

Vendors should include a narrative explaining the costs included within each component. The fixed unit price costs shall be paid to the new Contractor in three installments based upon the successful completion and acceptance by the State.

The first installment, consisting of 40% of the total development and conversion costs, shall be paid upon the successful completion of the system acceptance test. The second installment, consisting of an additional 40% of the total development and conversion costs, shall be paid upon the successful conversion to the new Contractor's EBT System. The final installment, consisting of the remaining 20% of the development and conversion costs, shall be paid following the successful completion of all the changes to the new WV EBT card, its issuance to 100% of the current cases and the card's functionality.

The proposed costs for initial planning, programming, implementation and other professional services costs associated with the development and transition and any new processes are reflected within Schedule 1C. The cost for the production and mailing of new EBT cards is included within the category specified. We acknowledge and accept that payment for the costs on Schedule 1C will be on a fixed-price basis and are contingent upon documentation of the successful completion of the deliverable tied to the payment unit. Costs are provided in accordance with the defined categories in the RFP.

We accept and acknowledge the timing and terms of payment as defined in the RFP.

4.8 Schedule 2A—State-Deployed EBT-Only Terminals

RFP Requirement 4.1.8

The State reserves the right to deploy POS terminal in retailer locations and other business establishments as deemed necessary by the State. The core pricing of Schedule 1A includes the deployment of up to 1,500 POS machines. **The Vendor is to use Schedule 2A to reflect pricing options for those machines in excess of 1,500 EBT only POS equipment deployed.** Vendors should specify the hardware (brand and model) and the technical capabilities of each configuration (LAN: stand-alone, etc.). Pricing must include all bundled costs for installation, operation and maintenance of each terminal or LAN configuration, costs for delivery and set-up.

The EBT Vendor shall provide maintenance for all State-deployed terminals with retailer assistance available 24 hours a day, seven days a week and toll free help desk, with replacement of faulty equipment as specified by Federal Regulations.

We acknowledge and accept the State's right to deploy POS terminals in retailer locations and other business establishments as deemed necessary by the State. The core pricing provided in Schedule 1A includes the deployment of up to 1,500 POS terminals.

JPMorgan Chase used Schedule 2A to reflect pricing options for EBT-only POS equipment deployed in excess of 1,500. All newly authorized EBT-only locations will receive VeriFone's latest generation series of POS terminals, the Vx 510. Current retailers will continue using the VeriFone Omni 3200 devices until their equipment needs to be replaced. At that time, we will replace it with the Vx 510 terminal. The technical capabilities of each configuration (LAN, stand-alone, etc.) are included in our Technical Proposal; please refer to Section 1.3.22, *Merchant POS Terminal Deployment*.

Pricing includes all bundled costs for installation, operation and maintenance of each terminal or LAN configuration, as well as costs for delivery and setup.

JPMorgan Chase will continue to provide a toll-free telephone number that is available 24 hours a day, 7 days a week without charge to retailers and will replace faulty equipment as specified by Federal Regulations as described in our Technical Proposal, Section 1.3.20, *Merchant POS Terminal Deployment*.

Note: We have included costs for up to 1,500 POS terminals as part our CPCM price in Schedule 1A, per the requirement. However, as the Cost Worksheets for years 2 through 5 use a baseline number of 2,000 POS terminals for calculation of annual costs, we have interpreted this to mean that the State's intention was to use 2,000 units as the core deliverable. As a result, we have set the cap for POS terminals in all Cost Worksheets at 2,000, and reflect a per unit price of zero (\$0.00) for additional POS terminals above 1,500 in Schedule 2A.

4.9 Schedule 3B—Customer Service Payphone Charges

RFP Requirement 4.1.9

Schedule 3B should be completed if there are to be charges for retailer or client calls to the customer service centers. Prices quoted are to be all-inclusive pass through costs and shall remain in effect unless otherwise agreed upon by the State.

Schedule 3B includes payphone charges for retailer or client calls to the Customer Service Centers. Prices quoted are all-inclusive pass-through costs and shall remain in effect unless otherwise agreed upon by the State.

4.10 Schedule 4A—Disaster Services

RFP Requirement 4.1.10

The disaster services are to be priced separately and shall be consistent with Part 3.2.34.4.4 and 3.2.26.1.1. Disaster services are not included in Schedule 1A.

Disaster services are priced separately in Schedule 4A and pricing is consistent with the RFP requirements.

4.11 Schedule 5A—Fee for Professional Services

RFP Requirement 4.1.10

The fee for professional services is intended to provide the State with a cost basis for changes or enhancements in program design as needed or requested by the State and/or FNS over the life of the agreement/contract resulting from this RFP response. The fees represented are to be over and above the up front development work and that included within the cost per case month.

The fee for professional services is intended to allow for changes or enhancements in program design as needed or requested by the State or federal requirements. The fees represented are over and above any up-front development work that is included within conversion cost or Cost per Case Month price.

4.12 Cost and Pricing Requirements

RFP Requirement 4.5

The following information is intended to provide Vendors with a format for submitting price quotations that will facilitate the evaluation of responses. Price quotations should be submitted using the provided pricing sheets. Unless noted otherwise, prices quoted shall apply for the duration of the term of contract.

Vendors are encouraged to identify cost savings options for EBT services in West Virginia. As part of the pricing response, Vendors should identify cost reduction factors, rationale for pricing, and optional services that would serve to produce cost savings to the State of West Virginia. Optional pricing will be considered as stated in 4.2.1.

Criteria used for the Cost Evaluation are as following:

Price quotations have been submitted using the provided pricing sheets. Unless noted otherwise, prices quoted apply for the duration of the term of contract.

Bid Response Sheet

Cost Worksheet–Summary _____ JPMorgan Chase Bank, N.A.

Section 4: Cost

Summary of Bid Response Sheets

Time Frame	Activity	Annual Cost
Year 1	Start-up Costs	\$0.00
Year 2	EBT Services	\$1,295,160
Year 3	EBT Services	\$1,314,549
Year 4	EBT Services	\$1,334,241
Year 5	EBT Services	\$1,351,890
(A) Total for EBT Start-up and Years 1 thru 5 of EBT Services		\$5,295,840
(B) Total Cost for a Disaster Declaration		\$0.00
(C) Total for Professional Services		\$7,500
Grand Total of A, B & C		\$5,303,340

- (A) Vendor is to complete the Bid Response Sheets for the Years 1 thru 5 and indicate the summary total of each year.
- (B) Total of the **COST WORKSHEET–DISASTER DECLARATION** is to be provided.
- (C) Total from **Professional Services** as stated in Schedule 5A.

Notes/Comments: To assure a clear and public understanding of the pricing, the vendor is to provide a narrative description of the various factors included in the pricing of all services.

Bid Response Sheet

Cost Worksheet—Year 1 & 2

Section 4: Cost

1	2	3	4	5	6	7
Start-Up Cost Year 1	Total Cost Year 1					\$0.00
Service Cost for Year 2	Caseload/ Units per Month	Less CAP Limits	Total Billable Units	Unit Price	Total Cost per Month	X12= Year Price
			Col. 2-3		Col. 4 x 5	
Caseload/CPCM	Schedule 1A					
Food Stamp Only	115,000		115,000	\$0.69	\$79,350	\$952,200
Cash Only	2,000		2,000	\$1.00	\$2,000	\$24,000
Combined FS/Cash	10,000		10,000	\$1.25	\$12,500	\$150,000
Equipment Costs	Schedule 2A					
POS Devices	2,000	2,000	0	\$0.00	\$0.00	\$0.00
Customer Service	Schedule 1A					
IVR Calls	318,000	318,800	0	\$0.10	\$0.00	\$0.00
CSR Calls	30,000	30,500	0	\$1.20	\$0.00	\$0.00
Payphone	Schedule 3B					
Payphone Calls	14,000	N/A	0	\$0.32	\$4,480	\$53,760
Transaction Fee	Schedule 1B					
Cash Only Withdrawals ATM/POS	24,000	N/A	24,000	\$0.40	\$9,600	\$115,200
Denials—ATM	2,000	2,000	0	\$0.05	\$0.00	\$0.00
Denials—POS	3,000	3,000	0	\$0.05	\$0.00	\$0.00
Bal. Inquiry—ATM	1,500	1,500	0	\$0.05	\$0.00	\$0.00
Bal. Inquiry—POS	500	500	0	\$0.05	\$0.00	\$0.00
Total Cost Year 2						\$1,295,160

Notes/Comments:

Bid Response Sheet

Cost Worksheet—Year 3

Section 4: Cost

1	2	3	4	5	6	7
Service Cost for Year 3	Caseload/ Units per Month	Less CAP Limits	Total Billable Units	Unit Price	Total Cost per Month	X12= Year Price
			Col. 2-3		Col. 4 x 5	
Caseload/CPCM	Schedule 1A					
Food Stamp Only	116,725		116,725	\$0.69	\$80,540	\$966,483
Cash Only	2,030		2,030	\$1.00	\$2,030	\$24,360
Combined FS/Cash	10,150		10,150	\$1.25	\$12,688	\$152,250
Equipment Costs	Schedule 2A					
POS Devices	2,000	2,000	0	\$0.00	\$0.00	\$0.00
Customer Service	Schedule 1A					
IVR Calls	322,775	323,600	0	\$0.10	\$0.00	\$0.00
CSR Calls	30,450	30,950	0	\$1.20	\$0.00	\$0.00
Payphone	Schedule 3B					
Payphone Calls	14,200	N/A	0	\$0.32	\$4,544	\$54,528
Transaction Fee	Schedule 1B					
Cash Only Withdrawals ATM/POS	24,360	N/A	24,360	\$0.40	\$9,744	\$116,928
Denials—ATM	2,030	2,030	0	\$0.05	\$0.00	\$0.00
Denials—POS	3,050	3,050	0	\$0.05	\$0.00	\$0.00
Bal. Inquiry—ATM	1,525	1,525	0	\$0.05	\$0.00	\$0.00
Bal. Inquiry—POS	510	510	0	\$0.05	\$0.00	\$0.00
Total Cost Year 3						\$1,314,549

* Total monthly charge X 12 = Yearly Total Cost

** Historical Increase of Approx 1.5% has been applied for years 3-5.

Notes/Comments:

Bid Response Sheet

Cost Worksheet—Year 4

Section 4: Cost

1	2	3	4	5	6	7
Service Cost for Year 4	Caseload/ Units per Month	Less CAP Limits	Total Billable Units	Unit Price	Total Cost per Month	X12= Year Price
			Col. 2-3		Col. 4 x 5	
Caseload/CPCM	Schedule 1A					
Food Stamp Only	118,475		118,475	\$0.69	\$81,748	\$980,973
Cash Only	2,060		2,060	\$1.00	\$2,060	\$24,720
Combined FS/Cash	10,300		10,300	\$1.25	\$12,875	\$154,500
Equipment Costs	Schedule 2A					
POS Devices	2,000	2,000	0	\$0.00	\$0.00	\$0.00
Customer Service	Schedule 1A					
IVR Calls	327,600	328,400	0	\$0.10	\$0.00	\$0.00
CSR Calls	30,900	31,400	0	\$1.20	\$0.00	\$0.00
Payphone	Schedule 3B					
Payphone Calls	14,425	N/A	14,425	\$0.32	\$4,616	\$55,392
Transaction Fee	Schedule 1B					
Cash Only Withdrawals ATM/POS	24,720	N/A	24,720	\$0.40	\$9,888	\$118,656
Denials—ATM	2,060	2,060	0	\$0.05	\$0.00	\$0.00
Denials—POS	3,100	3,100	0	\$0.05	\$0.00	\$0.00
Bal. Inquiry—ATM	1,550	1,550	0	\$0.05	\$0.00	\$0.00
Bal. Inquiry—POS	515	515	0	\$0.05	\$0.00	\$0.00
Total Cost Year 4						\$1,334,241

Notes/Comments:

Bid Response Sheet

Cost Worksheet—Year 5

Section 4: Cost

1	2	3	4	5	6	7
Service cost for Year 5	Caseload/ Units per Month	Less CAP Limits	Total Billable Units	Unit Price	Total Cost per Month	X12= Year Price
			Col. 2-3		Col. 4x5	
Caseload/CPCM	Schedule 1A					
Food Stamp Only	120,250		120,250	\$0.69	\$82,973	\$995,670
Cash Only	2,090		2,090	\$1.00	\$2,090	\$25,080
Combined FS/Cash	10,300		10,300	\$1.25	\$12,875	\$154,500
Equipment Costs	Schedule 2A					
POS Devices	2,000	2,000	0	\$0.00	\$0.00	\$0.00
Customer Service	Schedule 1A					
IVR Calls	332,525	332,930	0	\$0.10	\$0.00	\$0.00
CSR Calls	31,375	31,850	0	\$1.20	\$0.00	\$0.00
Payphone	Schedule 3B					
Payphone Calls	14,650	N/A	14,650	\$0.32	\$4,688	\$56,256
Transaction Fee	Schedule 1B					
Cash Only Withdrawals ATM/POS	25,080	N/A	25,080	\$0.40	\$10,032	\$120,384
Denials—ATM	2,090	2,090	0	\$0.05	\$0.00	\$0.00
Denials—POS	3,150	3,150	0	\$0.05	\$0.00	\$0.00
Bal. Inquiry—ATM	1,575	1,575	0	\$0.05	\$0.00	\$0.00
Bal. Inquiry—POS	525	525	0	\$0.05	\$0.00	\$0.00
Total Cost Year 5						\$1,351,890

Notes/Comments:

Bid Response Sheet

Cost Worksheet–Disaster Declaration

Section 4: Cost

1	2	3	4	5	6	7
Service Cost	Caseload/ Units per Month	Less CAP Limits	Total Billable Units	Unit Price	Total Cost per Month	X4= Total Price
			Col. 2-3		Col. 4 x 5	Col 6 x 4
Components	Schedule 4A					
Disaster Cards	20,000		20,000	\$0.00	\$0.00	\$0.00
CSR Calls	5,000		5,000	\$0.00	\$0.00	\$0.00
IVR CSR Calls	30,000		30,000	\$0.00	\$0.00	\$0.00
Incremental Case Month Fee/CPCM	18,000		18,000	\$0.00	\$0.00	\$0.00
Total Estimated cost for a Disaster Declaration						\$0.00

Vendor is to complete Schedule 4A: **PRICING RESPONSE: DISASTER SERVICES** and use the pricing to complete this Cost Sheet-Disaster Declaration. This cost Sheet is used for evaluation of bids and based upon the possible occurrence during the life of the contract.

Notes/Comments: Once disaster cards are issued, these accounts are included in the normal CPCM (Food stamps only, Cash only, and Combined Food Stamps and Cash) and would be charged the then-current CPCM.)

Bid Response Sheet

Schedule 1A—Tiered Pricing for Core EBT Services

Section 4: Cost

Case Type	Core Services Cost Per Case Month (CPCM) at Specified Case Volumes				
	Less Than 75,000 Cases	75,001 to 100,000 Cases	100,001 to 125,000 Cases	125,001 to 150,000 Cases	Greater Than 150,000 Cases
Food Stamp Only (Unlimited POS Transactions)	\$0.69	\$0.69	\$0.69	\$0.69	\$0.69
*TANF Program	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Food Stamp & TANF (Combined)	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
IVR Call Cap	2.51	2.51	2.51	2.51	2.51
CSR Call Cap	0.24	0.24	0.24	0.24	0.24
# of Calls Per Case Per mo.	2.75	2.75	2.75	2.75	2.75
Incremental Price for Each Additional Cash Program, if any	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Price Per IVR> Call Cap	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Price Per CSR Call> Call Cap	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20
Alternate Pricing Explain	\$	\$	\$	\$	\$
Alternate Pricing Explain					
Other Explain					

* Tiers do not apply to the TANF Program Pricing.

Note: We have included costs for up to 1,500 POS terminals as part of our CPCM price in Schedule 1A, per the requirement. However, as the Cost Worksheets for years 2 through 5 use a baseline number of 2,000 POS terminals for calculation of annual costs, we have interpreted this to mean that the State's intention was to use 2,000 units as the core deliverable. As a result, we have set the cap for POS terminals in all Cost Worksheets at 2,000, and reflect a per unit price of zero (\$0.00) for additional POS terminals above 1,500 in Schedule 2A.

Bid Response Sheet

Schedule 1B—Pricing Response: For Cash-Only Transactions

Type of Cash Transaction	Cost Per Transaction	Any Reductions in CPCM if applicable
ATM Balance Inquiries	\$0.05	\$
ATM Denial	\$0.05	\$
ATM/POS Cash Withdrawal Up to first 2 billed to state	\$0.40	\$
ATM Cash Withdrawal Cardholder transactions costs > 2	\$1.00	\$
POS Balance Inquiries	\$0.05	\$
POS Cash Withdrawal	\$0.40	\$
POS Denials	\$0.05	\$

Note: Per Technical Requirement 3.2.24 and clarified in Question #24 of Vendor's Questions and State Response to HHR 90049 Addendum #5, the State will pay for the fees associated with the first two cash-only withdrawal transactions. We have, therefore, modified the description in Schedule 1B, line 3 above, to reflect this and to provide continuity with the description of Cash Withdrawal Transaction Fees used in Cost Worksheets for Years 2 through 5.

Schedule 1C—Pricing Response: Development and Conversion Costs

Category	Cost
EBT System Design and Development	\$0.00
EBT-only terminal conversion costs	\$0.00
EBT database conversion costs	\$0.00
New EBT Card and PIN Issuance	\$0.00
Total Start-up costs	\$0.00

Section 4: Cost

Bid Response Sheet

Schedule 2A—Pricing Response: State-Deployed EBT Only Terminals

Section 4: Cost

State-Deployed EBT Only Terminals	Maximum Monthly Lease Fee Per Month Per EBT Terminal > 1500	Specify Type of Hardware, Maintenance, Communications, other
All inclusive pricing per POS machine with Retailer Customer Service 24/7	\$0.00	
Other (Specify)		
Other (Specify)		
Other (Specify)		

The State is requesting two pricing schedules for the deployment of EBT-only equipment. The core pricing of Schedule 1A includes the deployment of up to 1,500 POS machines. All newly authorized EBT-only locations will receive VeriFone's latest generation series of POS terminals, the Vx 510. Current retailers will continue using VeriFone Omni 3200 devices until their equipment needs to be replaced. At that time, we will replace it with the Vx 510 terminal. The technical capabilities of each configuration (LAN, stand-alone, etc.) are included in our Technical Proposal; please refer to Section 1.3.22, *Merchant POS Terminal Deployment*. The Vendor is to use Schedule 2A to reflect the cost of those machines in excess of the 1,500 EBT-only POS equipment deployed. Pricing shall include all bundled costs for installation, operation and maintenance of each terminal or LAN configuration, costs for delivery and set-up. The EBT Vendor shall provide maintenance for all State-deployed terminals with retailer customer service available 24 hours a day, 7 days a week and toll-free help desk with replacement of faulty equipment as specified by Federal Regulations.

Note: We have included costs for up to 1,500 POS terminals as part our CPCM price in Schedule 1A, per the requirement. However, as the Cost Worksheets for years 2 through 5 use a baseline number of 2,000 POS terminals for calculation of annual costs, we have interpreted this to mean that the State's intention was to use 2,000 units as the core deliverable. As a result, we have set the cap for POS terminals in all Cost Worksheets at 2,000, and reflect a per unit price of zero (\$0.00) for additional POS terminals above 1,500 in Schedule 2A.

Bid Response Sheet

Schedule 3B—Pricing Response: Customer Service Payphone Charges

Payphone Charges	Fee Per Call including Surcharges/Pass-through Costs
Payphone Pass-through Charge Per Call	\$0.32

Schedule 4A—Pricing Response: Disaster Services

Type of Service	Fee Per Unit of Service
Cost Per Disaster Card	\$0.00
Customer Service Representative Calls (24x7)	\$0.00
IVR Customer Service Calls (24x7)	\$0.00
PIN Mailers	\$0.00
Recipient Training Materials	\$0.00
Incremental Case Month Fee	\$0.00
PIN Issuance Equipment if Needed	\$0.00

Schedule 5A—Pricing Response: Professional Services

The vendor shall provide the Professional Services at a flat hourly rate of \$ 75.00 per hour. (For bid evaluation purposes only, 100 hours will be the estimated quantity of hours.)

Professional Services flat hourly rate is \$ 75.00 x 100 = Total \$7,500.

Bid Response Sheet

Schedule 6A—Pricing Response: Cost Saving Optional Services

As identified in RFP Requirement Section 4—Cost, Vendors are encouraged to identify cost savings options for EBT services in West Virginia. As part of the pricing response, Vendors shall identify cost reduction factors, rationale for pricing, and optional services that would serve to produce cost savings to the State of West Virginia.

Service Description	Savings to State
Offshore Call Center Support *	(- \$0.015) decrease in CPCM
State does not conduct 100% card reissuance with conversion**	\$ 90,000 one-time rebate
Cash Programs included on a JPMorgan branded debit card instead of the EBT card.***	TANF Cases (- \$1.00) decrease Combination Cases (- \$0.56) decrease

- * State elects not to mandate domestic call center support. Call center staffing is located in an offshore environment.
- ** State decides not to mass reissue cards. New cards are issued and reissued when a new case is added or a cardholder receives a replacement for a lost or stolen card.
- *** Cash Programs included on a branded debit card issued by JPMorgan Chase will save the State the cost of the monthly CPCM for those cases. Associated payphone calls will be redirected to a different 800 number or blocked for additional savings to the State. Subsidized transaction fees, currently priced at \$0.40 up to two per month, will be saved by the State.

State of West Virginia VENDOR PREFERENCE CERTIFICATE

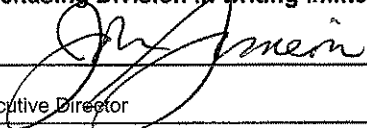
Certification and application* is hereby made for Preference in accordance with **West Virginia Code, §5A-3-37**. (Does not apply to construction contracts) **West Virginia Code, §5A-3-37**, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the **West Virginia Code**. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

- 1. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
- 2. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
- 3. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
- 4. **Application is made for 5% resident vendor preference for the reason checked:**
 Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
- 5. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
 Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
- 6. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
 Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: JPMorgan Chase Bank, N.A. **Signed:** 
Date: April 14, 2009 **Title:** Executive Director

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive