STATE OF NEBRASKA

Don Stenberg, State Treasurer

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ADDENDUM ONE

Date: August 29, 2014

To: All Bidders

From: Jason Walters, Buyer
Nebraska State Treasurer's Office

RE: Questions and Answers for Request for Proposal Number NST080414 to be opened September 12, 2014 at 2:00 PM Central Time.

Following are the questions submitted and answers provided for the above mentioned Request for Proposal. The questions and answers are to be considered as part of the Request for Proposal.

Questions	Answers
1. On page 1 of the RFP, it states that each vendor needs to provide "one (1) original and twelve (12) copies of the entire proposal" with our submission. Yet on page 28, in Section G. Submission of Proposals, the RFP states that each vendor only has to supply "one (1) original of the entire proposal" with our submission. Can the state please clarify which submittal guideline is accurate?	Please provide one (1) original and twelve (12) copies of the entire proposal.
2. What is the # of disbursements per month? As a cardholder, how many times per month will I get a disbursement? We're looking for the frequency of loads per month for each program.	Exhibit 1 shows the total number or loads for each program from January 2012 to June 2014. The number of disbursements for a cardholder varies depending on the program and the cardholder's situation. Frequency of loads per month for each program is listed on Exhibit 1.

Questions	Answers
3. How many times per month will a card receive a load?	The number of loads per month is dependent on what the program the card was issued for and what the pay cycles are.
4. What is the # of months that a claimant receives disbursements? We are looking for the total number of loads per cardholder. For example- for someone who gets UI disbursements to a prepaid card, how many loads in total would that person receive, on average? e.g., 20 loads over the life of the claim.	Nebraska Department of Correctional Services (NDCS) could have an inmate with a load every week for a few years, but generally not more than 3 to 4 years. From Department of Health and Human Services (DHHS) - We are not able to provide data regarding the average duration of program participation at this time. Some payees receive a monthly payment. Others may receive as few as one. Others receive several payments during a given month. During the period of July 2013 through June 2014, DHHS made 157,990 payments to ReliaCard accounts at US Bank. Department of Labor 26 weeks per UI regular claim, however if special programs involved, up to 52 weeks. From Nebraska Child Support Payment Center (NCSPC) - There are no set numbers, the number of payments a claimant will or can receive on the card, this is a case by case situation. From State Accounting - For payroll, it would be minimum of 2 possibly 3 per month. From the University of Nebraska (UN) - In Athletics it can vary - the student athletes are here for 4-5 years or more and could have 100 loads during that period.
5. How often does an individual Nebraska Child Support Payment Center recipient receive a payment (pay cycle – weekly, monthly)?	From NCSPC- There is no actual pay cycle, child support payments are disbursed when they are received from the non-custodial parent (payor).
6. How often does a DHHS recipient receive a payment (pay cycle – weekly, monthly)? What is the average duration of program participation for the recipients in the respective programs?	From DHHS - We are not able to provide data regarding how frequently an average payee receives payments at this time. Some payees receive a monthly payment. Others may receive only one. Others receive several payments during a given month. We are not able to provide data regarding the average duration of program participation at this time. During the period of July 2013 through June 2014, DDHHS made 157,990 payments to ReliaCard accounts at US Bank.

Questions	Answers
7. How often does a student receive a stipend payment (pay cycle – weekly, monthly)? What is the average duration of payments made to a recipient?	From the University - Again this can vary from quarterly for some to possibly several times a month. The average athlete would be here for 4-5 years.
8. How often does a Nebraska Workers Compensation Court (NWCC) participant receive a payment pay cycle – weekly, monthly)?	NWCC participants do not receive regular scheduled payments. Payments are issued whenever a claim is submitted by the participant and approved by the court. There are no limitations placed on a participant for when or how many times a participant can submit a claim.
9. Can you further explain your Employee Self Service methodology supported currently and confirm if it is only used for Colleges Payroll and not any of the other proposed programs?	From the University – neither UN nor Nebraska State College System (NSCS) have any plans that will require ESS methodology as a source for the Stored Value Card creation and/or changes. This question shouldn't have been included in the RFP and doesn't need to be answered.
10. Section II. M., 2. Of the RFP states, "2. Bidder must be a Bank (Form A.1; a. Bidder must be a bank as defined in State Statute §77-2387 (2) having a qualifying office in the State of Nebraska; b. Bidder must be an authorized issuer of cards for the purposes detailed in this RFP." Will the State allow the prime contractor to be an entity other than a bank if the prime contractor and their banking partner otherwise meet the requirements of the RFP?	No. A bank must be the contractor and any other parties involved would be sub-contractors. See answer to question #20.
11. For those items having a volume of "1" (meaning the charged volume was 0), can the State also provide the actual volume associated with each item during 2013?	Since these charges are related to the cardholder's activity the state is unable to provide volume.
12. RFP states: "Contractor represents and warrants that the contents of this response to Request for Proposal and all figures, illustrations, photographs, charts, and other supplementary material herein are original and do libel anyone or infringe upon any patent, copyright, proprietary right, or any other right whatsoever of any other party. "Should this read "…and do <u>not</u> libel anyone or infringe…"?	Yes, it should read, "… and do <u>not</u> libel anyone or infringe upon any patent, copyright, proprietary right or any other right whatsoever of any other party."

Questions	Answers
13. The Glossary of Terms states: "**Confidential Information:** Unless otherwise defined below, "Confidential Information" shall also mean proprietary trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Nebraska Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive." RFP Section II, Part G states: "A separate sheet must be provided that clearly states which sections have been submitted as proprietary or have copyrighted materials." Would the State please clarify whether the document providing list of proprietary materials and the proof that this information is proprietary should be included in the Technical Proposal or in the separately sealed Proprietary Material package? If in the Technical Proposal, please clarify where this should be included in our response.	The bidder may provide the State a list of proprietary materials in the Technical Proposal. The location within the proposal should follow the same general format as the RFP.
14. Given the State does not intend to respond to questions until August 29th, would the State agree to extend the proposal due date by an additional 30 days in order to provide Bidders with sufficient time to incorporate all responses into their proposals?	Yes. See revised schedule attached.
15. Would the State agree to allow an additional question and answer period in order for Bidders to ensure clarity in the RFP as well as ask follow-up questions to responses provided on August 29th?	Yes. See revised schedule attached.

Questions	Answers
16. RFP states: "Bidders should hand deliver, return by facsimile, e-mail or delivery by US mail the "Notification of Intent to Bid Form" that accompanies this document (see Form C) to the contact person shown on the cover page of the Request For Proposal Form." RFP also states: "It is preferred that Form C, Notification of Intent To Bid, be sent via e-mail to nst.rfpquestions@nebraska.gov, but may be hand delivered, sent via facsimile to 402-471-4390 or delivery by US mail." Would the State please confirm that these references to "Form C" should be references to "Form B"?	When referring to Form C in the RFP, the State actually means Form B "Notification of Intent to Bid".
17. RFP states: "Please note that the address label should appear as specified in Section II part A on the face of each container or bidder's bid response packet." Would the State please confirm what information should appear on the address label other than the appropriate State delivery address outlined in RFP Section II, Part A?	The address label should include the following information; the RFP #NST080414; the buyer's name, Jason Walters; and the correct mailing address as listed in Section II, Part A.
18. Please confirm whether Bidders should also provide one (1) original and twelve (12) copies of our Proprietary Material or whether it is permissible to include this package only with the one original proposal submittal.	The bidder will provide the State with one (1) original (marked as original) and twelve (12) copies of the complete bid.
19. RFP states: "The Technical Proposal must not contain any reference to dollar amounts." Would this State please clarify how this requirement applies to discussions of "no cost," "fee-free," "surcharge-free," etc. transactions as detailed in RFP Section IV and RFP Attachment A Forms? Is it permissible to use these general phrases in our responses without including any reference to specific transaction fee amounts?	In the evaluation process, the Technical proposal should only be evaluated on the technical responses provided and not be influenced by the cost related. Yes, you my use the general phrases in your response in the technical proposal portion of the RFP.

Questions	Answers
20. Funds distributed to a payment card are provided the same privacy and financial protections as funds distributed to a bank account through direct deposit. In both cases, funds are considered distributed and "owned" by the cardholder and therefore not in the possession of the State. Payment card funds are held in an aggregated in-trust account at a qualified FDIC insured institution. **1)** Based on this information, would a non-financial institution be considered a qualifying "Bidder" if it's Proposal included a qualifying bank as a subcontractor for all banking-related activity? **2)** What is the public, State, or agency need for requirement "the Bidder must be a bank as defined in State Statute § 77-2387(2)"? **3)** What is the basis in law for the mandatory requirement a "Bidder must be a bank as defined in State Statute § 77-2387(2)"?	See attached page for answer to this question.
21. RFP states: "Bidders should submit the above certification(s) with their bid." Would the State please clarify where these should be included in Bidders' proposals? Should these be included with our response to RFP Section V, Part A, item 2. Form A.1 and Financial Stability Information or should this be included as an Attachment in our Technical Proposal?	The location within the proposal should follow the same general format as the RFP.
22. RFP states: "Bidders should include completed Section III with their proposal response." Where should Bidders include their completed Section III in their proposal responses? Is it permissible to include this as an Attachment in our Technical Proposal?	The location within the proposal should follow the same general format as the RFP.
23. RFP states: "The contractor should furnish the State, with their proposal response, a certificate of insurance coverage complying with the above requirements to the attention of the Buyer at 402-471-4390 (fax)" Would the State please confirm whether the certificate of insurance coverage should be included with the proposal response or submitted separately via fax?	The State would recommend that the Certificate of Insurance be faxed to the State Treasurer's office to the attention of the buyer at 402-471-4390.

Questions	Answers
24. RFP states: "Contractor will post funds to cards prior to 8:00 AM prevailing Central Time on the ACH effective date. If contractor has received a file from the State, and contractor is notified that funds were not posted to the cards by 8:00 AM on the ACH effective date, contractor will make funds available to cardholders by close of business day on the ACH effective date (6:00 PM prevailing Central Time) or pay liquidated damages to the affected programs." Would the State please clarify that "received a file from the State" means "received a file originated by the State and delivered through the banking network"?	Yes, "received a file from the State" means "received a file originated by the State and delivered through the banking network".
25. RFP states: "An "echo" file for batch enrollment is typically returned to the sender between 30 and 90 minutes of receipt of the file. The echo file will include identical information that was send by State, a card enrollment report, and a rejected card report. Upon being notified by the Program Lead or the State Treasurer's Office that an echo file has not been received within two hours of transmission of the file, contractor will resolve the situation within one business day by transmitting the "echo" file or pay liquidated damages to the affected programs." Typically, Contractors return a batch file summary report. Would the State clarify that a batch summary report is sufficient or does the State intend on the contractor sending back each line item contained within a file? Would the State provide additional information and a current sample of the card enrollment report?	A batch summary report would be sufficient. From DHHS - The echo file we get back is the same layout as the request file. The only difference is, on the echo file the Cardholder account number, Transaction account number, and Expiration date are populated. Attached is a current sample of the card enrollment report. From NDCS - a sample enrollment file attached
26. Would the State please confirm that the Disaster Recovery/Back up Plan is to be provided by the successful contractor upon contract award?	Yes, the State will accept the plan upon contract award.
27. RFP states: "Contractor creates an account for any new cardholders. Information needed for the cardholder would be: First name, middle initial, last name, address, city, state, zip, home phone number, daytime phone, date of birth, social security number, and optional mother's maiden name and email address." Would the State agree to allow Bidders to propose the use of a unique account password established by the cardholder instead of requiring cardholders use "mother's maiden name"?	Yes. In addition, please note that NDCS will not supply phone numbers, mother's maiden name or an email address, but will supply the inmate's ID number.

Questions	Answers
28. RFP states: " Contractor sends new card package to the new account holder within two days and will include the following information" Would the State agree to change to read "Contractor sends a new card package to the new account holder within two business days of receipt of a valid file and will include the following information"	Yes. In addition, please note that NDCS Cards must all be sent to Accounting and that is the only address that we supply.
29. RFP states: "Summary of the top market segments broken down by type, number of purchase transactions and the percentage of the total monthly sales for each ranked from highest to lowest" Would the State please define "top market segments"? Also, would the State please provide a sample of this report?	Top market segments would be industry classifications for where cardholder transactions occur. The State does not currently receive this report. It is information the State wishes to receive under a new contract.
30. Under the heading "State to Contractor Enrollment Process," RFP states: "If a card which has not been activated seven days after the NCSPC has automatically enrolled the CP, future payments will be loaded to the card. A letter will be generated notifying the CP of the funds loaded to the funds." Should this read: "A letter will be generated notifying the CP of the funds loaded to the card account" instead of "funds loaded to the funds"? Further, would the State clarify that it is the State's responsibility to send a letter to the CP?	The statement should read "funds loaded to the card". This was an oversight on the part of the State, as no letter will need to be generated.
31. RFP states: "Account numbers generated for this payroll card use a static prefix supplied by the vendor to which State Accounting adds the employee's address book (or employee) number" Would the State explain what the static prefix is and how this number will be used?	From State Accounting - The static prefix was prescribed by the vendor to denote a payroll account in Nebraska. Thus the ending of the prefix with the NE. We could use any numbering system as long as it included the address book (employee) number to identify the employee here. From the University - the prefix for the University of Nebraska, State Colleges and State Agencies is uniquely identified for each of these entities payroll card.

Questions	Answers
32. RFP states: "Bidders should identify the subdivisions of "Project Description and Scope of Work" clearly in their proposals; failure to do so may result in disqualification." Would the State please provide more detail on how it would like Bidders to identify these subdivisions? Can these be addressed as subsections of our response to RFP Section V, Part A, item 4 Technical Approach? If not, please clarify where these subdivisions should be addressed	The State encourages the bidders to label the subdivisions the same way the State listed them in the RFP. The location within the proposal should follow the same general format as the RFP.
33. Given that debit card programs are provided at no cost to entities, would the State agree that Bidders may utilize a zero dollar figure under budgeted cost of implementing or remove the requirement?	The mandatory technical requirements for the State are at no cost, however, optional services could require payments to the contractor.
34. Would the State please clarify how Vendors should organize their response to the requirements in RFP Section IV Project Description and Scope of Work under the five categories outlined in item 4 Technical Approach as it does not appear to match directly? For example, would it be acceptable to the State to address these requirements under the following subsections? If not, please provide the organization Bidders should use. **a.** Understanding of the project requirements; RFP Section IV, Part A. Project Overview RFP Section IV, Part B. Project Environment **b.** Proposed development approach; RFP Section IV, Part G. Perform Implementation RFP Section IV, Part H. Provide Post Implementation Support **c.** Technical considerations; including Forms A.2 – A.12 RFP Section IV, Part C. Business Requirements RFP Section IV, Part D. Scope of Work RFP Section IV, Part E. Functional Requirements RFP Section IV, Part F. Proposed Resolution **d.** Detailed project work plan; and **e.** Deliverables and due dates. RFP Section IV, Part I. Deliverables (Required)	The location within the proposal should follow the same general format as the RFP. Yes, this format would be acceptable.

Questions	Answers
35. Would the State please clarify where Form A.13: Agency-Specific Technical Requirements – NE Game & Parks Optional Gift Card Program should be included in Bidders' proposals?	The location within the proposal should follow the same general format as the RFP.
36. As it is our understanding that this contract is to be offered at no cost to the State, would the State please clarify the applicability of RFP Section V, Part C? It is our understanding that the State will not make any payments to the Contractor.	The mandatory technical requirements for the State are at no cost, however, optional services could require payments to the contractor.
37. Would the State please clarify where the completed Form A should be included in Bidders' proposals? Is it permissible to include this in an Attachment in the Technical Proposal?	The location within the proposal should follow the same general format as the RFP.
38. RFP states: "Forms A.1-A.11 are to be included as part of the Technical Proposal. Forms A.12 is to be submitted as the Cost Proposal." Would the State please confirm if these references are accurate? It appears that Form A.12 might be better included in the Technical Proposal and no instructions are provided regarding where Forms A.13 through A.16 should be included in Bidders' proposals.	Forms A.1 – A.12 should be included in the Technical Proposal with Form A.13 (optional) at the end. Form A.14 – A.15 should be in the cost proposal packaged separately. And would include optional form A.16.
39. Are Bidders permitted to add a header and footer to these forms to include identifying information such as the Bidder's Name, RFP Number, etc.?	The State will allow the bidder to add a header and/or footer of identifying information.

Questions	Answers
40. The functionality of cancelling cards, reissuing, receiving balance information, listening to remote calls, access to cardholder data through the Administrative terminal, etc. for the debit card program would provide access to card account numbers (PANs), card expiration dates, security codes, cardholders' names and social security numbers, and other nonpublic personal information of Nebraska residents and residents of other states. As well as being a security risk for State employees to have access to all information necessary to access cardholder's funds, under federal and state law, the Payment Card provider, directly or indirectly, has an affirmative and continuing obligation to respect cardholders' privacy and to maintain the security and confidentiality of cardholders' personal information. The Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq., prohibits a financial institution from disclosing nonpublic personal information about a consumer to nonaffiliated third parties, subject to certain exceptions, unless the financial institution satisfies various notice and opt-out requirements. In addition, state laws generally prohibit the disclosure of information contained in financial records, except under limited circumstances, such as in response to a subpoena. See, e.g., Cal. Fin. Code §§ 4050 et seq., Conn. Gen. Stat. §§ 36a-40 et seq., Ga. Code § 7-1-360(a), 205 Ill. Comp. Stat. § 5/48.1, Me. Rev. Stat. tit. 9-B, §§ 161 et seq. Many states have also passed specific privacy legislation to limit disclosure of consumer financial records to state and local governments. See, e.g., the North Carolina Financial Privacy Act, N.C. Gen. Stat. §§ 53B-1 et seq. and the Oklahoma Financial Privacy Act, Okla. Stat. tit. 6, §§ 2201 et seq. In order for the Contractor to protect cardholder funds and comply with such laws, will the State issue an amendment to remove these requirements and any additional requirements that provide access to data that is protected by law, as it relates to debit cards?	The State of Nebraska will, of course, comply with all federal and state laws applicable to it. However, we do not entirely understand the question. The cardholder names, addresses, social security numbers and other personal information will be provided by the State to the Contractor. Also, the State will have oversight and auditing responsibilities to ensure that the Contractor is complying with the contract. Therefore, these requirements will not be removed from the RFP at this time. The issue at this point is whether or not the Contractor has the capability of providing the services stated in this question. Any legal questions involved will be addressed once a Contractor has been selected.
41. Form A.1 states: "Please answer the following five mandatory questions with a check mark after the appropriate response." Would the State please confirm that this should read "three mandatory questions"? If not, please provide the additional two mandatory questions.	Yes, Form A.1 should read the three mandatory questions.

Questions	Answers
42. Throughout Form A.2, some requirements include fields to respond to the "Comply", "Unable to comply", "(a) Custom", and "(b) Subcontractor" columns and others do not. Would the State please confirm this is correct or provide an updated Form A.2 that permits Bidders to provide responses to these areas for each requirement?	This is correct. When the option to comply or unable to comply or that the work will be done custom or by a subcontractor is not listed then the bidder must supply a more in-depth response.
43. RFP states: "The bidder shall detail its "Customer Service" capabilities addressing each item identified above." Would the State please clarify what is meant by "each item identified above"?	When referring to the CSR, are they qualified, trained, and able to communicate? As a bidder how do you train your CSR, do they know how to communicate in a professional manner, with knowledge. Or, item 8.5 on From A.2 in Attachment A states that CSR's shall be competent, qualified, trained and able to communicate effectively to accomplish the purposes of the Contract. These are the items the bidder shall be thinking of when detailing its customer service capabilities.
44. Due to the confidential nature of the content, would the State permit the detailed test plan outlined in Form A.2 – Requirement 12.2 to be provided upon contract award?	This is a critical function to this RFP; therefore the bidder must outline a plan with the bid proposal.
45. RFP states: "The bidder shall include any Employee Self Service (ESS) methodology supported and provide any required technical format for the UN and NSCS to examine" Would the State please clarify their expectations for ESS?	See the response to question # 9
46. RFP states: "The bidder shall state the average lead time needed for implementation of this contract. Describe the critical factors that may impact the lead time. The State expects the contract resulting from this RFP to be completed in no fewer than 75 calendar days after the RFP award date. If a contract cannot be completed due to unresponsive terms, the State may elect to award to the next qualified bidder. The bidder shall describe the resources it shall make available to complete contracts in a timely basis in order that contract implementation will begin and be completed within 75 calendar days after the RFP award date." Would the State please modify the last sentence to read: "The bidder shall describe the resources it shall make available to complete contracts in a timely basis in order that contract ~~implementation~~ negotiations will begin and be completed within 75 calendar days after the RFP award date."?	This language from the RFP combined two separate issues. The intent is to finalize a contract within 30 days of issuance of "Letter of Intent to Contract" and make the stored value card system fully functional within 45 days thereafter.

Questions	Answers
47. Would the State clarify if it expects bidders to provide written narrative to Section IV – Project Description and Scope of Work given the majority of information is providing Bidders with a description of the current projects and scope of work to be performed?	No, the bidder does not need to provide narrative to the Project Description and/or Scope of Work.

A. SCHEDULE OF EVENTS – Revised as part of answers to question #'s 14 and 15.

The State expects to adhere to the tentative procurement schedule shown below. It should be noted, however, that some dates are approximate and subject to change

	ACTIVITY	DATE/TIME
1.	Release Request for Proposal	August 4, 2014
2.	Last day to submit 1st set of written questions	August 18, 2014
3.	State responds to 1st set of written questions through Request for Proposal "Addendum" and/or "Amendment" to be posted to the Internet at: www.treasurer.org/tm and/or http://das.nebraska.gov/materiel/purchasing/rfp.htm	August 29, 2014
4.	Last day to submit 2nd set of written questions	September 12, 2014
5.	State responds to 2nd set of written questions through Request for Proposal "Addendum" and/or "Amendment" to be posted to the Internet at: www.treasurer.org/tm and/or http://das.nebraska.gov/materiel/purchasing/rfp.htm	September 19, 2014
6.	Last day to submit "Letter of Intent To Bid" (recommended but not required)	October 3, 2014
7.	Proposal opening Location: Nebraska State Treasurer's Office State Capitol Building 1445 K Street, Suite 2005 Lincoln, NE 68508	October 14, 2014 2:00 PM Central Time
8.	Review for conformance of mandatory requirements	October 14, 2014
9.	Evaluation period	October 14 – 28, 2014
10.	"Oral Interviews/Presentations and/or Demonstrations" (if required)	TBD
11.	Post "Letter of Intent to Contract" to Internet at: www.treasurer.org/tm and/or http://das.nebraska.gov/materiel/purchasing/rfp.htm	November 20, 2014
12.	Performance bond submission	December 4, 2014
13.	Contract award	December 19, 2014
14.	Contractor start date	TBD

Answer to Question #20:

The state legislature has clearly established by law the fiduciary standards the State Treasurer must adhere to in safeguarding funds "belonging to the several current funds in the state treasury."

Neb. Rev. Stat. § 77-2301(1) provides as follows: "The State Treasurer shall deposit, and at all times keep on deposit for safekeeping, <u>in the state or national banks</u>, or some of them <u>doing business in this state</u> and of approved standing and responsibility, the amount of money in his or her hands belonging to the several current funds in the state treasury…." (Emphasis added).

Likewise the State Treasurer's fiduciary standard for securing "public money or public funds" is specified in Neb. Rev. Stat. § 77-2395(1) in relevant part concerning the deposit of public money in banks as follows: "…the custodial official shall not have on deposit in such depository any public money or public funds in excess of the amount insured or guaranteed by the Federal Deposit Insurance Corporation…."

For purposes of Neb. Rev. Stat. § 77-2395(1) banks are defined in Neb. Rev. Stat. § 77-2387 as follows: "Bank means any state-chartered or federally chartered bank <u>which has a main chartered office in this state</u>, any branch thereof in this state, or any branch in this state of a state-chartered or federally chartered bank which maintained a main chartered office in this state prior to becoming a branch of such state-chartered or federally chartered bank." (Emphasis added).

Among the uses of the stored value cards which are the subject of this RFP are child support payments and state employee wages and salaries.

Neb. Rev. Stat. § 43-3346 establishes a state fund for the collection and distribution of child support payments. Therefore, these funds must be placed in a financial institution in the State of Nebraska as required by Neb. Rev. Stat. § 77-2301 and secured in a state financial institution as required by Neb. Rev. Stat. § 77-2395.

Likewise, until state employee wages and salaries are paid out of the state treasury they are subject to the same legislatively determined fiduciary requirements as set forth above.

Since child support recipients and state employees are not able to choose their stored value card provider, the State Treasurer clearly has a fiduciary duty to them in selecting the contractor.

The Treasurer is unaware of any statute that authorizes him to use different fiduciary standards in selecting the State's stored value card provider than in his handling of state funds generally.

It may well be, as a legal matter, that once child support and wage and salary payments are turned over to the stored value card provider they are no longer state funds. However, that only happens after a stored value card contract has been awarded and funds are transferred. The issue is what fiduciary standards must the State Treasurer employ in awarding the contract.

It is the opinion of the State Treasurer that the Legislature has not authorized him to use different fiduciary standards in arranging for the payment of child support and the payment of wages and salaries of state employees through a stored value card than the fiduciary standards required of him when those exact same funds are in his hands.

Therefore, applying those statutory fiduciary standards to this RFP requires that the stored value card provider must be a federally insured state or national bank doing business in this state and of approved standing and responsibility. This does not preclude the contractor from subcontracting out functions such as the creation and distribution of cards and various other processes so long as the contractor remains fully liable on its contract with the state.

Sample Echo file for NDCS – part of answer to question # 25

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00U23 US BANK              STORED VALUE BATCH MAINT. REPORT   08/19/14  TUESDAY       886-SET-01   PAGE   1
    P.O. BOX 958           CARDBASE MANAGEMENT SYSTEM

    MINNEAPOLIS    MN 55480 0000

PREFIX: 420719661    NEBRASKA COMMUNITY INMATE
FILEID:
TRAN ACCT    CARD NUMBER      CARDHOLDER NAME        PARTICIPANT ID    TRAN    AMOUNT     USER DATA
-----------------------------------------------------------------------------------------------------
00000000000   NOT FOUND                                                0098       .00    SUCCESSFUL TRANSACTION
00000000000   NOT FOUND                                                0099       .00    SUCCESSFUL TRANSACTION


00U23 US BANK              INCOMING BATCH MAINTENANCE FILE    08/19/14  TUESDAY       979-SET-01   PAGE   1
    P.O. BOX 958            RECAP REPORT

    MINNEAPOLIS    MN 55480 0000
FILEID:
UPDATE DATE   TIME   CARD NUMBER      RECORD  ERROR MESSAGE
-----------------------------------------------------------------------------------------------------

BATCH MAINTENANCE FILE SUMMARY

                NO OF TRANS    TOTAL AMOUNT
   TOTAL PROCESSED     16          $0.00
   TOTAL REJECTED       0          $0.00

   TOTAL RECEIVED      16          $0.00
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Sample file layout for DHHS – part of answer to question # 25

New Card
Account 101 File

Field	*Type*	*Offset*	*Length*	*Comments*
Record ID number	Z 4	1	4	Required Always "0101"
Institution identifier	C 5	5	5	Required Right-justified, zero filled
Cardholder account number	C 19	10	19	Required if not using account number generation Left-justified, space filled Must be spaces if using account number generation
Update date	Z 8	29	8	Required CCYYMMDD
Update time	Z 6	37	6	Required HHMMSS
Prefix number	C 11	43	11	Required Left-justified, space filled
Transaction account number	Z 11	54	11	Optional Right-justified, zero filled Zeros if not used
Initial transaction amount	Z 11	65	11	Optional Zeros if not used
Expiration date	Z 8	76	8	Required CCYYMMDD
Print dollar amount on card indicator	C 1	84	1	Required Y—Yes N—No
Special handling indicator	C 1	85	1	Required X—Expedite N—No special handling
Cardholder name one	C 26	86	26	Required Left-justified, space filled

Cardholder name two	C	26	112	26	Optional Left-justified, space filled Spaces if not used
Street address line one	C	30	138	30	Required Left-justified, space filled
Street address line two	C	30	168	30	Optional Left-justified, space filled Spaces if not used
City	C	20	198	20	Required Left-justified, space filled
State	C	2	218	2	Required Left-justified, space filled See "State and Province Codes"
Country	C	3	220	3	Required "USA," if spaces or "***" See "Country Codes"
ZIP Code	C	5	223	5	Required
ZIP+4 extension	C	4	228	4	Optional Spaces if not used
Message line one	C	35	232	35	Optional Spaces if not used
Message line two	C	35	267	35	Optional Spaces if not used
Message line three	C	35	302	35	Optional Spaces if not used
Street address line three	C	30	337	30	Optional Left-justified, space filled Spaces if not used
Primary cardholder home telephone number	Z	10	367	10	Optional Zeros if not used
Primary cardholder business telephone number	Z	10	377	10	Optional Zeros if not used

Primary cardholder taxpayer identification number	Z	9	387	9	Optional Zeros if not used
Primary cardholder birth date	Z	8	396	8	Optional CCYYMMDD Zeros if not used
Primary cardholder mother's maiden name	C	18	404	18	Optional Spaces if not used
Optional emboss line	C	26	422	26	Optional Spaces if not used
User data	C	25	448	25	Optional Spaces if not used
Security code	C	4	473	4	Optional Spaces if not used
Participant ID number	C	17	477	17	Optional Right-justified, zero filled Spaces if not used
Filler	C	13	494	13	Required Always spaces
Primary cardholder e-mail address	C	39	507	39	Optional Spaces if not used
Organization ID number	C	11	546	11	Optional Spaces if not used
Division ID number	C	11	557	11	Optional Spaces if not used
Message line four	C	35	568	35	Optional Spaces if not used
Emboss name one	C	26	6`03	26	Optional Spaces if not used
Emboss name two	C	26	629	26	Optional Spaces if not used

Notation: C Alpha-numeric; Z Numeric; P Packed numeric