



United States
Department of
Agriculture

May 16, 2010

Food and
Nutrition
Service

3101 Park
Center Drive
Alexandria, VA
22302-1500

SUBJECT: WIC Program – Fiscal Year (FY) 2010 WIC Electronic Benefits Transfer (EBT)
Notice of EBT Project Implementation Grant Solicitation

TO: WIC State Agency Director
All States

In accordance with Public Law 111-80 (123 Stat.2113), the Food and Nutrition Service (FNS) plans to award grant funds to WIC State agencies to support WIC Electronic Benefits Transfer (EBT) implementation activities. This Request for Application (RFA) for EBT project implementation grants is open to all WIC State agencies that have completed, or are in the process of completing, their EBT planning activities. Grant funds will be awarded based on the viability of the project and completeness of the application.

The purpose of the Project Implementation Grant is to assist qualified State agencies with implementation of EBT. State agencies must have submitted a cost analysis in order to qualify for these funds. These grant funds may be used in support of EBT project development and implementation. The award of funds under this RFA does not guarantee funding under future WIC EBT grant solicitations. See attached RFA for more information.

FNS anticipates awarding funds for EBT implementation activities to one or more State agencies. The amount of funds awarded under this RFA depends on the number of requests received and the viability of the project. If funding levels are not sufficient in FY 2010 to fund these implementation grants, subject to the availability of funds, grants may be awarded in the subsequent fiscal year based on responses to this solicitation without further competition.

Specific application requirements are provided in the attached Request for Application. Applications must be received at FNS on or before 5:00 PM Eastern Time (ET) on **June 28, 2010** or submitted through www.grants.gov in accordance with the instructions in the attached RFA.

If there are any questions regarding the FY 2010 WIC EBT Project Implementation Grant Request, please contact Gregory Walton of the Grants and Fiscal Policy Division at 703-305-1575.

DEBRA R. WHITFORD
Director
Supplemental Food Programs Division

LAEL J. LUBING
Director
Grants and Fiscal Policy Division

**Fiscal Year (FY) 2010
WIC Electronic Benefit Transfer (EBT)
Project Implementation Grant
Request for Application (RFA)**

**Cooperative Agreement Applications Due
to FNS on or before 5:00 PM Eastern Time (ET) on June 28, 2010**

Note: This competition is open to all WIC State agencies that have completed, or are in the process of completing, FNS requirements associated with EBT planning activities.

The Catalog of Federal Domestic Assistance (CFDA) Number is 10.578.

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Fiscal Year (FY) 2010
WIC Electronic Benefit Transfer (EBT)
Project Implementation Grant
Request for Application (RFA)

Background

In accordance with Public Law 111-80 (123 Stat.2113), the Food and Nutrition Service (FNS) plans to award grant funds to WIC State agencies to support WIC Electronic Benefit Transfer (EBT) project implementation activities. This Request for Application (RFA) for EBT project implementation grants is open to all WIC State agencies that have completed FNS requirements associated with EBT planning activities. Grant funds will be awarded on a competitive basis. The award of funds under this RFA does not guarantee funding under future WIC EBT grant solicitations. The purpose of this RFA is to award EBT grant funds to qualified State agencies in order to assist with implementation of EBT. (Note: For projects receiving FY 2010 funding, the EBT Cooperative Agreements will be funded no later than September 30, 2010. End dates will be determined based on individual proposals and approved timelines.)

WIC State agencies must complete, or be in the process of completing, their EBT planning activities to be considered under this RFA. EBT planning activities, at a minimum, require a comparative analysis of paper costs to anticipated EBT operational costs that must be submitted to FNS for review to be considered for this grant funding. This baseline cost analysis is intended to help State agencies decide whether they can afford the on-going cost of EBT. While cost neutrality is not required, State agencies must be confident they can support the on-going cost of EBT within their nutrition services and administration (NSA) budget. This early cost analysis is used to support FNS decisions to fund Project Implementation grant requests.

To date, FNS has provided funding to 27 WIC State agencies with active WIC EBT Projects. Of the 27, eight have implemented EBT statewide, 16 are currently assessing the feasibility of WIC EBT Implementation, one is operational in pilot, one is currently in the design and development process, and one provides WIC cash value voucher benefits electronically via the SNAP EBT card. For information on the status of WIC EBT projects, please visit <http://www.fns.usda.gov/wic/EBT/EBTNovember2009StatusReport.pdf>

Eligibility for Cooperative Agreement

This solicitation is open to all WIC State agencies that have successfully completed or are in the process of completing planning activities associated with EBT. This includes any State agency with a Planning Advance Planning Document (PAPD) that has already been approved by FNS.

Amount of Funds Available

FNS anticipates awarding up to \$20 million dollars for Project Implementation activities. The amount of funds awarded under this RFA depends on the number of requests received and competing funding needs within the WIC Program. FNS reserves the right to award Cooperative Agreements under this announcement in the subsequent fiscal year without further application submission, subject to the availability of funds. Therefore, applications submitted under this request may also be used to fund EBT implementation projects in FY 2011.

Funding Priorities and Use of Funds

FNS will only fund systems that build upon the current technical standards and standard business practices developed from previous projects. Funding under this RFA is intended for EBT project implementation, to include pilot testing and cost evaluation. Submission and approval of a cost evaluation demonstrating that projected statewide implementation is affordable based on the outcome of pilot operations is a prerequisite to Statewide Expansion funding, if available. Funding awarded under this solicitation will not, in most cases, cover costs associated with statewide rollout. In anticipation of statewide expansion approval and funding, State agencies may want to include in their Request for Proposals an EBT implementation support option that allows for statewide expansion following a successful pilot project and approved cost evaluation. If a State agency desires a different approach to project implementation, suitable justification should be submitted.

Other activities for funding consideration include, but are not limited to, the development of a State Universal Product Code prototype system that complements the National UPC database, development of WIC EBT training materials, or other EBT development work. Development of a UPC prototype should be readily adaptable to other States who may want to install it for EBT or paper delivery systems. Joint proposals of several State agencies would be welcome. Proposals would need to address how the proposed prototype complements and enhances current NUPC functions yet does not duplicate existing functions.

Note: Considerable reference information on WIC EBT is available and in the public domain, including a WIC EBT National Cost Evaluation tool (see <http://www.fns.usda.gov/apd/> and the WIC EBT Chapter of Handbook 901 at http://www.fns.usda.gov/apd/Handbook_901_2007/Section_4.2_WIC_EBT.pdf).

Application Information

State agencies applying for funding should provide FNS with a detailed proposal for implementation of an EBT project. The proposal must respond to the evaluation criteria listed below and include all of the requirements discussed herein. The proposal should describe all activities in the plan and how the applicant plans to achieve those

activities within the proposed project timeline. Information provided to address the evaluation criteria must be sufficiently detailed in the narrative statement to demonstrate the ability to perform the proposed activities. The application should be prepared following the guidelines and instructions below and contain the following elements in the order indicated.

Application Assembly

- ✓ **Transmittal Letter** – cover letter, signed by the appropriate State official with authority to commit State resources.
- ✓ **Table of Contents** – The table of contents should contain page numbers for each component of the application beginning with the Application Summary.
- ✓ **Application Summary** – The application should include a complete summary of the project and specific activities to be undertaken.
- ✓ **Project Description** – Address the following:
 - **Narrative Statement** – The narrative should contain a brief introduction that describes the scope of the project, to include the pilot site selected, the clinics and retailers and factors considered in their selection; the anticipated duration of the entire project through statewide rollout and the duration of the pilot project; and plans for pilot project cost evaluation. The narrative should also describe the key features of the State agency’s WIC eligibility certification system and its ability to support EBT operations.
 - **Procurement Plan** – The procurement plan should address open competition and coordination with State information technology, contracts management, and coordination with the Supplemental Nutrition Assistance Program (SNAP) staff to prevent conflicts of interest. The procurement plan should describe the procurement method to be used (i.e., secure contractor assistance or conduct the project in-house) and the contractor resources to be devoted to the project.
 - **Project Manager** - A project manager must be identified or plans to hire a project manager must be stated. The project manager must be able to provide supporting documentation of their certification or project management experience.
 - **Staffing and Project Management** - The narrative should discuss the State agency’s strengths, resources, and experience that indicate the ability to carry out a complex EBT implementation. This includes discussion of dedicated State resources available to manage and staff the EBT project; whether new positions will be created; and the percent of time key personnel will devote to the project. The narrative should include evidence of retailer support and commitment to participate in the EBT design, development and operations.

- **Schedule /Timeline of Activities, Milestones, and Deliverables** – A chart that clearly identifies activities and key tasks with start and end dates is required. Milestones with go, no-go decisions should be identified. Decision points must include the criteria to be used to make the go/no go decision. The timeline should factor in time for FNS review of draft documents to include a Project Implementation Plan, a Retailer Implementation Plan, Requests for Proposals, contracts, as well as the State procurement schedule for reviewing bids and awarding contracts.

- **Proposed Budget** – A detailed budget must be submitted as part of the application and must include amounts budgeted for each activity planned by fiscal year quarters. Please indicate the amount of funds requested for each budget line-item in narrative form and provide supporting details for the cost estimate. The application should also include a cost allocation plan, if applicable, through the duration of the proposed project. Use the attached checklist when preparing the proposed budget.

- ✓ **Required OMB approved Standard Forms** – the OMB forms identified below must be completed and are available at http://www.grants.gov/agencies/aforms_repository_information.jsp.

- ✓ SF-424 Application for Federal Assistance including:
 - ✓ SF-424A (Budget Summary)
 - ✓ SF-424B (Assurances – Non Construction Programs)
 - ✓ SF LLL (Disclosure of Lobbying Activities). Indicate on the form whether your organization intends to conduct lobbying activities. If your organization does not intend to lobby, write “Not Applicable.”<http://www.whitehouse.gov/omb/grants/sfillin.pdf>.

- ✓ **Required USDA approved Forms** – The USDA forms identified below must be completed and are available at http://www.ocio.usda.gov/forms/ocio_forms.html.
 - ✓ AD-1047 Certification Regarding Debarment, Suspension, and Other Responsibility Matters
 - ✓ AD-1048 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction (submit with application only if Sole Source Contractor is identified)
 - ✓ AD-1052 Certification Regarding Drug Free Workplace Requirements, State and State Agencies (This form is not currently available on the website and has been included as an Attachment to this RFA package).

- ✓ **Indirect costs** – If the applicant is using a rate agreement negotiated by a cognizant Federal agency, a copy of the most recent negotiated indirect cost rate agreement needs to be included with the application. The percentage amount and base should be indicated in the budget narrative.
- ✓ **Cost Sharing** – While the WIC EBT program does not have a cost sharing requirement, the sources and amounts of all support (if any) should be summarized on the SF-424 and in the budget narrative.

Submission Instructions - The completed application package must be received by FNS Headquarters at the address listed below **on or before 5:00 PM Eastern Time (ET) on June 28, 2010.**

1. **Electronic Application Submission** – Applications may be submitted electronically by accessing www.grants.gov. This is a new government website designed for electronic submission of applications/proposals. Please allow ample time to familiarize yourself with the system's requirements. You will need both a Data Universal Number (DUNS) and a Contract Registry Number (CCR) to access the system. You may contact Dun and Bradstreet at 1-800-234-3867 to obtain a DUNS number if you do not have one already.

All applicants submitting their application/proposal via www.grants.gov must send an email to Gregory Walton, the FNS grants officer, at greg.walton@fns.usda.gov advising that the application was submitted through the grants.gov portal. This email must be received no later than 5:00 PM ET on the application due date. Also, the grants.gov system provides several confirmation notices when an application is submitted through the portal. Please be sure that you receive a confirmation notice which acknowledges that your application was accepted by the system.

2. **Mail or hand delivery of the grant application.** Submit one original and two copies of the application to the address below by the deadline. If you opt to mail your application, we strongly suggest using a mail delivery service which guarantees delivery and allows you to track delivery to FNS.
 - FNS will not accept faxed or emailed applications.
 - Late or incomplete applications will not be considered.
 - Additions or revisions to applications will not be considered once the applications are received by FNS.

MAILING ADDRESS: If you are submitting your application by mail, it should be sent to:

**Gregory Walton, Grant Officer
Food and Nutrition Service
Grants and Fiscal Policy Division
3101 Park Center Drive, Room 738
Alexandria, VA 22302-1594**

DEADLINE: Applications are due on or before **June 28, 2010**.

Evaluation Information

- **Panel Review:** All applications that meet the deadline for submission will be screened for completeness and conformity to the requirements of this solicitation. If deemed fully responsive, the request will be considered for funding. Based on the responses to the criteria discussed below, a panel of FNS staff will determine the technical merit of each request and provide a numerical score.
- **Evaluation Criteria:** Each application will be evaluated based on its own merit. The criteria to be used for scoring is as follows:
 - **Project Plan (Narrative Statement) (50 points)**

The application adequately reflects the planning conducted to date and the outcome of those planning activities. It outlines a detailed plan to develop and implement an EBT project and identifies potential pilot sites and procurement plans. Project descriptions should detail each step necessary to design and implement and include a cost estimate for the various activities. The applicant's plan should appear feasible and reflect a thorough understanding of the complexities of EBT system development and implementation. The timeline and cost estimates should contain sufficient detail and appear reasonable based on other EBT pilot experiences. The application should include a discussion of potential issues that may prevent or slow the project's successful implementation and suggest solutions or contingencies. The plan should demonstrate efforts to minimize cost and time required for upfront system development and emphasize strategies to ensure the successful completion within the projected timeline.
 - **Staffing and Management (15 points)**

The application should outline plans for staffing and managing the EBT project. The roles and duties of all key staff should be thoroughly explained including identifying persons or entities responsible for oversight and completion of various project activities. The plan should provide evidence of dedicated resources to manage and staff the pilot project and describe prior experience of key staff in large scale system design/development and/or project management. (Note: FNS strongly encourages a dedicated project manager.)

➤ **Budget and Timeline (5 points)**

The application should provide a budget, by fiscal year quarter, consistent with the types of activities to be conducted. It should be broken out by line item and be explained in narrative form with supporting details for the cost estimate. The timeline should be reasonable given the level of activity and procurement strategy.

➤ **Demonstrated Retailer Support (15 points)**

The application should provide evidence of retailer support and commitment to participation in the design, development and operation of a WIC EBT project. Plans to facilitate ongoing communication and involvement of retailers should be discussed.

➤ **Current WIC Management Information System (MIS) (15 points)**

The application should describe the applicant's current WIC MIS and the system's ability to support EBT operations with minimal modification.

Total Possible Points = 100

Award Process

- A panel of FNS staff will review applications and make recommendations for funding to the FNS selection officials. The proposals will be ranked by score starting at the highest score and presented to selecting officials based on this ranking. The final decision to award grants for FY 2010 is at the discretion of USDA selecting officials. Selecting officials will consider the panel rankings and comments, recommendations from FNS Regional Office staff, and other pertinent information before deciding which proposals to fund. FNS selecting officials reserve the right to fund proposals out of rank order based on written assessments made by evaluation panel members, information provided by regional office staff, and agency priorities.
- FNS reserves the right to fund successful applications at an amount less than requested if federal funding is not sufficient. FNS reserves the right to award Cooperative Agreements in a subsequent fiscal year without further recompetition, subject to the availability of funds.
- FNS Headquarters will provide final approval of the EBT funding awards. The Supplemental Food Programs Division (SFPD) will notify State agencies of the selection decision and will announce the selected projects to the Regional Offices (ROs) once award recommendations have been made and cleared within the U.S. Department of Agriculture.
- A Cooperative Agreement will be entered into with each of the selected State applicant(s). A Cooperative Agreement is used rather than a grant agreement, which

is typically used for general infrastructure funding, because the EBT projects require substantial coordination between FNS and the State agency.

- State agencies that are not selected will receive an official notification letter stating they were not selected and will be offered an opportunity for a debriefing via the telephone after the official notifications have been sent.

Use of Funds – Terms and Conditions

- Terms and conditions of the WIC EBT Cooperative Agreements will be subject to regulations listed below, as well as, applicable regulations and OMB grant circulars. A copy of these regulations may be obtained at <http://www.gpoaccess.gov/cfr/index.html>. Copies of the Circulars are available from the OMB website (www.WhiteHouse.gov/OMB/grants). Applicants must agree to comply with the USDA regulations above (which codify Office of Management and Budget (OMB) circulars) listed below.

7 CFR Part 175: “Trafficking Victims Protection Act”

7 CFR Part 3015: “Uniform Federal Assistance Regulations;”

7 CFR Part 3016: “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments” (Reference OMB Circular A-102 Common Rule);

7 CFR Part 3017: Subparts A-E, “Government-wide Debarment and Suspension (Non-procurement);”

7 CFR Part 3017: Subpart F, “Government-wide Requirements for Drug-free Workplace (Grants);” and,

7 CFR Part 3018: “New Restrictions on Lobbying.”

7 CFR Part 3019: OMB Circular A-110, Uniform Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations

7 CFR Part 3021: “Government Requirements for a Drug-free Workplace.”

7 CFR Part 3052: OMB Circular A-133, Audits of States, Local Governments and Non-profit Organizations

- The EBT Cooperative Agreements will be funded no later than September 30, 2010. End dates will be determined based on individual proposals and approved timelines.
- The grant period will be specified on the FNS-529, the Grant/Cooperative Agreement signature page. Grant funding must be obligated within the grant period. All activities under the program must take place within the period of agreement. Grant funding must be drawn from the letter of credit account within 90 days following the agreement expiration date.
- By July 15th of the second Federal fiscal year of the Cooperative Agreement, FNS will assess the progress of State Grantee(s) and determine whether there is a need to

recover and redistribute unspent grant funds from projects that are not progressing as planned.

- FNS reserves the right to terminate the Cooperative Agreement at any time if it is determined that the funding goals will not be met. Examples include insufficient progress under the project or failure to meet the conditions of the Cooperative Agreement.
- The Grantee must submit quarterly narrative progress reports and quarterly/annual financial reports within 30 days after the end of each quarter. An SF-425 Financial Status Report must be completed and submitted within 30 days after the end of each fiscal quarter and 90 days after the end of each fiscal year of the reporting period. The final SF-425 is due no later than 90 days after the close of the Cooperative Agreement period. At the end of the project, each grantee must submit a final report on the project outcomes and evaluation results. The Recipient is required to enter the SF-425 reports into the Food Program Reporting System (FPRS). The awardee must obtain Level II e-authentication certification, access to FPRS, and post the SF-425 data on-line. More detailed specifications for the report will be included in the cooperative agreement.
- Additional Terms and Conditions to be included in the Cooperative Agreement:
 - The Grantee must agree to use the National Universal Product Code (NUPC) Database which serves as a national repository of WIC eligible/authorized food products. WIC State agencies must develop a management information system interface for the upload and download of State approved foods and their associated UPC to the NUPC. In order to access the NUPC database users must first obtain Level II e-authentication certification and submit a security request to their FNS regional office. The database is located at <https://stars.fns.usda.gov/wicupc>.
 - The Grantee agrees to provide FNS a Project Implementation Plan and a Retailer Management Plan in accordance with the proposed project timeline.
 - The Grantee must adhere to the MIS-EBT Universal Interface. This interface is the standard for functionality and information transfer between a WIC MIS and a WIC EBT system that is equally applicable to either an offline or an online solution. The draft MIS-EBT Universal Interface document can be found at http://www.fns.usda.gov/apd/Library/WIC_EBT/WIC_EBT_Universal_Interface_Specification_v1_4_1_10-20-09.pdf.
- The Retailer Management Plan must address:
 - Use of standard X9.93 specifications and business rules for integration.
 - Timelines for achieving retailer integration in relation to full caseload implementation.

- Review of retailer integration documentation deliverables.
- Use of State agency and contractor resources for retailer management.
- Retailer certification requirements.
- Equipment deployment for non-integrated grocery stores, including associated costs for this as either an up-front investment and/or as an ongoing expense under the State agency's NSA grant.

Post-Award Activities

FNS is interested in identifying cost-effective methods for implementing WIC EBT systems nationwide. To meet this objective, these projects require a strong partnership between FNS and WIC State agencies. FNS National and Regional Office staff will work closely with State agencies awarded grants to ensure that the project design is consistent with national goals, objectives, and standards. FNS expects that State agencies awarded EBT funds will participate in activities to disseminate and share information about their EBT systems and experiences including:

- Developing system design and requirement documentation (to enable the sharing and transfer of information and models with other State agencies);
- Sharing information about EBT experiences with FNS and other State agencies;
- Collecting consistent cost and transaction data for design and cost evaluations;
- Evaluating the project and disseminating results.

AD-1052, Certification Regarding Drug-Free Workplace

**U.S. DEPARTMENT OF AGRICULTURE
CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS
STATES AND STATE AGENCIES**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), 7 CFR Part 3017, Subpart F. The regulations, published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), require certification by grantees, prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee that is a State may elect to make one certification to the Department of Agriculture in each Federal fiscal year in lieu of certificates for each grant during the Federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or Governmentwide suspension or debarment (see 7 CFR Part 3017, Sections 3017.615 and 3017.620). States and State agencies using this form should send it to: U.S. Department of Agriculture, Office of Finance and Management, Federal Assistance and Fiscal Policy Division, Federal Assistance Team, Room 3031 South Building, Washington, D.C. 20250.

- A. The grantee certifies that it will or will continue to provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing an ongoing drug-free awareness program to inform employees about --
 - (1) The dangers of drug abuse in the workplace;
 - (2) The grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will --

- (1) Abide by the terms of the statement; and
- (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- (f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d) (2), with respect to any employee who is so convicted --
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

This certification is for a State (All State Agencies) Single State Agency (check one)

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, State, zip code)

Check if there are workplaces on file that are not identified above.

State / State Agency Name

Name and Title of Authorized Representative

Signature

Date