

IFB # 17794 WIC Infant Cereal Rebate - Questions and Answers
June 11, 2018

No.	Question	Response
1	Page 4, Section 2.1. – Please provide additional detail on the pre-payment edits that are performed by the contract bank. What are examples of checks that might fail these edits?	Examples of reasons checks may reject or fail pre-payment edits include: a missing vendor stamp, an illegible vendor stamp, an altered amount in the pay only box, deposits occurring after the allowed deposit by date, missing date, missing signature, incorrect date format, accepted before the not-good-before date or after the not-good-after date, or a cancelled vendor.
2	Page 4, Section 2.1. – EBT – We have the following questions regarding the transition to EBT: a. Has the State begun its transition to EBT? b. In which region or county has this transition begun? c. Would the State provide a more detailed schedule of the EBT rollout – i.e., the order in which each region (or counties) will transition? d. Does the State expect the transition to EBT will affect the number of authorized retail stores and/or the mix of authorized retail stores (i.e., large vs. small, etc.)?	a. Transition to eWIC (EBT) began on April 30, 2018. b. eWIC was piloted in Albany on April 30, 2018. The remaining counties within the Capital Region (Albany, Schenectady and Rensselaer) piloted on May 14, 2018. c. eWIC will continue to release in Upstate New York, Central New York, the Southern Tier and Western New York in the fall and winter of 2018 before moving downstate in early 2019. The last downstate clinic site will launch eWIC in the spring of 2019. d. The State does not expect the transition to eWIC to affect the number of authorized stores or the mix of stores.
3	Page 4-5, Section 2.1. – The IFB states that a maximum 143,733 8-ounce units could be provided to participating infants in the State. Is this the actual amount issued to the 47,911 infants eligible to receive infant cereal? If no, please explain why a different number of units would be issued.	Infants over six (6) months old are issued a maximum of three (3), 8-ounce units a month. 47,911 is a six (6) month average of participants 6 months and older. 47,911 multiplied by three (3), 8-ounce units per month is 143,733 units/month. This is the estimated average amount that could be issued based on the six (6) month average caseload. Total issuance could change based on fluctuating caseload numbers.
4	Page 4-5, Section 2.1. – Based on the number of 8-ounce units issued (143,733) and the number redeemed (111,754), the redemption rate for infant cereal appears to be 77.75%. Is this correct? If no, please provide the approximate redemption rate for infant cereal.	The figure 143,733 is the number of cereals that could be provided based on the six (6) month average caseload shown in Table 1. It is the approximate redemption rate for infant cereal.
5	Page 6, Section 2.3 – This section states the contract will be for a five-year period, with an option to extend, at the sole discretion of the State, for an additional three-month period. We have the following questions: a. Would the State be willing to amend the contract term to provide for an initial 3-year term, with two one-year mutual options to extend/renew? Amending the term would make this contract more attractive.	a. No, the contract awarded as a result of this Invitation for Bids will be for a five-year term. b. This is confirmed. c. Benefits are generally issued for a three (3) month (90 day) period. The existing contract will cover benefits issued prior to November 1, 2018, but could be redeemed up to January 31, 2019. d. Once the award is made, NYS WIC will notify all WIC vendors and WIC local agencies of the change in contractors and the effective date. NYS WIC Minimum

IFB # 17794 WIC Infant Cereal Rebate - Questions and Answers
June 11, 2018

No.	Question	Response
	<p>b. Please confirm the three-month extension requires the mutual consent of both parties.</p> <p>c. The existing contract for WIC infant cereal in NY expires on January 31, 2019. What is the significance of the November 1, 2018 date in this section?</p> <p>d. Will some of the food instruments issued after November 1, 2018 be covered under the new contract? Please provide additional details on the transition from the existing contract to the new contract.</p>	<p>Stock Requirements for vendors will be updated and distributed to vendors. Information system changes will be made to ensure that all infant cereal benefits with NGB dates before November 1, 2018 include the existing contractor's brand of cereal, and all infant cereal benefits with NGB dates on or after November 1, 2018 include the new contractor's brand of cereal.</p>
6	<p>Page 7, Section 4.1. – Redemption date is defined as: “The date on which the vendor receives payment for a WIC food instrument accepted at the vendor’s retail store.”</p> <p>a. Are vendors required to submit food instruments for payment within a certain period of time? What are the consequences if vendors do not submit food instruments within the required timeframe?</p> <p>b. Is the redemption date for purposes of billing the manufacturer, the date the vendor received payment, or the “purchase date” (i.e., the date of the transaction in the store)?</p>	<p>a. Vendors have 60 days from the NGB date or 30 days from the NGA date to deposit checks. If checks are not deposited by the deposit by date, the check is stale-dated and the vendor will not get paid. Vendors that are authorized to accept eWIC do not need to submit food instruments.</p> <p>b. Redemption date is the date of the transaction in the store.</p>
7	<p>Page 8, Section 4.2.a. – Please confirm notification is not required for label or ingredient changes that are so minor that they would not be noticeable to a shopper or retailer.</p>	<p>This provision does not apply to label or ingredient changes that are so minor that they would not be noticeable to a shopper or a cashier.</p>
8	<p>Page 8, Section 4.2.c. – Is the State able to estimate the number of participants who require kosher infant cereals (or other products)?</p>	<p>This information is not available.</p>
9	<p>Page 8, Section 4.2.d. – Please confirm that for all infant cereal distributed to WIC participants through the retail system, the State will only bill the manufacturer for rebates on containers of infant cereal lawfully purchased at authorized retail vendors by WIC participants.</p>	<p>This is confirmed.</p>

IFB # 17794 WIC Infant Cereal Rebate - Questions and Answers
June 11, 2018

No.	Question	Response
10	Page 8, Section 4.2.f. – This section addresses product availability. We believe three calendar days is an unreasonably short period of time, particularly if a weekend is involved. We respectfully request this provision be amended to require a factory backorder period of five (5) days, preferably five business days.	Please see Amendment #1 to this solicitation.
11	<p>Page 8, Section 4.2.g. - We have the following questions related to this section:</p> <p>a. Thirty days is an insufficient amount of time to determine whether there are potential billing errors. We request this provision be changed from 30 days to 120 days. Please confirm this change will be made.</p> <p>b. Please confirm that this time limit would also apply to the state such that if the state does not notify the contractor within 30 (or 120) days of a billing dispute or change related to a specific invoice, the state will have waived any right to request a return of funds.</p> <p>c. Please confirm the State agrees to refund or credit the manufacturer when the State, or other governmental entities confirm infant cereal redemptions were billed to the manufacturer as part of a fraudulent transaction (i.e., WIC trafficking, etc.).</p>	<p>a. This provision will not be changed. Please note that the 30-day requirement is only for notification that the manufacturer disputes or believes that there may be an error in the invoice. It is not necessary that full documentation and presentation of the contractor's concerns be completed within that period. The 30-day notification timeframe is necessary for the NYS WIC program to comply with USDA/FNS financial reporting requirements; disputed receipts must be treated as potential unliquidated obligations. The 30-day requirement does not apply if the state uncovers errors in billing resulting in under- or over-billing to the contractor.</p> <p>b. This provision will not be changed. The state is entitled to a rebate payment for all infant cereal food instruments issued to WIC program participants during the term of the agreement and redeemed according to the redemption period defined within WIC program procedures. Invoices will be prepared on an approximately monthly basis for the prior month's redemptions. Supplemental invoices will be prepared if ongoing state data system maintenance activities identify additional or corrected amounts. The 30-day requirement only applies to notification by the contractor to the state of a potential dispute; it does not apply if the state uncovers errors in billing resulting in under- or overbilling to the contractor.</p> <p>c. This is confirmed.</p>
12	Page 9, Section 4.3.a. – How many WIC-only stores (above 50 percent vendors) currently operate in New York?	As of May 2018, there are 40 above 50-percent vendors operate in New York State.
13	<p>Page 9, Section 4.3.c. –</p> <p>a. Please confirm the redemption month will also be printed on all invoices?</p> <p>b. Will the format of the invoices differ from the current invoices provided with the solicitation?</p> <p>c. Why is the number of checks and the number of billable 8 oz. units the same?</p>	<p>a. This is confirmed.</p> <p>b. The eWIC redemption report will differ from the invoice samples provided within the solicitation.</p> <p>c. About attachment L, in the issue month November, there were 14 checks, each with one 8 oz. unit redeemed in February.</p> <p>d. A check may have one, two, or three boxes of cereal on it. Three (3), 8 oz. boxes of cereal are issued per month but a participant may wish to have that divided into multiple shopping trips.</p>

NEW YORK STATE DEPARTMENT OF HEALTH
Center for Community Health / Division of Nutrition
Bureau of Supplemental Food Program

IFB # 17794 WIC Infant Cereal Rebate - Questions and Answers
June 11, 2018

No.	Question	Response
	d. How many 8 oz. units are typically printed on each check?	
14	Page 9, Section 4.3.e. – We request the State agree to include the vendor ID and the purchase date (retail store transaction date) with the other data specified in this section.	NYS declines this request.
15	<p>Page 13, Section 5.4. – We have the following questions:</p> <p>a. Is the State able to determine how many 16-ounce containers have been purchased by participants in the last 3-4 months?</p> <p>b. Please confirm the State will work with the manufacturer to address rebate issues involving 16 oz. containers. Transition to EBT will allow the State to take into account pricing differences between 8 oz. containers and 16 oz. containers.</p> <p>c. Page 11, Section 4.d.i. - calculation of rebate for new or existing products - please amend this section to clarify the discount percentage is established at the time of the bid. Please further amend this section to clarify the applicable wholesale price for newly added products is the wholesale price for those products on the date they are approved for issuance by DOH.</p>	<p>a. Not at this time.</p> <p>b. This is confirmed.</p> <p>c. With regard to the discount percentage question, the IFB will not be amended. This discount percentage to be used for a newly-approved product will be calculated based on the current percentage discount (as of the time of product approval) rather than the historical discount dating back to bid submission.</p>
16	Page 13, Section 5.4.b. – There appears to be a mistake in the example provided in this section. Did the State intend to use a different wholesale price in the second part of this example?	The wholesale price was only an example. Please see Amendment #1 as the \$1.20 initial rebate is a typo. It should read \$1.02. This will be corrected.
17	Page 13, Section 5.4.b. – We request this section be amended to comply with USDA regulations at 7 CFR 216a. This section is entitled, “Infant formula and authorized foods cost containment.” (emphasis added) Under paragraph (c)(7)(ii) of this section, the percentage discount is calculated and established at the time of the bid. The rebate for products that are approved during the contract	The discount percentage to be used for a newly-approved product will be calculated based on the current percentage discount (as of the time of product approval) rather than the historical discount dating back to bid submission.

IFB # 17794 WIC Infant Cereal Rebate - Questions and Answers
June 11, 2018

No.	Question	Response
	<p>period must be calculated using the wholesale prices of these new products at the time the products are approved for issuance by the State agency. As currently written, the State is requesting a much higher discount on new products that might be authorized. We do not believe this is consistent with USDA regulations, nor do we believe it is fair to the manufacturer who is awarded this contract. Therefore, we urge the State to amend this provision to be consistent with recognized and accepted rebate procedures used with infant formula rebate contracts.</p>	
18	<p>Page 14, Section 5.4.c. – Please clarify how price increases will affect the timing of the cent-for-cent adjustments in rebate amounts. If a price increase is effective on May 15, will the cent-for-cent adjustment be effective on May 1? If yes, we request the State agree to adjust the rebate amounts on the first of the month following the effective date of the price increase. In the alternative, we request the State agree that rebate amounts will be adjusted only for food instruments issued on or after the date of the price increase. Otherwise, the State is receiving a higher rebate amount for products purchased while the lower wholesale price was still in effect.</p>	<p>NYS declines this request.</p>
19	<p>Page 14, Section 5.4.c. - Please confirm late payment interest fees will be prorated based on the number of days a payment is late in a given month. For example, if a payment is 15 days late, please confirm the late charge would be the amount due multiplied by the percent late charge, divided by two. If unable to confirm, please provide additional information, including examples for how the late charge would be calculated based on a typical invoice amount, with a payment made (1) one day late, (2) ten days late, and (3) 29 days late.</p>	<p>It is confirmed that the late payment interest amount due to the State will be prorated based on the number of days that a payment is late. For amounts less than 30 days late, the amount due is calculated as:</p> <p>(Number of days late / 30 days) x 0.01 x Invoice Amount = Interest amount</p>

NEW YORK STATE DEPARTMENT OF HEALTH
Center for Community Health / Division of Nutrition
Bureau of Supplemental Food Program

IFB # 17794 WIC Infant Cereal Rebate - Questions and Answers
June 11, 2018

No.	Question	Response
20	Page 14, Section 5.9, paragraph 12 – Please clarify what types of issues might be negotiated under this provision.	As part of the Bidder's Certified Statements Attachment A, bidders are required to certify that they accept the contract terms and conditions as set forth in the IFB. The Department reserves the right to negotiate terms of the contract that are non-material in nature with the contract awardee, within the scope of the IFB and in the best interests of New York State. Nonetheless, bidders must be fully prepared to accept all of the terms and conditions as set forth in the IFB without modification should the Department determine that that constitutes the best interests of New York State.
21	Page 14, Section 5.9, paragraph 15 – This section states, "every offer shall be firm and not revocable for a period of 365 from the bid opening, . . ." We urge the state to amend this provision to reduce the period to 120 days. We believe requiring offers to be open for one year is excessive and unreasonable. Bidders are providing bids based upon the business environment and circumstances at the time of the bid. Requiring bids to remain open for such a long period of time reduces the attractiveness of this bid.	This provision will not be amended.
22	Page 18, Section 5.12. – As this solicitation is not for consulting services, please confirm this provision does not apply to this WIC infant cereal rebate contract.	Please see Amendment #1 to this solicitation for this revision.
23	Page 19, Section 5.16. – Piggybacking – Please confirm this provision does not apply to this WIC infant cereal rebate contract. If unable to confirm, please provide potential quantities of infant cereal that might be purchased by other NY agencies so bidders can adjust their bids accordingly. We urge the State to remove this provision or confirm it does not apply to this WIC rebate contract.	Please see Amendment #1 to this solicitation for this revision.
24	Page 19, Section 5.17. – Please confirm the use of the authorized New York vendors as part of this contract should be included in bidders' response on Attachment H. Please further confirm Attachment H will not be used as part of the evaluation of bids.	With respect to including Attachment H in a bidder's response, this is confirmed. Attachment H will not be used as part of the cost evaluation. Attachment H does not need to be submitted with the bid; however, Attachment H must be completed and received by NYS prior to contract execution.
25	Page 19, Section 6.2.2. – Is the State requesting references for other WIC states in which the bidder has rebated infant cereal as part of a WIC cost containment measure?	Yes, two references must be included with the bid. References must be from other states with which the bidder has a rebated infant cereal contract.

NEW YORK STATE DEPARTMENT OF HEALTH
Center for Community Health / Division of Nutrition
Bureau of Supplemental Food Program

IFB # 17794 WIC Infant Cereal Rebate - Questions and Answers
June 11, 2018

No.	Question	Response
26	Page 22, Section 7.2. and 7.4. – Please confirm the address in both of these sections is correct. In Section 7.2. the city is listed as Albany; in Section 7.4. it is listed as Menands. This appears to be the same location so please confirm.	This should be listed as Albany. Please see Amendment #1 to this solicitation for this revision.
27	Page 22, Section 7.4. – We have the following questions: a. Please confirm the State will read the following columns aloud at the bid opening: Product Name, Lowest National Wholesale Price, Rebate Bid Per Container, Percent Rebate, Net Wholesale Cost Per Container, Total Net Wholesale Cost Per Month. b. Are bidders able to make photo copies or take pictures of the Bid Sheets at the bid opening? c. Would the state be willing to provide a dial-in number for the bid opening?	a. Per IFB, section 7.4 Public Bid Opening, “At the opening, the bidders’ company names will be announced and the amounts from the cost proposal will be read aloud. No other information will be opened or shared.” b. Bidder may not make photocopies or take pictures of the bid sheets at the bid opening. c. Companies that are submitting bids and who are unable to send representatives may send an email to WICIFBS@health.state.ny.us no later than 4:00 p.m. Eastern Time, June 26, 2018 requesting dial-in information. DOH will respond via email with dial-in information. Please note that participation in the bid opening is not a requirement to be selected for an award.
28	Attachment B – Bid Package Checklist – Please confirm items not marked " MANDATORY " on the Checklist for Bidders are not required to be submitted with the bid and may be provided upon notice of intent to award.	This is confirmed.
29	Attachment F – M/WBE Forms – Please confirm Attachment F does not have to be completed and submitted with the bid. At what point in the process is the bidder required to submit this form?	Attachment F does not need to be submitted with the bid; however, Attachment F must be completed and received by NYS prior to contract execution.
30	Attachments G, H, I, J, and M– Please confirm these attachments do not have to be completed and submitted with the bid. At what point in the process is the bidder required to submit these forms?	Attachments G, H, I, J and M do not need to be completed and submitted with the bid. Those attachments must be submitted by the bidder to NYS upon notification of tentative award.
31	State of New York Agreement, Section III.E. –We request this paragraph be amended to require a minimum 120 days’ notice prior to cancellation of the contract. We note the State would need at least this amount of time to rebid the contract. Providing such short cancellation rights for the state diminishes the attractiveness of this contract.	NYS declines this request.

IFB # 17794 WIC Infant Cereal Rebate - Questions and Answers
June 11, 2018

No.	Question	Response
32	<p>Please provide additional information regarding the transition from the current contractor to a potential new contractor. Please explain the procedure to be utilized in making the transition.</p> <p>a. If a participant visits a local WIC agency and is certified on November 1, 2018, what will be the first "not good before" date on the checks issued to this participant?</p> <p>b. If a participant visits a local WIC agency and is certified on December 1, 2013, what will be the first "not good before" date on the checks issued to this participant? Will the participant receive two checks for the current contractor's infant cereal and one check for the new contractor's cereal?</p> <p>c. How often are participants required to visit the local clinics or WIC offices?</p> <p>d. How many months' worth of food checks do participants typically receive per visit?</p> <p>e. Do participants receive their food instruments on the day they visit the clinic? Are food instruments distributed evenly throughout the month or are they issued on specified days during the month?</p> <p>f. Please explain whether checks have a "not good before" date on the day of the visit (or certification), or is it the first day of the next month?</p> <p>g. If a participant is certified when visiting the clinic on January 15, 2019 and receives three months' worth of checks, what is the "not good before" date for the January check and the February and March checks?</p>	<p>NYS WIC will notify all WIC vendors and WIC local agencies of the change in contractors and the effective date. NYS WIC Minimum Stock Requirements for vendors will be updated and distributed to vendors. Information system changes will be made to ensure that all infant cereal checks with NGB dates before February 1, 2019 are printed with the existing contractor's brand of cereal, and all infant cereal checks with NGB dates on or after February 1, 2019 are printed with the new contractor's brand of cereal.</p> <p>a. This varies according to the participant's certification day and issuance cycle.</p> <p>b. The first NGB date will vary according to the participant's certification day and issuance cycle. All infant cereal checks with NGB dates before November 1, 2018 will be printed with the existing contractor's brand of cereal. All infant cereal checks with NGB dates on or after February 1, 2019 will be printed with the new contractor's brand of cereal.</p> <p>c. Participants must visit the local clinic at least every 3 months.</p> <p>d. Participants generally receive 3 months of WIC benefits.</p> <p>e. Participants generally receive their food instruments on the day they visit the clinic. Food instruments can be NGB-dated any day of the month.</p> <p>f. The NGB dates on checks reflects the participants issuance cycle, which is established at certification. The earliest NGB date can be equal to the day of the participant visit, or it can vary by up to 30 days before or after the date of the visit.</p> <p>g. That depends on the participant's issuance cycle. If the participant is certifying with WIC for the first time, the NGB dates would be January 15, 2019, February 15, 2019 and March 15, 2019. The checks with the NGB date of January 15, 2019 will be printed with the existing contractor's brand of cereal. The checks with the NGB dates of February 15, 2019 and March 15, 2019 will be printed with the new contractor's brand of cereal.</p>
33	<p>What are the top five WIC retailers in New York?</p>	<p>NYS declines to respond as this question is not relevant to the IFB. Any information about a WIC vendor other than name, address, telephone number, Web site/email address, store type, and authorization status is confidential under federal regulations.</p>
34	<p>How many small (single cash register) stores are authorized by WIC in New York? Are you able to estimate</p>	<p>As of May 2018, there are 833 single register vendors that process approximately 24% of checks in New York State.</p>

NEW YORK STATE DEPARTMENT OF HEALTH
Center for Community Health / Division of Nutrition
Bureau of Supplemental Food Program

IFB # 17794 WIC Infant Cereal Rebate - Questions and Answers
June 11, 2018

No.	Question	Response
	the percentage of WIC checks that are redeemed in these small stores?	
35	Does the state conduct compliance buys or other audits of authorized vendors that are specific to the redemption of contracted infant cereal to ensure only the contract brand cereal is being purchased by WIC participants?	NYS WIC conducts compliance buys and other audits of authorized vendors to verify compliance with program rules and regulations.
36	Has the State identified instances in which non-contract infant cereal has been purchased with WIC checks that specify the contract brand to be purchased? If yes, please provide additional details to provide potential bidders with information on the extent to which this is occurring in New York.	NYS WIC does not classify program violations in this manner.
37	Has the State identified any instances of trafficking in WIC food instruments or other issues involving fraud in the last five years?	NYS declines to respond as this question is not relevant to the IFB.
38	Maintaining a minimum of 4 types of cereal in the bid would eliminate all potential bidders but one. Rice, Oatmeal and Multigrain varieties make up appx. 90% of National consumption. To ensure competitive bidding, would a bid with the 3 cereals noted above be deemed acceptable?	Please see Amendment #1 to this solicitation for this revision.
39	What is the normal value and time lag of missed redemptions?	This information is not available.
40	What is the definition of "wholesale price"?	Wholesale price is the price established by manufacturers for bulk sales of infant cereal for distribution to retail grocery stores.
41	What is the definition of "net wholesale cost"?	Net Wholesale Cost is the difference between a manufacturer's lowest national wholesale price per unit of infant cereal and the rebate offered by the manufacturer.
42	Will the bid be awarded based on the lowest wholesale or net wholesale cost (to the State)?	Per IFB Section 8. Method of Award, "The Department will award one contract as described in this IFB to the responsible and responsive bidder who offers the lowest total monthly net wholesale cost for infant cereal."
43	The anticipated award date is not stated in the IFB, what is the expected award date?	Per IFB Section 1. Calendar of Events. The anticipated contract start date is November 1, 2018.