

Infant Formula Rebate IFB

Solicitation #05411- Amendment #3 – April 27, 2012

Bidders' Questions/Answers

April 4, 2012 Submittals

Abbott Nutrition Bidders' Questions:

1. **Section 2.1 – Purpose and Scope – Paragraph 2 – Page 5 of 25.** This section spells out the member parties of WSCA. We request the exclusion of the affiliates (Guam, CNMI, American Samoa, Virgin Islands) from this bid group as the distribution system and expense associated with these state agencies are dissimilar from the other agencies and inclusion of these affiliate state agencies in the bid group may adversely affect bids. We request these affiliates form their own bid group.

PA response: WSCA Participating Entities are in agreement that a separate stand-alone IFB for American Samoa, Commonwealth of the Northern Marianna Islands (CNMI), Guam, and Virgin Islands would not be feasible given the time constraints of this contract and the requirements of the cost containment stipulations. All four agencies operate their programs, including their food delivery system, in accordance with 7 CFR 246 and their individual State Plan. The Purchasing Authority and WSCA are committed to working with these four Participating Entities and the successful Bidder to address any unique circumstances their participation may present. Removing these participants from the alliance is not an option.

2. **Section 2.1 – Purpose and Scope – Paragraph 4 – Page 5 of 25.** This section states that the contract formula will be the “first choice of issuance.” Please clarify whether any non-contract, non-exempt formula will be allowed, and if so, in what circumstances. If applicable, Please provide usage of all non-contract, non-exempt, and exempt infant formulas and medical foods by state, product, and month.

PA Response: Participating Entities reserve the right to issue non-contract, non-exempt (standard) infant formula in the event of a participant's medical need. In response to this question, each Participating Entity individually answered this question. Refer to "Participating Entities' Responses to Bidders' Questions" documents and see question #1-1 for each Participating Entities' response. In addition, each Participating Entity provided their policy and procedures for infant formula in Appendix G.

The requested data is not pertinent to this IFB. The Participating Entities have provided all the data that USDA-FNS requires for this solicitation.

- 3. Section 2.3 – Contract Term – Page 6 of 25.** Extensions for each additional term or portion thereof shall be exercised at the sole discretion of the Purchasing Authority upon written notice to the Contractor. We urge WSCA to make extensions mutually agreed upon by the States and the Contractor. Section 2.3 should be revised to indicate extension only upon mutual agreement by both parties. Please clarify the terms of the extension(s)—we would suggest one year terms.

PA Response: Purchasing Authority agrees to extensions that have been mutually agreed upon by both parties. Extension terms need to remain flexible as indicated in Section 2.3.

- 4. Section 6.2 – Bid Submittal Format – Page 11 of 25.** Please confirm that only one original and 1 electronic copy on CD or flash drive are the only documents to be submitted. Please confirm that the Bid Price Sheets are the only documents that are needed on the CD or flash drive.

PA response: Purchasing Authority confirms that only one original and one electronic copy are to be submitted. Section 6.2 is amended to include: A copy of all bid submittal documents must be included on the electronic copy.

- 5. Section 6.3 – Bid Identification and Delivery – Page 11 of 25.** Please confirm the email address of the Procurement Coordinator for written confirmation of receipt of the IFB Package Submission. Please also confirm

that this will be the individual to validate the submission has been received intact and unopened.

PA response: Purchasing Authority confirms that Kevyn Davidson, Procurement Coordinator at e-mail address Kevyn.davidson@des.wa.gov, will provide confirmation of receipt of the Bid submittal documents and will also validate that Bids have been received in accordance with the requirements stated in the Bid Solicitation.

6. **Section 6.4 – Bid Opening Protocol – Page 12 of 25.** Please confirm that the bid opening will only be occurring live and not via web or conference call.

PA response: Bid Opening will be conducted live at a public bid opening and not via web or conference call.

7. **Appendix A – Section 2.16 Specifications – Page 2.** Please confirm that the states' first choice of issuance will be the sizes and forms bid in this contract for both the primary and secondary (as applicable) rebated milk or soy based infant formulas. Other sizes and forms of the contractor's line of formulas would be provided through WIC only if the size or form that was bid was not available.

Response: All Participating Entities confirmed that they are in compliance with 7 CFR 246.10(e)(1)(iii) and 246.16a(c)(7) on their first choice of issuance is the Primary Contract milk-based and/or soy-based infant formulas, and all the other Contractor's infant formulas are issued as an alternative to the Primary Contract infant formula. The Participating Entities reserve the right to issue contract brand infant formula (as defined in 7 CFR 246.2) in the event of a participant's medical need. Refer to "Participating Entities' Responses to Bidders' Questions" documents and see question #1-2 for each Participating Entities' confirmation on this Bidder's question.

8. **Appendix A – Section 8.5 Failure to Supply Sufficient Quantities – Page 4.** Please confirm this section should reference Section 8.3 and not Section 9.3 as currently stated.

PA response: Confirms. Section 8.3 is the correct reference.

9. **Appendix A – Section 8.4 Failure to Supply Sufficient Quantities – Page 4.** Please confirm in the event of a shortage of the primary milk based formula; the State and Contractor agree that the first choice of formula issuance will be the primary milk based formula in a different physical form (i.e., concentrate or ready to feed in place of powder).

PA response: Confirms.

If a different physical form is not available or the shortage extends to the other physical forms, the State and the Contractor agree that the second choice of issuing formula will be another brand of formula from the Contractor. The parties agree that the third choice of formula issuance, to be issued only after the first and second remedies are not available, shall be an appropriate, USDA-approved non-contract formula. The Contractor agrees to pay a rebate that yields the same net cost per ounce as the primary contract formula for a replacement formula in the product line or non-contracted, USDA approved concentrate, powder, and ready-to-feed formulas (not to exceed the established usage rate for the contracted formula) issued through the State until the agreed upon end date of the product shortage. However, the foregoing is not valid in the event the cause of the Contractor's product shortage is due to a force majeure occurrence.

PA response: Appendix A, section 8.5 is amended to read: If the Contractor is unable to supply Sufficient quantities of a contract brand formula, the Participating Entities will first issue the same contract brand formula in a different physical form to address the shortage as long as the supply for that form is sufficiently available. The Participating Entities agree to the consideration of an alternate brand of the Contractor's formula (as long as supply for that brand is sufficiently available) before using a non-contract brand. Shortages occurring due to force majeure will be addressed utilizing good faith efforts on the parts of the Contractor,

the Purchasing Authority and Participating WSCA entities.

10. **Appendix I – Standard contract Terms and Conditions – Entity Participation – Page 3.** Please provide a list, by State, of the entities currently utilizing this provision.

PA response: All entities indicated in Part 1, page 5 of 25 of the Solicitation documents are bound by the WSCA Standard Terms and Conditions.

11. **Appendix J – West Virginia Special Provisions** – Please confirm the noted documents only need to be provided after the contract is awarded. Please confirm these documents do not need to be submitted with the bid.

PA response: Appendix J has been deleted in its' entirety.

12. **Appendix L – State of Maryland Special Provision Regarding Bisphenol-A Prohibition.** Please confirm what documentation, if any, will be required to satisfy this portion of the IFB. Please confirm the documentation will only be required after the Bid is awarded.

PA response: Successful Bidder is expected to adhere to all state laws with regards to the execution of this Contract. No documentation is required in connection with this special provision. If the law should change to include any certifications or documentation requirements with regards to the BPA law, those requirements will be handled by amendment to the Contract in accordance with current law.

13. **Sample Contract** – Please confirm the Sample Contract must be completed and submitted as part of the Bid Submission. If confirmed, please confirm the only required information to be completed is on page 8 of 26.

PA response: Confirms. Only information for legal notices, found on page #8 requires completion and submittal.

Nestle Nutrition Questions:

1. Request for Bid Due Date Extension - Given the large number of States, territories, and Indian Tribal Organizations in this contracting alliance, the large number of documents to be reviewed, and the resulting complexity of this large, multi-state/organization bid, the short time-frame for submitting bids does not provide adequate time for potential bidders to evaluate the bid solicitation documents. Therefore, we strongly urge the Purchasing Activity (PA) to extend the due date for bids by a minimum of three weeks. Additional time is necessary to ensure all bidders are able to analyze the data provided in the bid solicitation documents and submit their best possible bid for this contracting alliance. A short extension will still allow the States adequate time to implement a new contract. We note several other States that must bid new infant formula rebate contracts with start dates of October 1, 2012, have yet to even release their bid solicitation documents.

PA response: The Bid Due date has been extended via amendment #2. Bids are due at the place and time indicated in the Invitation for Bid on Tuesday, May 15, 2012.

2. Page 6 of 25, Section 2, paragraph 2.3 - Contract Term - We have the following questions:

a. In order to obtain the best possible bids from all potential bidders, we request the Purchasing Activity (PA) require mutual consent for all contract extensions. We understand the PA's interest in retaining sole control over contract extension options. However, eliminating mutual consent for contract extensions significantly reduces the attractiveness of this bid opportunity given the six-year potential term of the contract. Please confirm this change will be made.

PA response: Purchasing Authority agrees to extensions that have been mutually agreed upon by both parties.

b. Please explain what is meant by "or portion of the whole" in the first paragraph of this section. Which portions of this contract might be extended and which remaining portions rebid?

PA response: Although we do not anticipate extending a “portion of the whole” in this Contract, we do reserve the right to do so. Given the fact that we may have two separate Contractors (vendors), one for milk-based formula and one for soy-based formula, it may occur that one Contractor would agree to extend their contract while the other would not agree to extend their contract. This is standard boilerplate language.

c. What type of response is required under subparagraph c.?

PA response: “Response” in this case refers to receipt of the signed agreement to extend from the Contractor to the Purchasing Authority.

3. Page 8 of 25, Section 3, paragraph 3.6 - Bidder Responsiveness - Please explain how the PA will "consider the actual level of Bidder's compliance with the requirements specified in the Solicitation . . ." What objective factors will be used to evaluate compliance?

PA response: Responsiveness is evaluated on the Bidder's presentation of all items required in the Solicitation, in the format required, signed if necessary, delivered to the correct location, at the correct time, etc. as indicated for compliance in Part 1, page 15 of 25, Section 7.4 of the Solicitation document. No objective factors will be used to evaluate compliance.

4. Page 9 of 25, Section 4, paragraph 4.2 - Solicitation Amendments - In order to ensure all bidders have adequate time to evaluate any changes made to this solicitation prior to the bid due date, we request the PA agree to amend the bid due date to ensure bidders have a minimum of 5 business days to review and analyze any amendments or other changes to the solicitation that may be issued.

PA response: PA agrees to extend the Bid Due Date by a minimum of five (5) business days if the information included in the Solicitation Amendment is of a material nature and will require additional time/effort on the part of the Bidders. The determination of “material” and “immaterial” information will be at the sole discretion of the Purchasing Authority. This extension provision does not include the remainder of the Answers to Bidders' Questions which will be posted to WEBS by Amendment #4 on Monday, April 30, 2012. That amendment will not amend the current Bid Due Date of May 15, 2012.

5. Page 11 of 25, Section 6, paragraph 6.1 - Submission of Response - Please confirm only one original bid package is required to be submitted (no copies), other than copies of the completed Bid Price Sheets on a CD or flash drive.

PA response: Purchasing Authority confirms only one original hard copy bid submittal is required. However, This section is amended to include: all submittal documents, including the Bid Price Sheets must be included on the CD or flash drive.

6. Page 12 of 25, Section 6, paragraph 6.4 - We have the following questions:
a. Please provide the complete address, including room number, for the public bid opening. The address on the front of the IFB does not include a room number.

PA response: Public Bid Opening will be held at 1500 Jefferson Street SE, FIRST FLOOR PRESENTATION ROOM, Olympia, WA 98501.

b. Please confirm bids will be opened in front of the public attendees, and will remain sealed until opened at the public bid opening.

PA response: Confirms.

7. Page 13 of 25, Section 7, paragraph 7.1B - Bidder Profile - Please confirm "see Appendix B" in this paragraph refers to the embedded attachment Appendix B on page 21 of the IFB.

PA response: Confirms.

8. Page 14 of 25, Section 7, paragraph 7.2, Item #1 - Is a full copy of the IFB, Part One (25 of 25 pages), required to be included in the bid package?

PA response: No. The required submittal is as written "a hard copy of the Authorized Offer and Contract Signature Page with an original signature".

9. Page 14 of 25, Section 7, paragraph 7.2, Item #3 - Please confirm that "completed (legal notices) hard copy of Part Two - Model Contract" refers to the table on page 8 of Part Two (Model Contract) and no other information is required to be

submitted to comply with this requirement.

PA response: Confirms.

10. Page 15 of 25, Section 7, paragraph 7.3 - Evaluation and Award Overview –
We have the following questions:

a. Please replace the phrase "Total Monthly Net Price" with "Total Net Cost Per Month" to be consistent with the language used on the Bid Sheet (Appendices C-1 and C-2). This phrase appears twice in this section. Please also amend the definitions section in Part Two to be consistent with the Bid Sheets.

PA response: Confirms. Total Net Cost Per Month is the correct phrase.

b. The second paragraph states "Awards will be made on an "All-or-none" basis within each category." Please confirm "each category" refers to milk or soy infant formulas. If unable to confirm, please explain what is meant by "each category."

PA response: Confirms.

c. In the fourth paragraph, please delete or explain "(3) Accept any portion of the items Bid unless the Bidder conspicuously stipulates all or nothing in their Bid." Under what circumstances would the PA accept a portion of the items bid but not others?

PA response: Item #3 does not pertain to this contract. Bidder may disregard.

d. In the fourth paragraph, please delete or explain "(5) Award on an all or none consolidated basis taking into consideration 'lifecycle costs.'" What are the lifecycle costs relevant to this bid and resulting contract that might be considered in making an award?

PA response: Bidder may disregard reference(s) to lifecycle costs.

e. In the fourth paragraph, please explain what is meant by "(6) Award in

aggregate when in the best interests of the State." Under what circumstances would the PA reject a low bid to make an aggregate award? We request this clause be deleted from the IFB.

PA response: An award in aggregate does not pertain to this contract.

11. Page 16 of 25, Section 7, paragraph 7.4, we have the following questions:

a. Is the PA requesting a narrative on items (a)-(f) in this section? If no, please identify the relevant sections of this IFB and accompanying attachments from which these elements will be evaluated. If yes, where should this information be included in the bid package?

PA response: No. Responsibility criteria may be any or all of the listed items. The section states "the following elements shall be given consideration" when determining Bidder responsibility. Bidder responsibility will be established after the lowest, responsive Bidder has been determined. (Bidders deemed non-responsive will not be evaluated further.) Additionally, the State reserves the right to "make reasonable inquiry" to establish and/or confirm that the responsibility factors listed in items a through e, and any other factors deemed appropriate, are acceptable prior to award. The elements will be evaluated by public procurement specialists and legal experts to be certain the lowest, responsive Bidder has the proven capabilities to perform the contract.

b. How will the PA evaluate the elements? What objective measures will be used to evaluate these elements?

PA response: See response to question #11 above. Refer to Page 16 of 25, Section 7, paragraph 7.4.

c. We request the first paragraph in part (f) be deleted in its entirety. This paragraph does not apply to this infant formula rebate contract. If the PA is unwilling to delete this paragraph, please explain how this paragraph is relevant to this bid.

PA response: Bidder may disregard reference(s) to life cycle costing.

d. Please amend the last paragraph of this section to require reasonable notice

from the PA prior to requesting an on-site inspection of the Bidder's facilities. Should an on-site inspection be requested, the Contractor would want to make sure the appropriate personnel are available to assist representatives of the PA.

PA response: Confirms that "reasonable notice" will be given in the event of an on-site inspection.

12. Page 18 of 25, Section 7, paragraph 7.6 - Bid Sheet #1 - Is proof of authority, such as a Certificate of Incumbency, required for the person signing the bid package?

PA response: No. Reference page 8 of 26 (Model Contract) Contract Information, Section 1.6 – the signatories to this Contract (also pertains to offer) represent that they have the authority to bind their respective organizations to the Contract.

13. Page 18 of 25, Section 7, paragraph 7.6 - Bid Sheet #2 - The bolded sentence states Bid Price Sheet #2 must be signed but there is no signature section on Price Sheet #2. Please include or signature line or clarify a signature is not required on Bid Sheet #2.

PA response: The referenced section in is error. Instead of Bid Price Sheet #1, it should state Bid Price Sheet Page #1. Instead of Bid Price Sheet #2, it should state Bid Price Sheet Page #2. Only page #1, (for each category being bid) requires a signature. Revised Bid Price Sheets are included with this amendment.

14. Page 19 of 25, Section 7, paragraph 7.7 - We have the following questions:
a. Please replace "Total Monthly Net Wholesale Cost" (in both instances) with "Total Net Cost Per Month to be consistent with the Bid Sheets?"

PA response: Confirms. Total Net Cost Per Month is correct.

b. Please amend the IFB to include an objective method for breaking tie bids. We urge deletion of the reference to "mitigating factors" in this section. If

not deleted, please explain what mitigating factors will be considered and how these factors will be evaluated.

PA response: This clause is under review. An answer will be provided in subsequent amendment #4.

15. Page 20 of 25, Section 7, paragraph 7.8 - Notification of Apparent Successful Bidder - Please provide additional information on the "responsibility analysis" referenced in this section.

PA response: Please refer to Part I, page 16 of 25 for responsibility criteria.

15.2 What factors might cause the PA to change its view of whether a Bidder submits a responsive and responsible bid from the time a notice of award is issued to the time an actual award is made. We request this paragraph be deleted in its entirety or amended to provide assurances to all Bidders that bids will be evaluated objectively.

PA response: This clause is under review. An answer will be provided in subsequent amendment #4.

16. Page 21 of 25, Section 8 - We have the following questions:

a. Please confirm Appendix A does not need to be signed. Please further confirm a full copy of Appendix A must be included in the bid package?

PA response: Confirms on both counts

b. Please confirm that Appendices D, E, F, G, I, J, K, L, M do not have to be submitted with the bid package. These Appendices are not listed on the Submittal checklist on page 14 in Section 7.2.

PA response: Confirms

c. Please confirm the "PR/Award Number or Project Name" in Appendix H should reference the Solicitation Number (05411).

PA response: Confirms.

d. Please confirm the text attachment in Appendix H is a duplicate of the PDF form attachment and does not need to be submitted with the bid package.

PA response: Confirms.

17. Appendix A, page 2, Section 3 - Use of Primary Contract Infant Formula - This section states that "Participating Entities reserve the right to issue non-contract brands of infant formula according to the Participating Entity's agency policy per Appendix G." We have the following questions:

a. Please provide, for each Participating Entity, the number of infants who receive non-contract, non-exempt infant formula products.

Response: The requested data is not pertinent to this IFB. The Participating Entities provided all the data that USDA-FNS requires for this solicitation.

b. Please provide, for each Participating Entity, the number of units of noncontract, non-exempt infant formula products provided in the most recent three-month period, broken out by brand and form

Response: The requested data is not pertinent to this IFB. The Participating Entities provided all the data that USDA-FNS requires for this solicitation.

c. Please provide, for each Participating Entity, the number of units of exempt infant formula products provided in the most recent three-month period, broken out by brand and form.

Response: The requested data is not pertinent to this IFB. The Participating Entities provided all the data that USDA-FNS requires for this solicitation.

d. Will any of the Participating Entities adhere to a zero tolerance policy with respect to issuance of non-contract, non-exempt formulas (i.e., only contractor's standard formulas suitable for routine issuance will be issued to WIC participants) when the new contract becomes effective? Please list each Participating Entity that will adhere to such policy.

Response: See each Participating Entities' Appendix G for their policies and procedures for "Assigning Food Packages" and "Infant Formula".

18. Appendix A, page 3, Section 4 - Contract Infant Formula Availability - For each Participating Entity, please provide the stocking requirements that will be used during the transition if a new Contractor is awarded this contract.

WSCA Infant Formula Rebate IFB No. 05411 Page 6 of 12

Response: Each Participating Entity provided their minimum stocking requirements in their Appendix G. Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-3.

19. Appendix A, page 3, Section 6.3 - Please add the word "reconstituted" before the word "ounce" in the second to last line of this section.

Response: This section will not be revised. GAO Report 06-380, April 2006 "Requires the winning bidder that discontinues production of the primary contract infant formula to provide a rebate that yields the same net cost per ounce for the replacement formula.

20. Appendix A, page 4, Section 8.5 - Please confirm the reference to Section 9.3 was intended to reference Section 8.3.

PA response: Confirmed. Correct reference is Section 8.3

21. Appendix A, page 4, Section 9.1 - Please describe the method each Participating Entity will use to send the Contractor a monthly invoice. Will invoices be emailed or sent through the mail?

Response: Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-4.

22. Appendix A, page 5, Section 9.7 - We have the following questions:
a. This section states that "When possible, Participating Entities will provide an electronic data file to validate the monthly invoice." Please confirm each Participating Entity agrees to provide an electronic data file with each invoice. Each Participating Entity must have a data file to generate the invoice. Therefore, there should be no reason why a data file cannot be provided each month.

Response: Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-5.

b. For each Participating Entity, please describe the method used to survey or otherwise determine the average retail price of the products redeemed, and the method used for calculating the actual number of cans redeemed.

Response: Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-6.

23. Appendix A, page 5, Section 11 - Late Rebate Payment - Please confirm the one (1) percent late fee is assessed as a monthly fee and will be prorated by the number of days the payment is late.

Response: This provision remains as written in the IFB.

24. Appendix A, page 7, Section 17.4 - Transition and Communication Plan - This section appears to indicate that each Participating Entity will implement an immediate transition to the new Contractor's products with all Food Instruments with a "first day of use" date of October 1, 2012 or later listing the new Contractor's products on the FI. However, the fourth sentence in this section states that: "The transition process may vary significantly between Participating Entities." Please confirm each Participating Entity will issue Food Instruments with the new Contractor's products if the "first day of use" date is October 1, 2012 or later. If unable to confirm, please explain the transition procedures for each Participating Entity.

Response: Each Participating Entity confirmed that Food Instruments will be issued with the new Contractor's products if the "first day of use" is October 1, 2012 or later. Refer to "Participating Entities' Responses to Bidders' Questions" documents. See question #1-7 for each Participating Entity's response.

25. Appendix B, page 3, Section E. - Please explain what information is being requested here and for what purpose. This section does not appear to be relevant to this infant formula rebate contract as all products provided are purchased through normal retail distribution systems. Are the Participating Entities requesting the

ability to purchase infant formula products directly from the manufacturer?

PA response: Bidders may mark "N/A" in this section of the form.

26. Appendix B, page 4, Section F. - This section is not relevant to an infant formula rebate contract. We request this section be deleted in its entirety.

PA response: Bidders may mark "N/A" in this section of the form.

27. Appendix I, page 1 - Participants - The Participating Entities listed in this section are incorrect. Please amend this section to include the correct Participating Entities.

PA response: Confirms. Refer to Part 1, page 5 of 25 of the Solicitation documents for the participating entities.

28. Appendix I, page 1 - Quality Estimates - This section should be labeled "Quantity" Estimates.

PA response: Confirms

29. Appendix I, page 2 - Conflict of Terms - Please confirm there are no "special terms and conditions" in this IFB and accompanying documents. If unable to confirm, please describe which document contains the special terms and conditions. For example, would Appendix A be considered "special terms and conditions"?

PA response: There are special (entity-specific) provisions. There are no special terms and conditions.

30. Appendix I, page 3 - Audit of Records - We request this section be deleted as it is repeated in other portions of this IFB.

PA response: Appendix I is WSCA Terms and Conditions. PA cannot alter this document.

31. Appendix I, page 3 - Entity Participation - Please provide an explanation for the significance of this provision. Have any of the Participating Entities not yet received approval from their respective State Chief Procurement Official to Participate in this contract?

PA response: All participating entities have filed signed, Intents to Participate with WSCA and the Purchasing Authority (OSP).

32. Appendix J, West Virginia Addendum Agreement - Does form WV-96 need to be signed and returned with the bid documents?

PA response: Appendix J is deleted in its entirety.

33. Appendix J, West Virginia Addendum Agreement - Please amend paragraph 14 to require 180 days notice to terminate this contract.

PA response: Appendix J is deleted in its entirety.

34. Appendix J, West Virginia HIPAA Business Associate Addendum - We request this document be deleted from this IFB. Potential bidders on this contract are not Business Associates. Furthermore, bidders will not be provided any confidential health information under this contract. If unwilling to delete this document, please provide a brief explanation for its purpose with respect to this infant formula rebate contract.

PA response: Appendix J is deleted in its entirety.

35. Appendix K - Protest Procedure - When will bidders have access to full copies of the bids submitted by each bidder? We request bidders be given a minimum 7 business days to review all of the bids prior to the PA completing a contract award. Bidders must be provided an opportunity to review all bid packages prior to the execution of the contract with the PA in order to protect their rights for timely and appropriate protest. Please confirm this Appendix will be amended to ensure bidders have timely access to all bid packages

PA Response: The protest procedure for the Office of State Procurement is stipulated in the Washington Administrative Codes and cannot be arbitrarily

altered. Appendix K outlines the protest prior to award and the protest after award procedures. Under no circumstance will a Bidder be allowed to view full copies of the bids submitted by each Bidder until after award. This protest procedure has been reviewed by USDA for this Solicitation.

36. Part Two - Model Contract, page 6 of 26, Definitions - Please amend the definition for "Total Monthly Net Price" to be consistent with the language used on the Bid Price Sheet - i.e., "Total Net Cost Per Month." Please also replace "Monthly Net Price" with "Net Cost Total" as stated on the Bid Price Sheet.

PA response: Confirms that references found on Bid Price Sheets are correct.

37. Part Two, page 7 of 26, Section 1.4.1 - Will the questions and answers be issued as an amendment to this IFB and incorporated in the contract? Please confirm the Q&As will take precedence if there is ambiguity or conflicting terms among the various documents.

PA response: Confirms that solicitation modifications made by written Amendment will take precedence if there is ambiguity or conflicting terms among the various documents.

38. Part Two, page 10 of 26, Section 2.8 - Sales & Subcontractor Reports - We request this section be deleted in its entirety. In unwilling to delete this provision, please provide additional information about the reports required under this Section. If such reports are currently being provided, please provide a sample report so Bidders can fully understand what is expected under this provision. Is the PA referring to rebated sales only? The Participating Entities will be supplying the sales data to the Contractor, not the other way around.

PA response: The State of Washington requires usage reports from our vendors on a quarterly basis which indicate by entity, the total sales for the quarter. New Contractors will be instructed how to enter their data in the State's online usage reporting system.

39. Part Two, page 10 of 26, Section 2.9 - Other Required Report(s) - This section does not appear to be relevant to this infant formula rebate contract. We request this section be deleted in its entirety.

PA response: This may be relevant to this contract. Section will not be amended or deleted.

40. Part Two, page 11 of 26, Section 3.2 - Dealer Authorization - All the potential bidders to this solicitation are manufacturers. We therefore believe this section is not relevant and request it be deleted in its entirety.

PA response: Bidders may disregard this section.

41. Part Two, page 11 of 26, Section 3.3 - Staff Qualifications - Please explain what is meant by "Purchasing Activity has the right to approve or reject any change in Contractor's personnel." We strongly object to this provision and urge the PA to either delete this provision in its entirety or amend this section to reflect a more appropriate relationship between the parties.

PA response: Bidders may disregard this section.

42. Part Two, page 11 of 26, Section 3.6 - Contractor Authority and Infringement – This section does not appear to apply to this infant formula rebate contract. We request this provision be deleted in its entirety.

PA response: Bidder may disregard this section

43. Part Two, page 12 of 26, Section 3.7 - Materials and Workmanship - This section does not appear to apply to this infant formula rebate contract. We request this provision be deleted in its entirety.

PA response: This section will not be amended or deleted.

44. Part Two, page 12 of 26, Section 4 - Delivery Requirements - We request this section also be deleted in its entirety. Section 4.1, 4.2, and 4.3 do not apply to this infant formula contract, and section 4.4 is addressed in other sections of this IFB.

PA response: This section will not be amended or deleted.

45. Part Two, page 13 of 26, Section 6.1 - We request this section be deleted. A similar provision is included on page 7 of Appendix A.

PA response: This section will not be amended or deleted.

46. Part Two, page 14 of 26, Section 6.4 - Protection of Confidential and Personal Information - We request this section be deleted in its entirety. The Contractor will not be given any confidential or personal information by the Participating Entities. The Contractor will simply be invoiced for products purchased through retail outlets.

PA response: This section will not be amended or deleted.

47. Part Two, pages 16-19 of 26, Section 7.8 - Insurance - We note that, like most large multinational corporations, we employ the common practice of self-insuring which is a practice deemed acceptable by other WIC programs and other customers as adequate to meet all foreseeable claims and the insurance requirements contained in similar contracts and agreements. Please confirm this practice satisfies the requirements of this section. Notwithstanding the above, please delete section 7.8.3 as it is not applicable to this contract.

PA response: Section 7.8.3 only – BAP is amended. Bidder may disregard this requirement. The successful Bidder(s) are required to have and maintain the specific insurance coverages, at the minimum coverage limits indicated in the Solicitation documents, throughout the entire Contract period. Bidders may be self-insured for the purposes of this contract. Within 15 days after award, successful Bidder(s) will be required to submit a Certificate of Insurance or, if self insured, a current, audited, consolidated financial statement for State review, or other documentation as may be required.

48. Part Two, page 21 of 26, Section 8.2 - Administrative Suspension - This section does not appear to be relevant to this infant formula rebate contract. We request it be deleted in its entirety. If the PA is unwilling to delete this section, please provide additional information on how this provision might be utilized with this contract.

PA response: Bidders may disregard this section.

49. Part Two, page 24 of 26, Section 9.3 - Termination for Cause - We request the notification requirement in this section be extended to a minimum of 120 days to

allow time for rebidding the contract. We further request Section include a clause providing that each Participating Entity agree to reasonable efforts for working with the Contractor to minimize the issuance of non-contract formulas until a new contract is executed. We request the PA further agree to expeditiously execute a new contract should this provision be invoked.

PA response: This clause is under review. An answer will be provided in subsequent amendment #4.

50. Part Two, page 24 of 26, Section 9.4 - Termination for Convenience – Termination for Convenience – Thirty days notice to terminate this contract for convenience is unreasonable and unrealistic for a WIC infant formula contract. We urge the notice requirement in this provision be changed from 30 days to 180 days. We note the PA will need this amount of time to re-bid the contract. Please confirm this change will be made.

PA response: The Purchasing Authority will not amend this section. Section 9.4 Termination for Convenience is a unilateral clause found in many governmental contracts. The PA cannot provide the same termination rights for the Contractor under the agreement resulting from this Solicitation.

If not revised, please provide a detailed explanation of why the Contractor should not be afforded the similar rights.

PA response: See response to #50, above.

51. Part Two, page 25 of 26, Section 9.8 - Termination Procedure - This section does not apply to this infant formula rebate contract. We therefore request that it be deleted in its entirety and replaced with language explaining the procedures the PA and the Participating Entities will use with respect to issuance of Food Instruments if the contract is terminated for reasons cited in Section 9.

PA response: The Participating Entities must follow federal regulations for continuous infant formula cost containment. Part Two, page 25 of 26, Section 9.8 is amended to include: The Contractor will pay the contracted rebate amount for the contract infant formula or an alternate FDA approved infant formula substituted by the Participating Entities in the event of a breach and/or default of

the terms herein resulting in the termination of the Contract, until such time as a new Contract is awarded.

52. Appendix G - we have the following questions:

a. **American Samoa** - Actual invoices listing the number of units redeemed for each type and form of infant formula were not provided. Please provide this information for the same time period provided by the other Participating Entities.

Response: American Samoa's additional information that accompanies their invoices is provided with their responses to the bidders' question. See their "Participating Entities' Responses to Bidders' Questions" document, question #2-2.

b. **Arizona** - Please provide a more detailed and complete explanation of the partial redemption calculation methodology. Please also provide an example of an actual calculation.

Response: See Arizona's "Participating Entities' Responses to Bidders' Questions" document, question #2-3.A.

c. **District of Columbia** - Would DC provide an explanation for its high use of concentrate formula? Do participants request this form and prefer it over powder? Does DC expect to use a higher percentage of powder during the term of this contract?

Response: See District of Columbia's "Participating Entities' Responses to Bidders' Questions" document, question #2-5.A.

d. **Delaware** - Please provide an explanation of the partial redemption methodology utilized in Delaware. We did not see a description of the methodology in this Appendix.

Response: See Delaware's "Participating Entities' Responses to Bidders' Questions" document, question #2-4.

e. **Idaho** - Please provide an explanation of the partial redemption methodology utilized in Idaho. We did not see a description of the methodology in this Appendix.

Response: See Idaho's "Participating Entities' Responses to Bidders' Questions" document, question #2-6.A.

f. **Kansas (question for all other Participating Entities)** - Kansas specified the rounding method it will utilize when determining the number of units of product to be rebated. None of the other Participating Entities specified the rounding method. Therefore, we request each Participating Entity provide a full explanation for the rounding method used for determining the number of units to be rebated.

Response: Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-11.

g. **Montana** - Please confirm that, consistent with this IFB, Montana only requires four decimal places for rebate figures.

Response: See Montana's "Participating Entities' Responses to Bidders' Questions" document, question #2-7.

h. **Navajo Nation** - Actual invoices listing the number of units redeemed for each type and form of infant formula were not provided. Please provide this information for the same time period provided by the other Participating Entities.

Response: Navajo Nation's additional information that accompanies their invoices is provided with their responses to the bidders' question. See their "Participating Entities' Responses to Bidders' Questions" document, question #2-8.

i. **Oregon** - When calculating average retail price, the method used by Oregon divides the dollar amount of each redeemed Food Instrument by 95% of the redeeming vendor's shelf price for that formula. The Virgin Islands multiplies by 95%. Why is this calculation performed differently in each Participating Entity? Can both entities use the same method?

Response: Each Entity calculates differently. Please refer to Oregon's "Participating Entities' Responses to Bidders' Questions" document, question #2-1.

j. **Virgin Islands** - see Oregon question above.
Additional Questions

Response: See Virgin Islands' "Participating Entities' Responses to Bidders' Questions" document, question #2-11.

53. What is the current status of EBT in each of the Participating Entities

Response: Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-8.

54. For each Participating Entity, do participants receive their food instruments on the day they visit the clinic? Do food instruments have a "first date to use" of the day participants visit the clinic (i.e., are they distributed evenly throughout the month) or do they have a "first date to use" on specified days during the month?

Response: Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-9.

55. How many WIC-only (above 50% vendors) are authorized in each Participating Entity?

Response: Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-10.

56. What are the top 5 retail chains in each Participating Entity in terms of total WICdollar volume?

Response: Per 7 CFR, 246 Participating Entities are unable to provide this information.

Mead Johnson Bidders' Questions:

1. Cover Page

A. Please provide a room number on the third floor where the bid should be delivered and will be opened.

PA response: Bids will be received at, and public bid opening will be held at 1500 Jefferson Street, SE, FIRST FLOOR PRESENTATION ROOM, Olympia, WA 98501.

2. Section 2.1 Purpose and Scope (page 6 of 26 paragraph 5)

A. Please revise the last sentence to read "The Contractor will also pay rebates on any *Milk-Based Contract Infant Formula and/or Soy-Based Contract Infant Formula* subsequently added to the Contract following Award".

PA response: PA confirms revision will be accepted.

3. Section 2.3 Contract Term (page 6 of 26)

- A. Contracts with mutual extensions are more attractive to potential bidders. Please revise this section to allow for mutual extensions.
- B. Please confirm that extension periods will be three one-year periods.
- C. If not confirmed, please describe the length and number of extensions.

PA response: This section is amended to include Purchasing Authority agrees to extensions that have been mutually agreed upon by both parties. (Extension terms need to remain flexible as indicated in Section 2.3.)

4. Section 4.3 Contract Formation (page 9 of 26)

A. This section indicates that "a major portion" of the contract is contained in Exhibit A. Please advise what other information will be included in any resulting contract and confirm that any added portions will be subject to agreement by the successful contractor.

PA response: There is no Exhibit A. Appendix A is the Statement of Work, where most of the infant formula contract-specific information lives. All pre-bid amendment information(changes, clarifications) will be made a part of the contract, either by physical inclusion or by reference and Bidder agrees to the amended terms of the Contract through written amendment. Post-award amendments will be by mutual agreement.

5. Section 6.2 Bid Submittal Format (page 11 of 26 paragraph 3)

A. Please confirm that a potential bidder does not need to submit a certificate of corporate resolution.

PA response: That is correct. Page 8 of 26 (Model Contract) Contract Information, Section 1.6 – the signatories to this Contract (also pertains to offer) represent that they have the authority to bind their respective organizations to the Contract.

6. Section 7.2. Submittal Checklist – Item 3 (page 14 of 26)

A. Please confirm that a potential bidder only needs to complete and submit Page 8 of Part Two – which contains the legal notices section - in order to be responsive to this requirement.

PA confirms. Only information for legal notices, found on page #8, Part Two requires completion and submittal.

7. Section 7.3 Evaluation and Award Overview (page 15 of 26 paragraph 4)

A. Because federal law here requires that award be made to the bidder offering the lowest total monthly net price, please remove the statement which allows the consideration of “lifecycle costs” in an award analysis.

PA agrees – Bidder may disregard reference(s) to lifecycle costs.

8. Section 7.4 Evaluation Process (page 15 of 26 paragraph 3)

- A. Because federal law here requires that award be made to the bidder offering the lowest total monthly net price, please remove the statement which allows the consideration of “lifecycle costs” in an award analysis.
- B. If not removed, please state how including such a consideration complies with governing federal law.

PA agrees – Bidder may disregard reference to lifecycle costs.

9. Section 7.5 Bid Price Sheet Submittals (page 17 of 26 paragraph 2)

- A. Please confirm that potential bidders are only required to submit pricing for one powder, one concentrate and one RTU as instructed in Section 7.6 on page 18 of 26.

Response: Confirmed. Bidders need to insure that they fill out the correct row that represents the unit size that they manufacture for their liquid concentrate and ready to feed formula.

10. Part Two. Definitions. Responsible Bidder (page 6 of 26)

- A. Please confirm that by signing Bid Sheets Appendix C-1 and C-2 a potential bidder meets the requirements of the definition of “Responsible Bidder” as described.
- B. If not confirmed, please describe what other “certification” is required in order to be a responsible bidder.

PA response: Signing the Bid sheets is part of the Bidder responsiveness criteria. (See Model Contract, page 6 of 26 – definitions) Bidder responsibility factors (See Model Contract, page 6 of 26 – definitions) and responsiveness factors are also addressed in Part 1 on pages 15 and 16 of 25.

11. Part Two. Section 7.8 Insurance (page 16 of 26)

- A. Please confirm this section is not applicable to an infant formula rebate contract.
- B. If not confirmed, the only companies that are qualified to bid on this particular contract all have substantial assets and demonstrable solvency.

c. Mead Johnson and possibly other bidders are self-insured. Please confirm such self-insurance is adequate to meet these insurance requirements.

PA response: The successful Bidder(s) are required to have and maintain the specific insurance coverages as indicated in the Solicitation documents, throughout the entire Contract period. Bidders may be self-insured for the purposes of this contract. Within 15 days after award, successful Bidder(s) will be required to submit a Certificate of Insurance, or if self insured, a current, audited, consolidated financial statement for State review, or other documentation as may be required.

12.Part Two. Section 8.1 Problem Resolution and Disputes (page 20 of 26)

A. Please confirm that Appendix A, Section 12 supersedes the dispute resolution process shown here for purposes of this contract.

PA response: Page 20 of 26 refers to general dispute resolution. The last paragraph in Section 8.1 is in reference to amounts owed the Contractor by the purchaser and the directive for the purchaser to work with the Contractor and to make a good faith effort to pay the amounts it feels it owes while the dispute is being resolved. Appendix A is (more) specific to this contract but it does not supersede or conflict with Section 8.1.

13.Part Two. Section 9.4 Contract Termination (page 24 of 26)

A. Please revise this section to provide the same termination rights for the Contractor with 180 days written notice.

PA response: The Purchasing Authority will not amend this section. Section 9.4 Termination for Convenience is a unilateral clause found in many governmental contracts. The PA cannot provide the same termination rights for the Contractor under the agreement resulting from this Solicitation.

B. If not revised, please provide a detailed explanation of why the Contractor should not be afforded the similar rights.

II.

PA response: See response to "A" above.

14. Appendix A. Section 1.1 Scope of Work (page 1)

A. Please revise this section to read "Rebates...are limited to infant formulas excluding exempt infant formulas purchased under...."

Response: This section is amended to read: "Rebates paid to Participating Entities under this Contract are limited to infant formula excluding exempt infant formulas purchased under the federally funded WIC Program with USDA, FNS funds.

15. Appendix A. Section 3 Use of Primary Contract Infant Formula (page 2)

A. Please provide the percentage of non-contract brand infant formulas currently being issued by each Participating Entity.

Response: The requested data is not pertinent to this IFB. The Participating Entities provided all the data that USDA-FNS requires for this solicitation.

16. Appendix A. Section 6.3 Product Changes (page 3)

A. Please revise the last sentence in Section 6.3 to read "it must provide a rebate that yields the same percentage discount for the replacement formula".

Response: See Nestle Nutrition's question #19.

17. Appendix A. Section 8.5 Failure To Supply Sufficient Quantities (page 4)

A. Please correct the reference in this section regarding the proposed remedy. Section referenced should be Section 8.3 instead of Section 9.3.

Response: Confirmed.

18. Appendix A. Section 9.7 Monthly Invoices and Documentation (page 5)

A. Monthly data files are invaluable in order for the Contractor to validate invoices with accuracy and integrity. Please confirm that a unique identifier per participant (pseudo participant identification number) can be provided.

B.

Response: No, unique identifier per participant cannot be provided.

C. If no unique identifier per participant is provided and the Participating Entity is either EBT or issues multiple food instruments to a participant for one month's worth of benefits, please detail how the Contractor would be able to sum up the total number of infant formula cans redeemed by a single participant for the month to ensure that total cans issued did not exceed the federally regulated monthly maximums.

Response: Participating Entities are not allowed by federal regulations to issue formula that exceeds the maximum monthly allowances.

D. Now that the new food package regulations vary the monthly number of cans of infant formula issued by infant age in months and by feeding method (Partially Breastfeed or Fully Formula Feed), these two pieces of information are required in order to be able to validate that the federally regulated monthly maximums are not exceeded. Please confirm that the food package identification can be used to identify both the infant age group and feeding method.

Response: Participating Entities are not allowed by federal regulations to issue formula that exceeds the maximum monthly allowances. Please refer to Participating Entities' Appendix G for policy and procedures on "Assigning Food Packages".

E. If not confirmed, please confirm that infant age group and feeding method will be provided as separate fields in the data file.

Response: Participating Entities will not provide the two requested data elements in their data file.

F. Please define "redemption date of food instrument". Specifically, is this the date the participant redeems the food instrument with the vendor or is it the date the vendor is paid by the Participating Entity?

Response: Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-12.

19. Appendix A. Section 10 Rebate Payment (page 5)

A. To better ensure that retail price adjustments which affect the rebate per can applied to the invoice accurately correspond to the retail price per can reimbursed to the vendor by the Participating Entity, please confirm that each month's processed food instruments included in the rebate invoices will be divided according to issue month and that any changes in the rebate per can will only be applied to the rebates for those food instruments issued on or after the date of the price change. For example, consider a food instrument with an issued month of July which is processed by the Participating Entity in August. Please confirm that if a wholesale price change goes into effect Aug 15, the rebate change associated with the wholesale price change would not be applied to this food instrument with an issued month of July as the amount reimbursed to the vendor by the Participating Entity was the wholesale price before the change went into effect.

Response: This is not confirmed. Each Participating Entity has different capabilities with their data system. See each Participating Entities' Appendix G, "Methodology for Determining What Qualifies for a Rebate". In addition, WSCA can discuss these concerns with the Contractor.

20. Appendix A. Section 12 Invoice Disputes or Errors (page 5)

A. Please confirm that there is no time limit on disputes arising from fraud or other illegal activity that prevents the Contractor from being able to identify the incorrect billing earlier.

Response: IFB, Appendix A, section 12, Invoice Disputes and Errors, outlines the time limits allowed on disputes for any reasons including fraud or illegal activity.

B. Please confirm the following (i) no Participating Entity will issue quantities of infant formula in excess of the monthly maximums prescribed

by federal law for each WIC participant; (ii) the Contractor will not be required to pay rebates on quantities of infant formula in excess of the federal monthly maximums; and (iii) if rebates for quantities in excess of the federal monthly maximums are billed and rebated in error, the amounts associated with the over issuance and redemption will be reimbursed to the Contractor upon discovery.

Response: This is not confirmed. Participating Entities are not allowed by federal regulations to issue formula that exceeds the maximum monthly allowances. Any billing disputes must follow the dispute process outlined in the IFB, Appendix A, section 12, Invoice Disputes and Errors.

c. If any portion of Section B above is not confirmed, please provide a detailed explanation of why such portion was not confirmed.

Response: See response to question #20.B.

21. Appendix A. Section 13 Record Retention and Audits (page 5)

A. Please confirm that documents and/or information regarding policies, procedures and operations of the WIC Program and infant formula monthly issuance allotments by brand and can size, infant age category and feeding method will be provided based on the Participating Entities open records law.

Response: Each Participating Entity will review the open record request and will determine at the time of the request what is appropriate to provide based on the Participating Entity's Open Records Policy/Law.

B. Please confirm that redacted food instruments or redacted EBT Issuance/Transaction History including infant age in months and feeding method type will be made available to the Contractor upon request for the purpose of verifying that appropriate issuance is maintained.

Response: This is not confirmed. Each Participating Entities has different capabilities with their data system. The rebate contract stipulates that if the Participating Entity buys the infant formula from a vendor, then the Contractor owes the Participating Entity a rebate on each unit of

infant formula by type and form purchased.

c. If not confirmed, please describe what process is in place for the Contractor to validate issuance/redemption and program compliance.

Response: This is not confirmed. Each Participating Entity will review the open record request and will determine at the time of the request what is appropriate to provide based on the Participating Entity's Open Records

Policy/Law.

d. Please confirm that the Contractor will be allowed to schedule short visits to the offices of the Participating Entities to gain a further understanding of the State WIC program as well as to discuss findings resulting from the review of data files or redacted food instruments.

Response: Confirmed. The Contractor is always welcome to schedule a visit with the Participating Entity, during a regular audit or at any time convenient for the entity to discuss formula issues. Findings resulting from the review of data files will be addressed through the disputes process.

22. Appendix B. Section A.6 and A.7 Company Information (page 1)

- A. Please confirm that the sections labeled "Orders Sent To" and "Payment Remittance" are not applicable since the Participating Entities will not be sending orders or payments to the bidder.
- B. If not confirmed, please detail what should be included in these sections.

Response: Bidders may write "N/A" in this section of the form.

23. Appendix B. Section E1 and E2 Sales and Ordering Information (page 3)

- A. Please confirm that this section is not applicable since the Participating Entities will not be sending orders or payments to the bidder.
- B. If not confirmed, please advise if including the bidder's authorized representative's contact information would be sufficient for this section.
- C. If the bidder's authorized representative contact information is not sufficient and since this resulting contract will cover multiple states, please

indicate from which state you would like a sales representative's contact information.

Response: Confirmed. Bidders may write "N/A" in this section of the form.

24. Appendix B. Section F Delivery Timeframe (page 4)

- A. Please confirm that this section is not applicable since the bidder will not be delivering orders to the Participating Entities.
- B. If not confirmed, please advise which Participating Entity this information is required for.

Response: Confirmed. Bidders may write "N/A" in this section of the form.

25. USDA Certification of Debarment

- A. Please confirm that the IFB Solicitation/Contract Number would be the appropriate response in the field labeled PR/Award Number or Project Name.

PA Confirmed. #05411 is the correct number.

26. Appendix G. Alaska, District of Columbia and Idaho

- A. Please describe the method used to provide a reasonable estimate (or actual count) of the number of units of contract brand infant formula sold to participants which excludes partial redemptions as required by USDA regulatory requirements.

Response:

- 1) For Alaska, see Alaska's "Participating Entities' Responses to Bidders' Questions" document, question #2-1.*
- 2) For District of Columbia, see District of Columbia's "Participating Entities' Responses to Bidders' Questions" document, question #2-5.B.*
- 3) For Idaho, see Idaho's Participating Entities' Responses to Bidders'*

Questions” document, question #2-6.B.

B. If no such method is currently in place, please confirm that one of the methodologies described in the USDA memo dated August 1, 2005, Guidance for WIC Policy Memorandum #2004-4 will be implemented prior to the start of the contract.

Response: See response to question #26.A.

27. Appendix G. Invoices

A. Adequate documentation for partial redemptions is critical to verifying the accuracy of rebate payments. Please confirm that all Participating Entities will provide adequate documentation of partial redemption adjustments to their monthly rebate invoice package. This would include documentation of how the number of cans, by product and form, were computed in the partial redemption calculation.

Response: Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-13.

28. Appendix G. Nevada – 3 Infant Formula Policies and Procedures. Policy: Issuance of Special Medical Nutrition Products (page 3 of 7)

A. The top paragraph of this policy states “WIC regulations state that the maximum monthly allowance of formula authorized for infants, women and children with qualifying conditions is 455 fluid ounces.” Please confirm this section is specifically related to children and women, not infants.

Response: See Nevada's "Participating Entities' Responses to Bidders' Questions" document, question #2-9.

B. If not confirmed, please explain how this section complies with Federal Regulations for infants.

29. Appendix I. Participants (page 1)

A. Please confirm that the Participating Entities included in this IFB solicitation include those states, tribes and territories detailed in Part One,

Section 2.1 and do not include California, Colorado, Minnesota, New Mexico and South Dakota.

Response: PA Confirms.

B. Also, please confirm that other entities will not be permitted to participate in the contract resulting from this IFB Solicitation.

Response: PA Confirms.

30. Appendix M. State of Arizona Special Provision

A. Since this Appendix appears to include only the State of Arizona, please revise the second paragraph to read "The number of requests for advance payment by *the State of Arizona* will be no more...."

Response: PA confirms

B. Also, please make the same change in the last paragraph and revise to read "Any amount paid in advance that is subsequently determined by *the State of Arizona* to be in excess...."

Response: PA confirms

C. Please revise the available advances to be limited to one per year.

Response: This provision will remain unchanged. See Arizona's "Participating Entities' Responses to Bidders' Questions" document, question #2-3.B for their response to the number of advances per year.

D. If not revised, please describe all the reasons why the State of Arizona requires more than one advance payment per year.

Response: See Arizona's "Participating Entities' Responses to Bidders' Questions" document, question #2-3.B for their response to the number of advances per year.

31. Appendix C-1. Primary Milk-Based Formula Bid Sheet (Page 1 of 2) and Part One Bid Sheet #1. Section 7.6 (page 18 of 26)

A. Column K (Percent Rebate) on bid sheet does not allow for four places past the decimal as required in Section 7.6 Bid Sheet #1. Please provide a replacement bid sheet that extends this column to four decimal places or confirm that Column K on bid sheet should only be carried to one place past the decimal.

Response: Appendix C-1, Page 1, Column K (Percent Rebate) is amended to four places past the decimal. See Appendix C-1-Amended 04/18/12.

B. There is a reference to CDHP awarding the contract in the fifth paragraph. Please correct this to the appropriate entity.

Response: Appendix C-1, Page 1, CDHP is deleted and replaced with the appropriate entity "Purchasing Authority". See Appendix C-1-Amended 04/18/12.

32. Appendix C-1 . Primary Milk-Based Formula Bid Sheet (Page 2 of 2)

A. Column N (Net Cost Total) does not appear to be wide enough for the "Total New Cost Per Month" to appear. Please provide an updated bid sheet with this column widened.

Response: We were not able to replicate the stated issue. An amended Bid Price Sheet is provided with this amendment with adequate column width to accommodate numbers.

If not provided, please detail how the total net cost per month will be read aloud at the public bid opening as described in Section 6.4 Bid Opening Protocol.

Response: An amended Bid Price Sheet is provided with adequate column width to accommodate numbers.

B. Please confirm this page does not need to be notarized.

Response: Confirmed, page 2 does not need to be signed or notarized. Page 1 of the Bid Price Sheet needs to be signed and it does not need to be notarized.

c. If it does require notarization, please revise the document to provide space for the notary information.

Response: Bid sheet does not need to be notarized.

33. Appendix C-2. Primary Soy-Based Formula Bid Sheet (Page 1 of 2) and Part One Bid Sheet #1. Section 7.6 (page 18 of 26)

A. Column K (Percent Rebate) on bid sheet does not allow for four places past the decimal as required in Section 7.6 Bid Sheet #1. Please provide a replacement bid sheet that extends this column to four decimal places or confirm that Column K on bid sheet should only be carried to one place past the decimal.

Response: Appendix C-2, Page 1, Column K (Percent Rebate) is amended to four places past the decimal. See Appendix C-2-Amended 04/20/12.

B. There is a reference to CDHP awarding the contract in the fifth paragraph. Please correct this to the appropriate entity.

Response: Appendix C-2, Page 1, CDHP is deleted and replaced with the appropriate entity "Purchasing Authority". See Appendix C-2-Amended 04/20/12.

34. Appendix C-2. Primary Soy-Based Formula Bid Sheet (Page 2 of 2)

A. Column N (Net Cost Total) does not appear to be wide enough for the "Total New Cost Per Month" to appear. Please provide an updated bid sheet with this column widened.

Response: We were not able to replicate the stated issue. An amended Bid Price Sheet is provided with adequate column width to accommodate numbers.

B. If not provided, please detail how the total net cost per month will be read aloud at the public bid opening as described in Section 6.4 Bid Opening Protocol.

Response: An amended Bid Price Sheet is provided with adequate column width to accommodate numbers.

C. Please confirm this page does not need to be notarized.

Response: Confirmed, page 2 does not need to be signed or notarized. Page 1 of the Bid Price Sheet(s) needs to be signed. Nothing is required to be notarized.

D. If it does require notarization, please revise the document to provide space for the notary information.

Response: see above answer.

35. General

A. Please advise what stage each Participating Entity is currently at in the EBT planning/implementation process.

Response: Each Participating Entity provided a response to this question. Refer to each Participating Entity's "Participating Entities' Responses to Bidders' Questions" document, see question #1-8.

B. Please provide details of any dispute over the course of the last contract and the agreed upon resolution for each Participating Entity.

Response: There were no disputes reported by or for the Participating Entities.

C. In addition, please provide any documentation pertaining to any disputes and their prompt resolution.

Response: There were no disputes reported by or for for the Participating Entities.

D. Please provide the findings, if any, pertaining to the infant formula process from each Participating Entities last audit either by the USDA or the State.

Response: There were no audit findings reported by or for the Participating Entities.

E. If there were findings, please provide a copy of the audit report for each Participating Entity.

Response: There were no audit findings reported for the Participating Entities.

End of document