



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 Competitive Planning EBT Grant Solicitation

TO: WIC State Agency Directors
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) planning activities. This Request for Application (RFA) for EBT planning grants is open to all WIC State agencies with the exception of those State agencies with existing cooperative agreements for WIC EBT projects. Grant funds will be awarded based on the viability of the project and completeness of the application. The award of funds under this RFA does not guarantee funding under future WIC EBT grant solicitations.

The purpose of the Planning Grant is to assist qualified State agencies with planning activities which will address the specific needs of individual State agencies to facilitate eventual EBT pilot implementation.

FNS anticipates awarding funds for EBT planning 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 planning grants, grants may be awarded in the subsequent fiscal year, subject to the availability of funds, 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 Planning 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

Attachment

**Fiscal Year (FY) 2010
WIC Electronic Benefit Transfer (EBT)
Planning 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 WIC State agencies that do not have an existing cooperative agreement with FNS for EBT planning.

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

Table of Contents

Background	3
Eligibility for Cooperative Agreement	4
Amount of Funds Available	4
Funding Priorities and Use of Funds	4
Application Information	5
Submission Instructions	7
Evaluation Information.....	8
Award Process	9
Use of Funds – Terms and Conditions	10
Post-Award Activities	11
Attachments	11

**Fiscal Year (FY) 2010
WIC Electronic Benefit Transfer (EBT)
Planning 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) planning activities. This Request for Application (RFA) for EBT Planning Grants is open to all WIC State agencies that do not have an existing cooperative agreement with FNS for EBT planning. The award of funds under this RFA does not guarantee funding under future WIC EBT grant solicitations.

The purpose of this RFA is for EBT Planning activities to address the specific needs of individual State agencies to facilitate eventual EBT project implementation. (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.)

The experience of the EBT State agencies to date has shown that early planning is critical to the success of State WIC EBT projects. To prepare State agencies for possible future EBT implementation, FNS plans to make planning funds available through this RFA for State agencies that wish to implement EBT within the next 2 to 5 years. These grants are for State agencies that would like to explore the feasibility of EBT implementation in their State. Thus, funds could be used for feasibility studies, to include paper baseline cost analysis, retailer surveys, infrastructure analyses, etc. (refer to the “Funding Priorities and Use of Funds” section of this solicitation for a comprehensive list of possible activities). FNS will also consider proposals to fund limited modifications to information systems for development of a State Universal Product Code (UPC) prototype system that complements the National UPC database.

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>

Considerable reference information on WIC EBT is available and in the public domain including cost evaluation tools (see http://www.fns.usda.gov/apd/Library/WIC_EBT_docs.htm and other sources for information on EBT).

Eligibility for Cooperative Agreement

This Request for Application (RFA) for EBT Planning Grants is open to WIC State agencies that do not have an existing cooperative agreement with FNS for EBT planning. WIC State agencies selected to receive EBT Planning grant funds under this solicitation are not required to submit a Planning Advance Planning Document. The award of funds under this RFA does not guarantee funding under future WIC EBT grant solicitations.

Amount of Funds Available

FNS anticipates awarding up to \$10 million for EBT planning activities. The amount of funds awarded under this RFA depends on the number and quality of requests received. 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 planning projects in FY 2011.

Funding Priorities and Use of Funds

FNS intends for any procurement entered into by a State agency under this Cooperative Agreement to be of limited scope with a period of performance of two years. These grants will cover only those activities associated with EBT Planning. Allowable activities include, but are not limited to:

A. EBT Feasibility Study -- Conduct analyses to determine whether EBT is feasible within the State's operating environment, such as:

- WIC Information System (IS) Capability – Assess the readiness and practicality of adapting the WIC IS to electronically issue and track benefits.
- WIC Business Capacity – Assess the skills and abilities and organizational impact an EBT system would have on WIC IS staff and services.
- Retailer's Technical Capabilities – Survey a sample of WIC-approved retailers for their readiness for EBT. Assess their ability, readiness and desire to incorporate EBT in their Electronic Cash Register (ECR) system.
- Retailer Equipage – Analyze and plan for retailer equipage strategies – integrated and stand-beside. This may include estimating the costs of various retailer equipment strategies within the funding available to the State agency.
- Financial Considerations – Assess EBT effects on financial transactions. Assess whether EBT on-going needs are best handled by internal State agency staff or an EBT processor.
- Infrastructure Considerations – Assess WIC clinic telecommunications capabilities.

- Electronic Card Options – Examine the choices of cards for the development, testing, and evaluation of integrated EBT solutions.
- Baseline Paper Cost Analysis – Identify paper costs at the State and local level, costs that would be eliminated as a result of EBT efficiencies gained, and new costs related to EBT operations.
- Recommend a Technical Solution – Analyze the state of the various available EBT technologies and vendors and assess whether EBT can be a cost-effective solution. Both technologies must be considered.
- Recommend a Plan – Based on pertinent data, recommend a 2-5 year plan for the State to pursue WIC EBT.

FNS will not fund analyses to document the benefits of EBT or stakeholder preferences, as the result of such analyses have already been documented.

B. WIC National Universal Product Code (NUPC) Database – Examine how the State agency’s MIS system can interface with the NUPC database.

The State agency must determine operationally how they would interface with the NUPC database, which allows State agencies to enter products via a web page, authorize foods for issuance, and download the data to support State operations. The State agency should also examine the capability to upload UPC data in accordance with the UPC upload specifications. For a copy of the specifications, contact your FNS Regional Office.

State agencies are required to use the national category/subcategory coding scheme and NUPC database for EBT operations. State agencies that are not planning to implement EBT may also wish to adopt the national coding scheme and use the NUPC for their own administrative management purposes.

Application Information

State agencies applying for EBT planning grants should provide FNS with a detailed proposal that discusses each EBT planning activity. The proposal must respond to the criteria below and include the entire proposal 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 each of 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** -- Describe at a high level (approximately one page) the proposed planning activities, the procurement plan, and the total funds requested. It should focus on overall planning goals and objectives, including project scope and duration.
- ✓ **Project Description** – Address the following:
 - **Narrative Statement** – The narrative should describe at a high level the planning activities to be undertaken and EBT planning activities conducted to date, the outcome of those activities, to include analysis of baseline paper food instrument costs and anticipated operational EBT costs, if available, or an estimated timeline for completion of this cost analysis.
 - **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 either be a certified project manager or have 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 the project. This includes discussion of dedicated State resources available to manage the project and the percent of time key personnel will devote to the project.
 - **Schedule / Timeline of Activities, Milestones, and Deliverables** – Include a project timeline that outlines the key planning tasks, events, dates, and deliverables for the project. Milestones with major go, no-go decisions should be identified.
 - **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. Please indicate the amount of funds requested for each budget line-item in narrative form and provide supporting details for the cost estimate.

- ✓ **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/sflllin.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 if only if Sole Source Contractor is identified)
 - ✓ AD-1049 Certification Regarding Drug-Free Workplace Requirements (Except; individuals and State governments)
 - ✓ 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 **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 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.** If sending hardcopy, State agencies should submit an original and two copies of the application document by the deadline below. Hardcopy must be ready for copying, that is single-sided, unstapled, unbound, on 8 ½" x 11" paper, and single spaced. The number of pages for the entire application should be no more than 20 pages, including appendices, with narrative in a font size no smaller than 12 point. 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 must be received 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 and consistent with the agency's priorities, listed on pages four and five, the request will be considered for funding.

Based on the responses to the criteria discussed below, applications will be reviewed and scored by panel evaluators. The proposals will be ranked by score starting with the highest score. The panel will present their recommendation to the selecting official based

on this ranking. Awards will be considered based on rank order, however, the selection official reserves the right to fund out of rank order based on the Agency's priorities and consistent with goals and objectives. FNS also reserves the right to fund successful applications at an amount less than requested if it is judged that the application can be implemented at a lower funding level. At the completion of the review and awards process, FNS will provide funding for approved applications upon receipt of a properly executed agreement.

- Evaluation Criteria: Each application will be evaluated based on its own merit. The criteria to be used for scoring is as follows:
 - **Project Description (60 points).** The application should adequately portray a clear understanding of WIC EBT and its complexities. The application should outline a detailed proposal to initiate specific planning activities that contribute to national WIC Program EBT goals for expanding on WIC EBT development in the next 2-5 years. State agencies that have, on their own initiative, conducted literature review, made EBT contacts, or otherwise undertaken activities to learn about EBT will be given more points.
 - **Staffing and Management (20 points).** The application outlines plans for staffing and managing the EBT planning project. The roles and duties of all key staff should be explained as they relate to the various project activities. The plan should describe prior experience of key staff in project management.
 - **Budget and Timeline (20 points).** The application should provide a budget, by fiscal year quarter, consistent with the types of activities to be conducted. Please indicate the amount of funds requested for each budget line-item in narrative form and provide supporting details for the cost estimate. Reviewers will be assessing whether the timeline is reasonable given the level of activity and procurement strategy.

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 re-competition, 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 Office's (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.
- FNS has a strong interest in the outcomes of the activities through this funding to further advance WIC EBT implementation beyond the current projects and to leverage planning efforts by a few State agencies that can be adopted by others in the future.
- States that are not selected will be offered a debriefing via the telephone after 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 other 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 (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

- 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.
- 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 funded through the cooperative agreement 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 project progress 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. A 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 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.

- When modifying their WIC MIS to achieve EBT readiness, the Grantee must agree to use the NUPC database by developing a MIS interface to the NUPC database.

Post-Award Activities

FNS expects that State agencies awarded EBT planning funds will participate in activities, to include attendance at conferences and training sessions, to disseminate and share information about:

- EBT experiences with FNS and other State agencies;

- Collecting consistent data for sharing costs across WIC State agencies
- A summary of the goals to be achieved with these planning grants and the actual outcomes achieved.

These activities may necessitate travel and associated training/conference fees, which are an allowable expenditure under the grant.

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