

Statement of Work
Article 1

Deliverables:

1. Payment of Rebate

Monthly rebate payments will be submitted to the Michigan Department of Community Health (MDCH), Attention: Accounting Division Revenue Section, 320 S. Walnut St. Lansing, MI 48913. Each rebate will include a copy of the invoice provided to the Contractor by MDCH. Contractor, as used in the preceding sentence and throughout the remainder of this document, is defined as the infant food 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 MDCH within thirty (30) days from the date indicated on the invoice, then the Contractor shall pay MDCH 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 MDCH.

The Contractor must notify MDCH 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 MDCH 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 Michigan WIC Program intends for the Contractor to pay rebates only on containers of infant food actually purchased as recorded in the Michigan WIC EBT System.

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

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

The process and calculation to determine the partial redemption factor is not applicable to Michigan WIC as redemptions are actual products purchased via the WIC EBT system.

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)). The contractor must comply with all federal regulations during this contract.

3. Michigan WIC Program Options

New and Existing Infant Food

The MDCH reserves the right to approve or reject any new and/or improved infant food for issuance in the Michigan 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 Michigan 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 Michigan 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 Michigan 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 MDCH upon written request by the Michigan 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 MDCH 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 infant food during the contract period, these anticipated changes shall be reported to the Michigan WIC Program three (3) months prior to implementation.

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

The Michigan 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 Michigan WIC Program

The Michigan WIC Program shall designate only the Contractor's brands of Michigan WIC eligible infant foods.

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

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

To accommodate disaster conditions, the Michigan WIC Program may allow WIC clinics to modify WIC produced packages.

The Michigan 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 redemption records for audit purposes.

5. Responsibilities of the Contractor

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

Provide at least two varieties of each type of infant food to each authorized Michigan WIC food vendor either by direct purchase or through the vendor's normal wholesaler to meet 100% of the Michigan WIC participant need for infant food. Before the first day of the contract, the Contractor must provide documentation to the Michigan WIC Program that all Michigan WIC Program food vendors and all wholesalers used by the Michigan WIC Program 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 MDCH 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 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 Michigan WIC participants, the Contractor shall make every effort to ensure that Michigan WIC vendors in the impacted areas are supplied with an adequate amount of infant food.