



# Begin with the End in Mind (EBT Planning and Priorities)

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**NWA Technology Conference**  
**San Diego, California**  
**November 4 - 5, 2009**



## Are You Interested In EBT?

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- Interest in EBT is growing
- Planning for EBT needs to start early
- Pending availability of funds, FNS will award grants to additional States for EBT planning activities

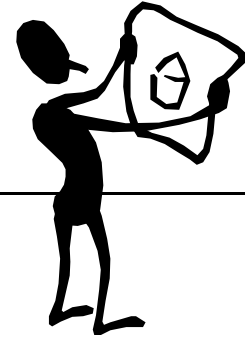
### **HOWEVER**

- States CAN also use their own NSA funds for EBT



# EBT Planning Activities

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- ✓ Do Your Homework
- ✓ Obtain Stakeholder Support
- ✓ Consult With Your IT Department
- ✓ Determine Procurement Options
- ✓ Consult with Vendors/Retailers
- ✓ Conduct Alternatives Analysis and Cost Benefit Analysis



## EBT Planning Activities - continued

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- ✓ Do Not “Reinvent the Wheel”
- ✓ Review Documents on FNS website at [www.fns.usda.gov/apd/](http://www.fns.usda.gov/apd/)
- ✓ Discuss Your Plans With Your RO
- ✓ Apply for an EBT Planning grant or submit a Planning APD to RO and HQ

# Do Your Homework

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## Readiness

- Is your system EBT-ready?
  - Review FReD and EBT readiness documents
  - Appendix E of FReD has a lot of information



## Cost

- Is EBT affordable in your State?
  - Identify baseline paper costs
  - Use EBT National Cost Model or model developed for VA – both are in the APD document library



# Do Your Homework (continued)

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## State Resources

- Can you devote State staff time to EBT?
- Is there State expertise available?
- Who will manage your EBT project?
- Are there other competing priorities?



## Risk Management

- What are the risks in doing EBT?



Talk to other States that have done EBT

# Obtain Stakeholder Support

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## Retailer Support

- Critical to involve retailers early on
- Do you have support from major chain stores?
  - Review EBT evaluation documents
- Have you established a vendor advisory group for EBT?

## State Support

- Do you have the support of State officials?



# Consult With State IT Department

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## State Requirements

- Are there internal IT requirements for system development?
- What technical support will the State agency require?
- How will that be obtained?
- Are there State legislative requirements?
- Do you need to coordinate with other programs? Other card requirements?



# Determine Procurement Options

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- **How can you obtain the needed expertise?**
  - Project Management
  - Card Technology Expertise
  - Requirements Definition
  - Quality Assurance
  - EBT Contractor or Contractors to Implement an EBT System
- **Can you piggyback on an existing contract?**

# Technology / Cost / Operational Considerations

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## Conduct feasibility study/cost benefit analysis

- What is the cost/benefit of available technologies?  
On-line vs. off-line?
- Are there barriers to EBT implementation in your State?
- Do you have remote sites where telecommunications (i.e., phone, internet, network) would be difficult to provide?
- What, if any, assumptions were used in your analysis?



# Do Not “Reinvent the Wheel”

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- **Examine existing WIC EBT projects to determine best practices**
- **Learn about work in progress including the business and technical workgroups**
- **Attend EBT Users Group Meetings**

# Review Documentation

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- [www.fns.usda.gov/apd/](http://www.fns.usda.gov/apd/)
  - EBT National Cost Evaluation Model
    - Original model and VA model
    - Arkansas funded for new tool creation
  - WIC EBT Policy Memoranda
  - UPC Category/Subcategory Table
  - Status of EBT pilot projects
  - FReD EBT-Ready Functions
  - FNS Handbook 901 – WIC EBT Chapter



# Prepare a Planning Advance Planning Document (PAPD)

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## Submit a PAPD to RO/HQ

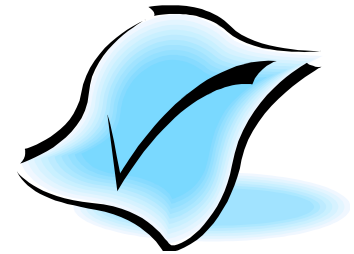
- If using NSA funds for EBT planning, a PAPD is required, regardless of cost
- PAPD must adequately address all planning activities to be conducted by the State agency or outside contractor
- All EBT project approvals come from HQ

# Content of Planning APD for EBT

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○ **The PAPD is an 8-10 page document that consists of:**

- Transmittal Letter
- Executive Summary
- Resource Requirement
- Schedule of Planning Activities, Milestones, and Deliverables
- Proposed Budget for Planning
- Cost Allocation Plan

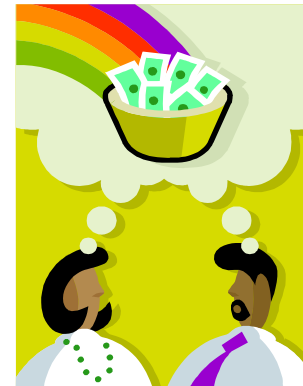


# Discuss Plans With Your FNS RO

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## Obtain FNS Advice

- Will you use your NSA funds for EBT?
- Will OA funds be needed?
- Will EBT grant funding be needed?





# Functional Requirements Document for Model WIC System

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## FReD

- 2008 FReD and FReD-E combined
- Incorporates EBT Readiness Functionality previously found in FNS EBT Readiness Guide
- Provides for technology neutral solution to EBT
- Appendix E- EBT Systems
  - EBT Implementation requirements outside the WIC IS
- Provides foundation for Universal Interface Requirements



# State Agency Options Following Planning Activities

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- **If planning results support EBT implementation, the State agency may**
  - submit an IAPD for approval to use NSA and/or OA funds to conduct EBT
  - or
  - submit a grant proposal to compete for EBT funds to conduct EBT



# Planning your Procurement

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- What are my State's procurement options??
- FNS policy remains the same – competition is good – fair price, clear requirements and level of service



# Planning Your Procurements

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- Develop a set of requirements
  - Service Levels
  - Performance Standards
  - Contract enforcement



# Planning Your EBT Procurement

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## ○ Service Levels?

- Is a 24 X 7 customer service needed?
  - Shut off access to lost or stolen cards?
  - Replace cards or change or select PIN?
  - Back-up if bad weather or local outages?
- Respond to retailer questions about their daily payment?
- If equipment fails, how quickly must it be repaired or replaced? By whom?



# Planning Your EBT Procurement

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- Contract Enforcement
  - Operational Standards
    - Maintain an external settlement server
      - Backup
      - Telecom or network support – even on weekends
      - Roll-over for technical calls
    - On-line host processing standard – liquidated or performance penalties?



# Planning Your EBT Procurement

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- What are my options?
- Off-line
  - Obtain software and adapt it to State agency systems environment
  - Get a good Project Manager or Coordinator
- On-line –
  - Amend SNAP contract
  - Obtain separate contract for some or all services



## Retailer enablement

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- On Day 1, will my WIC retail vendors be ready to accept cards with benefits?
- Assume all will have card readers and updated scanners
- If not, then some way must be found to equip the stores



# Retailer enablement

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- What is the National Strategy?
  - Cash Register Integration is Preferred
    - Single scan
    - Allows WIC cardholder to shop in any lane
    - Less stigma
    - Store trains clerks on one system
    - State agency avoids cost of stand-beside



# Retailer enablement

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- How do we make this happen?
  - Develop technical and business plan
    - Publish retailer technical specifications
    - Testing and certification standards
  - Business Plan?
    - Seed money – but how do we make this happen?



# Retailer enablement

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- Business Plan?
  - How will we pass funding to the retail vendors to enable integration?
  - Off-line
    - \$200 per lane for card readers
    - Per lane acquisition of WIC capable cash registers
    - Back up plan to ensure access
    - Retail Vendor agreement or need a contract?



# Retailer enablement

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## ○ On-line

- Integrated is just getting started – with fewer independent sales options
- Offer fixed amount as a shared cost with shared benefit?
- Provide back-up – stand-beside under EBT contract or via separate contract option