

## **Attachment C Scope of Work**

### **Deliverables:**

#### **1. Payment of Rebate**

Monthly rebates will be submitted to the Indiana WIC Program (Program), Division of Finance, Indiana State Department of Health (ISDH), Attn: Cashier, 2 North Meridian Street, Section 2N, Indianapolis, IN 46204. Each rebate will include a copy of the invoice provided to the Contractor by the ISDH. Contractor, as used in the preceding sentence and throughout the remainder of this document, is defined as the infant cereal manufacturer awarded the bid.

Payment of rebates will be made on all contract brand infant food purchased while the contract is in effect, even though the contract may be expired at the time of billing and/or payment due date. If payment is not mailed to the ISDH within thirty (30) days from the date indicated on the invoice, then the Contractor shall pay the ISDH, in addition to the amount due, interest at the rate of one (1) percent per month, or the portion thereof on the unpaid balance from the date on the invoice until such time as the check is mailed to the ISDH.

The Contractor must notify the ISDH of any disputes or errors in the invoice within sixty (60) days of the invoice sent date. If the Contractor misses the deadline, any disputes or over-billing errors are to be waived. All disputes must be settled by the close-out of the federal fiscal year in which the dispute occurred. The Contractor may not withhold any rebate payment under any circumstances. Upon resolution of the dispute, the ISDH may disburse funds to the appropriate party.

#### **2. Technical Specifications**

The rebate is to be paid on all contract infant foods. That is, the discount established at the beginning of the contract is used to calculate the rebate for infant food (new and existing) added to the contract subsequent to the initiation of the contract (7 CFR §246.16a(c)(5)(i – iii).

The Indiana WIC Program intends for the Contractor to pay rebates only on containers of infant food actually purchased with checks. Payment to the ISDH shall be based on the number of checks redeemed during a given month for the Contractor's brands printed on the checks, multiplied by the number of containers designated on each check.

Payment due to ISDH shall be based on the number of containers redeemed during a given month for the Contractor's brands printed on Indiana WIC checks. The Contractor shall reimburse the ISDH for all checks issued during the last month of the contract even though it may take up to eighty to ninety (80-90) days for the check to appear on the report.

Participant and infant food usage does not reflect the actual issuance and redemption that will occur under the contract. The amount of food purchased will fluctuate with the availability of federal funds and other factors. The ISDH reserves the right to evaluate its food issuance policy and adjust accordingly. The ISDH does not provide a guarantee of the quantity or type of food that will be used under the contract.

In order to adjust for checks that may have been redeemed for less than the full number of containers designated on them (partially-redeemed food instruments), the Indiana WIC Program will make an adjustment to each monthly invoice. The methodology used to adjust for partially-redeemed food instruments is currently determined by the Program and Contractor.

The Program subtracts a percentage for partial redemption from the issue month, thirty-day month, and close-out month listed in the total rebate invoice report that is provided monthly to the Contractor. The partial redemption factor is developed by the Contractor and is reviewed semiannually to include invoices from October through March and then again for April through September. Once the partial redemption factor is reset, the Program balances with the Contractor by paying the difference owed or receiving payment from the Contractor. This is done through adjustments made to the invoice report.

The process and calculation used to determine the partial redemption factor is as follows: The Program provides containers redeemed and unadjusted dollars in the monthly invoice rebate report. The Contractor provides the average vendor price, which is often 90% of the Nielsen price. The Contractor completes the following equation for each food instrument: Unadjusted dollars is divided by the average vendor price per container to equal calculated containers redeemed. Calculated containers redeemed is rounded to the nearest whole container. Authorized containers redeemed minus calculated containers redeemed is equal to the number of partial containers billed. The number of partial containers billed is multiplied by the contract rebate price per container to equal dollars of partial containers billed.

The dollars of partial containers billed is totaled for all food instruments and divided by the total unadjusted dollars to equal the partial redemption factor. This process is repeated for six months. And, the average partial redemption factor is determined for the six-month time period.

The rebate for infant food added to the contract after the start date (new and existing) is calculated using the wholesale price of the food at the time the food is approved for issuance by the State agency based on the percent discount of the contact food (7 CFR §246.16a(c)(6)).

### **3. Indiana WIC Program Options**

#### **New and Existing Infant Food**

The ISDH reserves the right to approve or reject any new and/or improved infant food for issuance in the Indiana WIC Program. Any new infant food introduced will be subject to a rebate determined by the Contractor prior to the signing of the contract.

If a new container size is introduced during the contract period and is approved by the Indiana WIC Program, then the Contractor will pay a rebate that yields the same percent discount for the new container size.

### **Adjustments**

During the life of the contract, including the renewal(s), the Contractor shall provide to the Indiana WIC Program, for any manufacturer increase or decrease in the lowest national wholesale full truckload price per unit, a cent-for-cent increase or decrease in the rebate amount to commence on the first day of the month in which the increase or decrease has occurred and to apply to all contract brand infant food containers redeemed in the month of the increase. The Contractor must notify the Indiana WIC Program in writing of any price increase no later than the retailer's notification date.

### **Other**

The Contractor shall provide advance payment to the ISDH upon written request by the Indiana WIC Program Director (Director). The Director may make up to two (2) such advance payment requests per contract year. The contractor shall provide the advance payment within thirty (30) calendar days of infant food containers purchased by participants in the preceding month report multiplied by the rebate amount. When the actual number of units purchased during the month for which advance payment is requested is known, WIC Services shall adjust subsequent billings accordingly. The ISDH will provide a one (1) percent (%) discount when it asks for an advance.

The contract will remain valid providing the Contractor continues to supply all of the forms specified in the RFP document.

If the Contractor desires to artistically change the appearance of the infant food container (i.e., logo, color, design, shape), change the unit size, or reformulate an existing food during the Contract period, these anticipated changes shall be reported to the Indiana WIC Program three (3) months prior to implementation.

Reasonable access to the Contractor's records shall be provided to the ISDH upon request.

The Indiana WIC Program and the Contractor shall meet/conference call as often as necessary to review the progress and performance of the contract.

## **4. Responsibilities for the Indiana WIC Program**

The Indiana WIC Program shall print infant food Indiana WIC checks that designate only the Contractor's brands of Indiana WIC eligible infant foods.

While this contract is in effect, the Indiana WIC Program will not issue non-contract brand infant food to its participants.

The ISDH shall provide to the Contractor, a monthly report and invoice specifying the number of containers of infant food redeemed by the Indiana WIC Program. All information provided to the Contractor shall exclude participant and vendor identifying information.

To accommodate disaster conditions, the Indiana WIC Program may allow WIC clinics to modify WIC food packages.

The Indiana WIC Program allows infants a monthly quantity of infant food that does not exceed the maximum ounces allowed for each type and form of infant food issued, as specified in 7 CFR §246.10(c)(1)(2).

The Contractor will have access to redacted food instruments for audit purposes.

## **5. Responsibilities of the Contractor**

The contractor shall make available all containers of infant food to meet Indiana WIC stocking requirements.

Infant food shall be complete; i.e., not requiring the addition of any ingredients.

The contractor shall make available at least two varieties of fruit, two varieties of vegetable, and two varieties of meat for jar food to each authorized Indiana WIC food vendor either by direct purchase or through the vendor's normal wholesaler to meet 100% of the Indiana WIC participant need for infant food. Before December 1, 2013, the first day of the contract, the Contractor must provide documentation to the Indiana WIC Program that all Indiana WIC Program food vendors and all wholesalers used by Indiana WIC Program food vendors were contacted and provided written information about the contract brand infant food, including necessary ordering information such as UPC numbers. The Contractor must ensure sufficient supply of infant food throughout the duration of the contract and renewals.

The Contractor shall rebate the ISDH on a per container basis. (Refer to the Payment of Rebate and Technical Specifications.)

The Contractor may not have access to any records identifying participants by name and/or address (7 CFR §246.26(d)) or any information about a vendor that individually identified the vendor, except for the vendor's name, address, telephone number, Web site/e-mail address, store type, and authorization status (7 CFR § 246.26(e)).

The Contractor must adhere to FNS Instruction 800-2, dtd 6/21/92 & GAO 06-282, Feb. 2006:

“Use of WIC Service Marks: Manufacturer acknowledges that the WIC Acronym and the WIC Logo are service marks owned by the U.S. Department of Agriculture (USDA), and that all rights therein and goodwill pertaining thereto belong exclusively to the USDA.

Manufacturer shall not use these service marks in any manner on its goods or their containers or packaging or on tags or labels affixed thereto. Manufacturer also shall not use the WIC Logo in advertising or other promotional materials (collectively: “advertising”).

Manufacturer shall not use the WIC Acronym in advertising in any manner that is likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of Manufacturer with the WIC Program, or as to the sponsorship or approval of Regional Directors.

Manufacturer’s goods, services, advertising, or commercial activities, including nutritional message(s), by the WIC Program, USDA, or the State agency.

Manufacturer shall include the following statement with any use of the WIC Acronym in advertising: “WIC is a registered service mark of the U.S. Department of Agriculture for USDA’s Special Supplemental Nutrition Program for Women, Infants and Children.”

In the event of a disaster impacting Indiana WIC participants, the Contractor shall make every effort to ensure that Indiana WIC vendors in the impacted areas are supplied with an adequate amount of infant food.

The Contractor is only responsible for rebates for checks with a “first use by date” within the term of the contract.