

CONTRACT NO.2014-045054
PROGRAM ATTACHMENT NO. 001
PURCHASE ORDER NO. 0000399061

CONTRACTOR: HIDALGO COUNTY HEALTH AND HUMAN SERVICES WIC
PROGRAM

DSHS PROGRAM: NSS/WIC LOCAL AGENCY

TERM: 10/01/2013 THRU: 03/31/2014

SECTION I. STATEMENT OF WORK:

Contractor shall administer the Department of State Health Services (DSHS) Special Supplemental Nutrition Program for Women, Infant, and Children (WIC) to provide supplemental food instruments, nutrition education, and counseling to enhance good health care at no cost to low-income pregnant and postpartum women, infants and children identified to be at nutritional risk. Contractor shall:

- A. Perform professional, administrative and clerical services necessary to determine eligibility, provide food instruments, and provide appropriate nutrition education and counseling to qualified women, infants and children in a specified geographic area. Contractor shall ensure adequate staff coverage and uninterrupted delivery of services. Services shall be performed according to the statutes, rules, policies, and directives of DSHS Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and/or as directed by the United States Department of Agriculture (USDA) as referenced in this Program Attachment. During the term of this Program Attachment, USDA may issue regulations, instructions, policies and/or directives, which may be incorporated into the DSHS WIC Program Policy and Procedures Manual and program rules.
- B. Provide services within the state boundaries of Texas and in the approved clinic locations described in Contractor's application.
- C. Assist DSHS or USDA in the collection of data that will identify benefits of this nutrition intervention program and furnish financial, health, nutrition education and any other special reports in a timely manner as required by DSHS WIC Program's written rules and policies for the compilation of such data.
- D. Determine eligibility of applicants through assessment of their categorical income, residence and nutritional status, and provide nutrition education and counseling to eligible participants.
- E. Appoint a Contractor WIC Director/Supervisor.
- F. Train Contractor's Local Agency staff.

- G. Submit the following reports/plans by the due date:
1. Monthly Incentive Funding Summary Report by the 15th day of the following month; and
 2. WIC Local Agency Performance Measure Report by the 15th day of the following month.
- H. Conduct outreach to potential participants.
- I. Complete surveys as requested.
- J. Within five days of receiving a DSHS request for a Vendor Evaluation, Contractor shall contact vendor applicant to set up an appointment to conduct the evaluation. Contractor shall conduct on-site evaluation, completing WIC Vendor Evaluation Forms and fax/return forms to the DSHS no later than one business day after the on-site evaluation.
- K. Determine participants' access to health care, medical care and other human services, and make appropriate referrals. Contractor shall have a system in place to provide participants with appropriate health services or make appropriate referrals to health care providers under written agreements that ensure confidentiality of participants' personal information.
- L. Issue pre-numbered food instruments furnished by DSHS to qualified participants who shall use such instruments to obtain specified food items from participating vendors; maintain complete accountability and security of all food instruments received from DSHS. Contractor shall be held financially responsible for all unaccounted for food instruments and/or for the redeemed value of those issued to ineligible participants. In addition, Contractor shall be held financially liable for issuance of infant formula instruments that are not authorized or prescribed according to the WIC Policy and Procedures Manual.
- M. Permit DSHS or its agent to install a Very Small Aperture Terminal (VSAT) or equivalent telecommunications equipment at all Contractor WIC clinics and administrative offices using Texas-WIN software on a network or stand alone personal computer. Installation at all Contractor permanent WIC sites is required. VSAT or other telecommunications equipment installations for new sites or sites moving from one location to another requires a minimum of 45 days notice.
- N. Connect portable computers (notebook or laptop) that use Texas-WIN software daily to a (VSAT) or other DSHS provided-telecommunications access point to transfer data to and receive updates from DSHS. Daily is defined as Monday – Friday and Saturday if WIC services are provided. Portable computers may go to any of the Contractor's permanent WIC sites for data transfer.

- O. Review the immunization records of WIC Program applicants/participants to ensure that immunizations are current. Make appropriate referrals to health care providers for necessary immunizations.
- P. Offer services during extended hours of operation outside the traditional times of 8:00 a.m. to 5:00 p.m., Monday through Friday, according to the Contractor's Annual Plan of Operations as approved by DSHS and incorporated by reference in this Program Attachment.
- Q. Implement or expand Contractor's Breastfeeding Peer Counseling program to provide training and salary of peer counselors who assist pregnant and breastfeeding WIC participants in normal breastfeeding situations. Funding for this activity will be contingent on availability and written approval by DSHS.
- R. Implement special projects according to DSHS-approved plan related to nutrition education, outreach or breastfeeding if project is requested by Contractor and approved by DSHS. Funding for special projects is contingent upon availability and approval in writing by DSHS of the Contractor's plan for the special project.
- S. Implement lactation services for WIC participants who have breastfeeding problems that are beyond the expertise of Contractor's local WIC staff and/or peer counselors using International Board Certified Lactation Consultants or the most qualified equivalent. Lactation services may also include Contractor's Local WIC Agency staff training and the provision of lactation equipment. DSHS will provide written approval of Contractor's plan to use lactation funding. Contractor's plan shall include qualifications of any non-board certified lactation consultant, which is included in the proposal.
- T. Ensure adequate staff coverage and uninterrupted delivery of WIC services if any member of Contractor's staff is approved in writing by DSHS to participate in the DSHS Dietetic Internship program. This internship will consist of no less than 1200 hours of supervised learning experiences in a variety of nutrition-related facilities and will prepare Contractor's selected staff member to better meet the needs of WIC participants.
- U. Stock DSHS-provided manual pumps, single-user electric breast pumps and multi-user electric breast pumps, collection kits, and purchase additional sized flanges. Distribute the appropriate pumps, kits, and/or additional sized flanges to eligible WIC participants. During the term of this Program Attachment, DSHS reserves the right to withhold payment if Contractor fails to accurately complete and submit breast pump receiving reports within three (3) business days of receiving a DSHS breast pump delivery.
- V. Implement or expand Contractor's use of a Registered Dietitian (RD) who is registered with the Commission on Dietetic Registration to provide for Contractor that includes, but not limited to: assistance with quality assurance, staff training, assistance with the Annual Nutrition Education and Breastfeeding plan, individual counseling for high-risk participants, and facilitated discussion classes.

Contractor shall comply with all applicable federal and state laws, rules, regulations, standards, and guidelines in effect on the beginning date of this Attachment as amended, including, but not limited to:

1. Uniform Federal Assistance Regulations, 7 CFR Parts 15, 15a, 15b, 246, 248, 3016, 3017 and 3018;
2. WIC Program and Farmers' Market Nutrition Program Rules, 25 Texas Administrative Code, §§ 31.11-31.37; and
3. Child Nutrition Act of 1966, as amended, 42 USC 1786.

The following documents are incorporated by reference and made a part of this Program Attachment:

1. *DSHS Standards for Public Health Clinic Services*, revised August 2004, or latest revision;
2. USDA Food and Nutrition Service (FNS) Guidelines;
3. USDA FNS Instructions issued under the FNS Directives Management System; and
4. Current WIC Policy and Procedures Manual.

Within thirty (30) days of receipt of an amended standard(s) or guideline(s), Contractor shall inform DSHS, in writing, if it shall not continue performance under this Program Attachment in compliance with the amended standard(s) or guideline(s). DSHS may terminate the Program Attachment immediately or within a reasonable period of time as determined by DSHS.

All activities related to WIC, including timeframes, budget, and any revisions shall be approved by DSHS.

SECTION II. PERFORMANCE MEASURES

The following performance measures will be used to assess, in part, Contractor's effectiveness in providing the services described in this Program Attachment, without waiving the enforceability of any of the other terms of the contract.

Contractor shall ensure:

- 1) An average of 95% of families a quarter who participate in DSHS WIC Program by receiving food instruments shall also receive nutrition education classes or individual counseling services to coincide with food instrument issuance;
- 2) Of all pregnant women who enter DSHS WIC Program, an average of 20% a quarter shall be certified as eligible during the period of the first trimester of their pregnancy;
- 3) An average of 85.5% of clients a quarter who are enrolled in the DSHS WIC Program, excluding dual participants, transfer locked and/or migrant clients, shall participate as food instrument recipients each month (breast-feeding infants are also included in the client count); and

- 4) 98% of participants who indicate during the enrollment process for the DSHS WIC Program that they have no source of health care shall be referred to at least one (1) source of health care at certification of eligibility.

Contractor shall submit the *WIC Local Agency Performance Measure Report* which describes Contractor's efforts towards meeting performance measures. The report shall be in an approved format as provided by DSHS, and shall be completed and submitted to DSHS within fifteen (15) calendar days after the end of each month.

SECTION III. SOLICITATION DOCUMENT: N/A

SECTION IV. RENEWALS: DSHS may renew this contract for one renewal period if funds are available.

SECTION V. PAYMENT METHOD: Cost reimbursement

SECTION VI. BILLING INSTRUCTIONS:

Contractor shall request payment using the State of Texas Purchase Voucher (Form B-13) and Financial Status Reports (FSR) and submit by electronic mail to DSHS Contract Development and Support Branch at WicVouchers@dshs.state.tx.us

SECTION.VII. BUDGET:

SOURCE OF FUNDS: CFDA # 10.557.001

DUNS NUMBER: 103110834

All categories of costs billed to DSHS WIC Program, and allocation of such costs, shall be in accordance with the "Plan to Allocate Direct Costs" (PADC) submitted by Contractor and approved by the DSHS WIC Program. This document is incorporated herein by reference and made a part of this Program Attachment.

Total reimbursements will not exceed: \$5,582,348.00.

SECTION VIII. SPECIAL PROVISIONS:

General Provisions, **Compliance and Reporting** Article I, Section 1.07, **Statutes and Standards of General Applicability**, is hereby amended to include the following:

Contractor shall comply with all provisions required by implementing the regulations of the Department of Agriculture, 7 CFR Part 246, 248; Department of Justice Guidelines for Enforcement of Title VI, Civil Rights Act of 1964; 28 CFR § 50.3 and 28 CFR Part 42; and Food & Nutrition Service (FNS) directives and guidelines, to the effect that no person will, on the grounds of race, color, national origin, sex, age, or disability be

excluded from participation under any program or activity for which Contractor receives federal financial assistance from FNS; and hereby gives assurance that it shall immediately take measures necessary to implement this Program Attachment.

Contractor shall compile data, maintain records and submit reports, as required, to permit effective enforcement of the nondiscrimination laws and permit authorized USDA and State of Texas personnel, during normal working hours, to review such records, books, and accounts as needed to ascertain compliance with the nondiscrimination laws. The Department of Agriculture, Food and Nutrition Service (USDA), has the right to seek judicial enforcement if Contractor violates any nondiscrimination laws. This Assurance is binding on Contractor, its successors, transferees, and assignees, as long as they receive assistance or retain possession of any assistance from the Department of Agriculture. The person or persons whose signatures appear on the Core Contract are authorized to sign this Assurance on behalf of Contractor.

Contractor shall comply with all of the requirements of the current WIC Policy and Procedures Manual and Program rules as well as state and federal laws and amendments governing or regulating the WIC Program. A copy of the current WIC Policy and Procedures Manual has been made available to Contractor. The WIC Policy and Procedures Manual, and all revisions made to the WIC Policy and Procedures Manual are incorporated into this Agreement by reference. Contractor has a duty to remain familiar with the contents within the WIC Policy and Procedures Manual.

Contractor is responsible for ensuring that employees or agents acting on behalf of Contractor comply with all of the requirements of the WIC Policy and Procedures Manual, Program rules and all state and federal laws and amendments governing and regulating the WIC Program.

General Provisions, Payment Methods and Restrictions Article IV, Section 4.01, Payment Methods, is hereby modified to include the following paragraphs:

The participant caseload will be assigned by DSHS by giving written notice to Contractor. The participant caseload is subject to change upon written notice to Contractor from DSHS with Contractor's concurrence. Contractor assumes liability for all food costs resulting from Contractor exceeding its assigned caseload. The number of individuals served in excess of assigned caseload are not to be included in the calculation of earned administrative funds as described below.

DSHS will reimburse Contractor for administrative costs incurred when determining eligibility, providing appropriate nutrition education and counseling, issuing food instruments, making participant referrals, vendor evaluation, outreach, start-up costs and general administrative support.

Administrative costs will be reimbursed based on actual costs, but not to exceed the "maximum reimbursement" set out below, based upon the sum of the participants who actually receive food instruments each month plus infants who do not receive any food

instruments whose breastfeeding mothers were participants to the extent that the total so derived does not exceed Contractor's total assigned caseload within any given month. Surplus funds (the amount by which maximum reimbursements exceed actual costs) can be accumulated and carried forward within the Program Attachment term. Surplus encumbered by September 30 shall be billed and vouchers received by DSHS no later than sixty (60) calendar days following the term of the Program Attachment.

PARTICIPANTS SERVED PER MONTH MAXIMUM REIMBURSEMENT:

During the term of the Program Attachment, Contractor shall earn administrative funds at the rate of \$11.16 for each participant served as defined above.

DSHS may pay for additional goods or services as specified in this Attachment if provided by Contractor during the term of this Attachment (but not otherwise paid during the term of this Attachment) if it is in the best interest of DSHS to do so, and funds are available.

The Contractor will be notified if a change in funding occurs and will have thirty (30) days to provide written notice to the DSHS if it intends to terminate this Program Attachment.

Contractor agrees that:

- (1) Contractor shall identify and document separately not less than 19% of total administrative costs as expenditures directly related to nutrition education and counseling. Nutrition education and counseling expenditures shall be supported by documentation of participant attendance or non-attendance within the DSHS WIC Program.
- (2) DSHS will reimburse Contractor for administrative expenses at a rate not greater than 5.26 times the amount of properly documented expenditures for nutrition education and counseling, but not more than is earned based on actual participation not to exceed Contractor's assigned participant caseload, plus any incentive funds allocated to Contractor by DSHS.
- (3) DSHS will limit (cap) reimbursement of Contractor's indirect costs at twenty (20) percent applied to Contractor's total direct salaries plus benefits reimbursed by DSHS.
- (4) DSHS will identify annually to Contractor an amount of funds that shall be spent for breastfeeding promotion. The allocation of breastfeeding funds to Contractor will be based on Contractor's proportional share of the statewide combined total of pregnant and breastfeeding participants as reported to DSHS WIC Program.
- (5) DSHS WIC Program also reserves the right to withhold a proportionate amount of earned administrative funds when evidence exists that nutrition education and/or

breastfeeding promotion is not being provided by Contractor, or Contractor is not complying with the provisions of USDA and/or DSHS directives.

- (6) DSHS reserves the right to utilize a competitive offering for the award of any future contracts at the end of the term of this Program Attachment.
- (7) DSHS may amend or terminate this Program Attachment if available funds become reduced, depleted, or unavailable during the term of the Program Attachment to the extent that the WIC Program is unable to provide administrative funding at the rate(s) stated in this Program Attachment. DSHS will provide written notification to Contractor of such fact.
- (8) DSHS may pay for additional services as specified in this Program Attachment if provided by Contractor during the term of this Program Attachment (but not otherwise paid during the term of this Program Attachment) if it is in the best interest of DSHS and DSHS WIC Program to do so. If Contractor exceeds the amount of earned administrative funds as stated above, Contractor shall continue to bill DSHS for the services provided. If additional funds become available at a later date for the provision of these services, DSHS WIC Program may pay Contractor a share of these funds.
- (9) DSHS may provide incentives to Contractor's Local WIC Agencies for participants who are provided WIC services outside the normal traditional hours to the extent that federal funding is available.
- (10) During the term of this Program Attachment, DSHS may adjust the base reimbursement rate as defined in this Program Attachment if it is in the best interest of DSHS and the DSHS WIC Program and if administrative WIC Grant funds change.

Contractor shall indicate separately on the face of the claim for reimbursement (State of Texas Purchase Voucher, Form B-13) the costs associated with nutrition education, breast-feeding, and other administrative costs.

General Provisions, Payment Methods and Restrictions Article IV, Section 4.02, **Billing Submission** is amended to include the following: Contractors shall bill the Department in accordance with the Program Attachment(s) in the form and format prescribed by DSHS. Unless otherwise specified in the Program Attachment(s) or permitted under the Third Party Payors section of this Article, Contractor shall submit requests for reimbursement or payment monthly by the last business day of the month following the end of the month covered by the bill. Contractor shall maintain all documentation that substantiates billing submissions and make the documentation available to DSHS upon request.

Contractor shall submit quarterly Financial Status Reports (FSRs) to DSHS by the last business day of the month following the end of each quarter of the Program Attachment term for Department review and financial assessment. Contractor shall submit the final FSR no later than sixty (60) calendar days following the end of the applicable term.

General Provisions, **Payment Methods and Restrictions** Article IV, Section 4.04, **Working Capital Advance**, is not applicable to this Program Attachment. However, Contractor will be allowed the option of receiving a two (2) month cash advance in accordance with WIC Program Policy and Procedures.

General Provisions, **Records Retention** Article VIII, Section 8.01, **Retention** shall be replaced with the following:

Recordkeeping requirements. Contractor shall maintain full and complete records concerning Program operations. Such records shall comply with 7 CFR Part 3016 and the following requirements:

- (1) Records shall include, but not be limited to, information pertaining to financial operations, food delivery systems, food instrument issuance and redemption, equipment purchases and inventory, certification, nutrition education, civil rights and fair hearing procedures.
- (2) All records shall be retained for a minimum of three years following the date of submission of the final expenditure report for the period to which the report pertains. If any litigation, claim, negotiation, audit or other action involving the records has been started before the end of the three-year period, the records shall be kept until all issues are resolved, or until the end of the regular three-year period, whichever is later. If USDA deems any of the WIC program records to be of historical interest, it may require DSHS or the Contractor to forward such records to the USDA whenever either entity is disposing of them.
- (3) Records for nonexpendable property acquired in whole or in part with WIC program funds shall be retained for three years after its final disposition.
- (4) All records shall be available during normal business hours for representatives of the USDA, DSHS and the Comptroller General of the United States to inspect, audit, and copy. Any reports or other documents resulting from the examination of such records that are publicly released may not include confidential applicant or participant information.

General Provisions, **Notice Requirements** Article X, Section 10.01, **Child Abuse Reporting Requirement**, is hereby amended to include the following:

If Contractor chooses to interview a client to determine if an affirmative defense to prosecution exists, **as defined by DSHS**, which would allow them under the DSHS policy to not make a report of child abuse, the Contractor shall conduct these interviews in the following manner:

- For ineligible clients, the interview shall be conducted after the entire WIC visit is done. For eligible clients, the interview may occur at the point in time when all WIC activities, including communication of eligibility and individual counseling, are completed with the exception of food instrument issuance.
- The interview shall be conducted only by a competent authority or a supervisor and in a confidential setting.

- Prior to asking the client any questions, the interviewer shall inform the client that the questions have no bearing on the client's WIC eligibility and receipt of services.

General Provisions, **General Business Operations of Contactor** Article XII, Section 12.02, **Management and Control Systems**, Item a is not applicable to this program attachment; Item c is replaced with the following:

- c) effective internal and budgetary controls; determination of reasonableness, allowableness, and allocability of costs; timely and appropriate audits and resolution of any findings.

General Provisions, **General Business Operations of Contractor** Article XII, Section 12.06, **Overtime Compensation**, is not applicable to this Program Attachment.

General Provisions, **General Business Operations of Contractor** Article XII, the last three sentences of Section 12.20, **Equipment**, are not applicable to this Program Attachment.

General Provisions, **General Business Operations of Contractor** Article XII, Section 12.23, **Property Inventory and Protection of Assets**, is amended to include the following:

Contractor shall maintain an inventory of reportable capital assets placed in the custody of the Contractor by DSHS. Contractor shall conduct an annual inventory for each administrative and clinic site and submit to DSHS Property Management in a format and upon a delivery date designated by DSHS. Contractor shall administer a program of maintenance, repair and protection of assets under this Contract so as to assure their full availability and usefulness. In the event Contractor is indemnified, reimbursed, or otherwise compensated for any loss of, destruction of, or damage to the assets provided under this Contract, it shall use the proceeds to repair or replace said assets.

General Provisions, **General Business Operations of Contractor** Article XII, Section 12.26, **Property Acquisitions**, is not applicable to this Program Attachment.

General Provisions, **General Terms** Article XIII, Section 13.15, **Amendment**, is replaced with the following:

The Parties agree that the Department may unilaterally reduce funds pursuant to the terms of this Contract. Parties agree that this attachment may be amended during its term by Letters of Amendment to reflect funds awarded for special projects and to more accurately align the total Not To Exceed amount with funds the contractor may earn by contract performance. All other amendments to this Contract must be in writing and agreed to by both Parties, except as otherwise specified in the Contractor's Notification of Change to Certain Contract Provisions section or the Contractor's Request for Revision to Certain Contract Provisions section of this Article. Contractor's request for certain budget revisions or other amendments must be submitted in writing, including a justification for the request, to the contract manager assigned to the Program Attachment; and if a budget revision or amendment is requested during the last quarter of the Contract or Program Attachment term, as applicable, Contractor's written justification must include a reason for the delay in making the request. Revision or other amendment requests may be granted at the discretion of DSHS. Except as

otherwise provided in this Article, Contractor shall not perform or produce, and DSHS will not pay for the performance or production of, different or additional goods, services, work or products except pursuant to an amendment of this Contract that is executed in compliance with this section; and DSHS will not waive any term, covenant, or condition of this Contract unless by amendment or otherwise in compliance with this Article.