

ARKANSAS DEPARTMENT OF HEALTH WIC PROGRAM
WIC Infant Formula Rebate Contract

This contract (hereinafter referred to as Contract) is entered into between the Arkansas Department of Health (ADH) WIC Program, hereinafter referred to as the PROGRAM, and _____, hereinafter referred to as the CONTRACTOR.

I. THE PARTIES AGREE:

A. THE CONTRACTOR'S DUTIES

The CONTRACTOR shall provide the contract brand infant formulas specified herein through wholesalers and authorized WIC vendors, in sufficient supply to service 100% of the WIC caseload, and shall remit to the PROGRAM a rebate for each unit of the CONTRACTOR'S contract brand infant formulas as specified herein.

B. CONTRACT AMOUNT

The CONTRACTOR shall rebate to the PROGRAM a price per unit for each contract brand infant formula listed on Attachment 1 of this Contract. The rebate amount per unit for the primary contract brand infant formula is the amount specified by the CONTRACTOR on the WIC Infant Formula Rebate Initiative Quote Sheet (hereinafter "Quote Sheet") on March 23, 2018. It is identified as Attachment III to the WIC PROGRAM'S Infant Formula Rebate Initiative Request for Proposals, issued in conjunction with the New Mexico Department of Health and the North Carolina Department of Health and Human Services, hereinafter referred to as the REQUEST FOR PROPOSALS and incorporated as part of this Contract. The rebate amounts per unit for the other contract brand infant formulas specified herein are calculated in accordance with Section III.A.7. of the Request for Proposals.

C. PAYMENT

1. The CONTRACTOR will receive an invoice by electronic mail for payment for the most recent closed out month for which data is available. The PROGRAM will submit an invoice to the CONTRACTOR which will be based on the total number of units of infant formula by brand, physical form and size, redeemed for that billing month. Payment by the CONTRACTOR is due within (30) calendar days of receipt of the PROGRAM'S invoice. In the event that any due date occurs on a Saturday, Sunday, or legal holiday, the rebate payment will be due on the last business day preceding the due date.

The PROGRAM will be transitioning to a new Electronic Benefit Transfer (EBT) system during the term of this contract. Should rebate functionality in the new system be delayed, the PROGRAM will submit an invoice(s) to the CONTRACTOR based on 90% of the total number of units, by brand, physical form and size, redeemed for the last month statewide data is available from the PROGRAM'S system as an initial partial invoice. Once the data is available from the new system the PROGRAM will submit an invoice to the CONTRACTOR for the remaining rebate balance which will be based on the total number of units, by brand, physical form and size, redeemed for that billing month. Payment by the CONTRACTOR is due within thirty (30) calendar days of receipt of the PROGRAM'S invoice.

2. The PROGRAM will apply the methodology described in Attachment 4 to this State Contract for determining partial redemptions prior to billing the CONTRACTOR for rebates. The CONTRACTOR agrees that all payments shall be made to the PROGRAM by electric funds transfer (EFT) or automated clearing house (ACH) wire transfer. Such files must be ready for output by the printer.
3. The CONTRACTOR agrees to pay interest penalties to the PROGRAM in the amount of one (1.0) percent per month or any portion thereof calculated on the payment amount due or invoice total for any properly delivered invoice for which funds have not been transferred to the PROGRAM by the CONTRACTOR by the close of business on the due date for the payment.
4. The CONTRACTOR shall make advance payment if requested by the PROGRAM. The requested advance payment may not exceed the number of units issued by brand, physical form and size, less the number of units issued but not redeemed, for the most recent month for which data is available for the PROGRAM. The PROGRAM may request a partial advance payment.
 - a. Advance payment is due upon receipt of the request and becomes delinquent after twenty (20) calendar days. A late payment charge of $\frac{1}{2}$ of 1% per month, accrued on a daily basis (6% annual percentage rate) shall be assessed on any advance payment request that has not been paid within twenty (20) calendar days of its receipt. Late payment penalties will begin on the twenty-first day.
 - b. The CONTRACTOR shall be entitled to a non-refundable discount of $\frac{1}{2}$ of 1% for each month, accrued on a daily basis (6% annual percentage rate), that payment is in advance of its original due date, with such discount applied against the actual amount of advance payment made. Any amount in excess of actual rebates due to the PROGRAM shall be deducted from the next payment due to the PROGRAM.
5. Price increases or decreases in the CONTRACTOR'S lowest national wholesale price per unit for a full truckload, of any one or all of the contract brand infant

formulas listed herein, will result in an automatic rebate increase or decrease on a cent-for-cent basis for those formulas. The price per unit rebate will increase or decrease effective the first day of the month in which the wholesale price per unit increases or decreases. The CONTRACTOR shall notify the PROGRAM in writing no less than thirty (30) calendar days prior to any changes in wholesale prices. The notification shall include both the date and amount of the increase or decrease.

6. Notwithstanding any other provisions of this Contract, the CONTRACTOR shall pay a rebate yielding the same net price per reconstituted fluid ounce as the primary contract brand infant formula if this formula is replaced during the term of the Contract, including but not limited to, replacement by change in formulation or unit size. The lowest national wholesale price per unit for a full truckload of the replacement infant formula at the time the replacement formula is approved for issuance by the PROGRAM will be used to calculate the rebate.
7. The CONTRACTOR agrees that if a new contract brand infant formula introduced into the CONTRACTOR'S product line is approved for issuance by the PROGRAM or the PROGRAM decides to add any additional contract brand infant formulas to its approved list, the CONTRACTOR shall pay a rebate amount per unit for the additional infant formula calculated in accordance with Section III.A.7.c. of the Request for Proposals. The PROGRAM will notify the CONTRACTOR ninety (90) days, or less if mutually agreed upon, prior to the approval of the new or additional formula for issuance. The PROGRAM will notify the affected parties in the WIC community and bill the CONTRACTOR accordingly, if and when that infant formula is issued.
8. In the event of a Natural Disaster, the PROGRAM agrees to contact the CONTRACTOR to ensure sufficient quantities. In the event quantities are not sufficient, the PROGRAM may substitute a contract brand infant formula that is currently not approved for issuance by the PROGRAM or a non-contract brand infant formula except exempt infant formula. The CONTRACTOR shall pay a rebate amount per unit calculated in accordance with Section III.A.7.b. of the Request for Proposals, except that the lowest national wholesale price per unit for a full truckload, at the time the infant formula is issued by the PROGRAM, will be used to calculate the rebate.
9. The CONTRACTOR agrees to pay rebates to the PROGRAM on any redeemed units of primary contract brand infant formula and other contract brand infant formulas approved for issuance by the PROGRAM that are issued with a food instrument having a "first date to use" on or between October 1, 2018 and September 30, 2021. The rebate amount applied to the redeemed units shall be the rebate amount as of the first day of the month of redemption, except as provided in C.5, for an increase or decrease in wholesale price. Rebate payment shall be made even though the Contract may have expired at the time the units are redeemed and payment of the rebate is due.

For validly redeemed food instruments after expiration of the Contract, the rebate amount applied to the redeemed units shall be the rebate amount as of September 30, 2021. One 2-year extension could apply to this contract.

10. The CONTRACTOR cannot withhold any rebate payments due the PROGRAM under any circumstances. Any adjustments owed the CONTRACTOR by the PROGRAM will be made by the PROGRAM in subsequent invoices.

D. PAYMENT DISPUTES

1. The CONTRACTOR must notify the PROGRAM of any dispute or error in the rebate invoice within sixty (60) calendar days of receipt of the invoice. The CONTRACTOR waives its right to challenge any invoice or request the return of any funds after sixty (60) calendar days following the CONTRACTOR'S receipt of the invoice for the funds in question.
2. Late penalties shall be assessed against the CONTRACTOR during the time any amounts are in dispute and will accrue at a rate of 1.5% per month prorated on a daily basis (18% annual percentage rate). In the event such dispute is settled in favor of the CONTRACTOR, such penalties will not be owed. All disputes will be settled within thirty (30) calendar days, or by closeout of the federal fiscal year in which the dispute occurred, whichever is earlier. Any payments or late penalties due to the PROGRAM shall be received within ten (10) calendar days from the date of resolution.
3. Adjustments in invoice amounts shall be made by the PROGRAM only when an actual error in any disputed invoice is found. Statistical inference or sampling shall not be the basis for any dispute by the CONTRACTOR or any adjustment in an invoice by the PROGRAM. Supporting documentation provided by the PROGRAM in the event of a dispute shall be limited to the documentation identified in provision II. A. of this Contract.

E. CONFLICT OF INTEREST

The CONTRACTOR warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. The CONTRACTOR shall comply with the provisions of Arkansas Code Annotated Sections 19-11-701, et seq., the Ethics in Public Contracting Law, which requires disclosure to the Director of the Arkansas Department of Finance and Administration of amounts received under Contract when such provisions are applicable. In addition, the CONTRACTOR must comply with all federal laws and regulations on conflict of interest.

F. MISCELLANEOUS

1. The CONTRACTOR acknowledges that the WIC Acronym and the WIC logo are service marks owned by the United States Department of Agriculture (USDA) and that all rights therein and goodwill pertaining thereto belong exclusively to USDA.
 - a. The CONTRACTOR shall not use these service marks in any manner on its goods or their containers or packaging or on tags of labels affixed thereto. The CONTRACTOR also shall not use the WIC logo in advertising or other promotional materials (collectively: "advertising").
 - b. The CONTRACTOR shall not use the WIC Acronym in advertising in any manner that is likely to cause confusion, mistake, or deception as to affiliation, connection, or association of the CONTRACTOR with the WIC Program, or as to the sponsorship or approval of the CONTRACTOR'S goods, services, advertising, or commercial activities, including nutrition message(s), by the WIC Program and USDA.
 - c. The CONTRACTOR shall include the following statement with any use of the WIC Acronym in advertising: "WIC is a registered service mark of the U.S. Department of Agriculture for USDA's Special Supplemental Nutrition Program for Women, Infants, and Children."
2. The CONTRACTOR shall keep confidential and not divulge or make available to any individual or organization without the prior written approval of the PROGRAM any information, data, documents or reports provided by the PROGRAM to the CONTRACTOR under this Contract.
3. The CONTRACTOR shall not use the award of contract as part of any news release for commercial advertising.
4. The CONTRACTOR shall give the PROGRAM no fewer than one hundred and twenty (120) calendar days advance written notice prior to any of the actions listed below in provision 4.a. through d. of this Contract. The one hundred and twenty (120) calendar days advance written notice shall not begin prior to the date of any required Food and Drug Administration (FDA) approval for the action.
 - a. The introduction of any new contract brand infant formula into its product line and when it will become available in the PROGRAM's market;
 - b. A change in the label of the primary contract brand infant formula or any other contract brand infant formula approved for issuance by the PROGRAM;

c. The replacement of the primary contract brand infant formula or any other contract brand infant formula approved for issuance by the PROGRAM, including, but not limited to, replacement by change in formulation or unit size; and

d. A change in the name of the primary contract brand infant formula or any other contract brand infant formula approved for issuance by the PROGRAM.

e. A change in size of the product which impacts the amount of yield and the amount of product issued per month. Due to the impact on an Electronic Benefit Transfer (EBT) system, products that change size and/or yield must change the Universal Product Code (UPC) or the contractor must work with the PROGRAM to reset the authorized WIC vendors' shelves and the wholesalers' inventory.

G. COVENANT AGAINST CONTINGENT FEES

1. The CONTRACTOR warrants that no commissions, percentages, brokerage, gratuities, kickbacks or contingency fees were paid in connection with the Contract, nor exchanged for consideration by the CONTRACTOR for the purpose of securing this Contract.
2. Arkansas Code Annotated, Section 19-11-714 imposes both criminal and civil penalties for violation of its provisions. Arkansas statutes impose criminal penalties where bribes, gratuities or kickbacks have been solicited, given or received in contracts involving public money.

H. AUDITS AND RECORDS

1. The CONTRACTOR shall maintain books, records, and documents in accordance with generally accepted accounting procedures and practices.
2. The CONTRACTOR assures that these records created solely for this Contract shall be subject to inspection, reviews or audit by state personnel and other personnel duly authorized by the PROGRAM, as well as by authorized federal personnel. Routine inspections, review or audits shall be upon reasonable notice and during normal business hours.
3. The CONTRACTOR shall maintain and file with the PROGRAM such progress, fiscal, inventory and other reports as the PROGRAM may require within the period of this Contract.
4. The CONTRACTOR shall allow public access during normal business hours to all documents, papers, letters or other material subject to the provisions of Arkansas Code Annotated, Sections 25-19-101, et seq., The Arkansas Freedom of Information

Act, and made or received by the CONTRACTOR in conjunction with this Contract. It is expressly understood that receipt of substantial evidence of the CONTRACTOR'S refusal to comply with this provision shall constitute a breach of the Contract.

I. RETENTION OF RECORDS

1. The CONTRACTOR shall retain all financial records, supporting documents, statistical records and any other documents created solely for this Contract for a period of five (5) years after termination of the Contract. If an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings. Any routine audits of such records or documents shall be upon reasonable notice and during normal business hours.
2. Persons duly authorized by the PROGRAM and federal auditors pursuant to 2 CFR Section 200.517 shall have full access to and the right to examine any of said records and documents during said retention period. Such access shall occur during normal business hours.

J. MONITORING

1. The CONTRACTOR shall provide access to, or shall furnish whatever information is necessary for the monitoring of this Contract.
2. The CONTRACTOR shall permit the PROGRAM to monitor the aforementioned Contract according to applicable regulations of the state and federal governments.

K. HOLD HARMLESS/INDEMNIFICATION

1. The CONTRACTOR agrees to indemnify and hold harmless the STATE as well as officers, agents, and employees of the PROGRAM from all claims, losses, or suits accruing and/or resulting from personal injury allegedly caused by a defect in the product furnished pursuant to this Contract, except claims, losses, or suits arising from any negligence by the PROGRAM, its officers, agents, employees, contractors or subcontractors. The PROGRAM shall give the CONTRACTOR written notice of each such claim or suit and full right and opportunity to conduct the CONTRACTOR'S own defense thereof, together with all reasonable cooperation. Any such claim shall be settled by the Arkansas Claims Commission.
2. Notwithstanding any indemnification clause, the PROGRAM shall have full authority to conduct its own defense, negotiation, and settlements, but the CONTRACTOR'S indemnification nevertheless remains in full force and effect. Any settlement shall only be reimbursable by CONTRACTOR if the CONTRACTOR approves such settlement in advance, and any liability upon successful defense shall

only be reimbursable by the CONTRACTOR if CONTRACTOR has full opportunity to participate equally in the defense of the action.

L. COMPLIANCE WITH LAWS

1. The CONTRACTOR shall abide by all applicable state and federal laws and regulations.
2. If any state law conflicts with a federal law, the federal law shall supersede.

II. PROGRAM AGREES:

A. INVOICE REPORTS

The PROGRAM shall provide the CONTRACTOR a monthly invoice report specifying the number of units of each contract brand infant formula by brand, physical form and size, approved for issuance by the PROGRAM and paid for during the preceding month. Based on these figures, the rebate due to the PROGRAM shall be calculated. The PROGRAM shall provide these calculations and the supporting documentation with each invoice. The PROGRAM will make adjustments for partial purchases based on Attachment 4: Arkansas Methodology for Determining Partial Redemptions.

The supporting documentation is limited to the food instrument number, food instrument redeemed amount, redemption date, first date to use, unit count, brand name, physical form and size. No identifiable participant information will be provided. Should vendor information be requested, no identifiable vendor information will be provided other than vendor name and address.

B. COMPLIANCE

The PROGRAM shall monitor WIC vendors for compliance with Arkansas WIC Program rules, regulations, policies, and procedures, and employ sanctions as necessary to enforce compliance as outlined in WIC federal regulations.

III. THE CONTRACTOR AND THE PROGRAM MUTUALLY AGREE:

A. TERM

This Contract shall be effective on October 1, 2018 through September 30, 2021. One 2-year extension could apply to this contract. The extension is solely at the state's discretion. Contract pricing applies to the extension period.

No commitment of public funds is permitted prior to Contract approval.

B. NOTICE AND CONTACT

The name and address of the PROGRAM'S administrator for this Contract is Mitzi Fritschen, Director, WIC/Nutrition Branch, Arkansas Department of Health (ADH) WIC Program, 5800 West 10th Street, Suite 300, Little Rock, AR 72204-1703. The representative of the CONTRACTOR responsible for administering the services under this Contract is _____. In the event that different representatives are designated by either party after execution of this Contract, notice of the name and address of the new representative will be rendered in writing to the other party and said notification attached to originals of this Contract.

C. PERFORMANCE OF CONTRACT

The PROGRAM and the CONTRACTOR agree to meet at least annually to review the progress and performance of the Contract. During these meetings any concerns regarding billing procedures must be addressed.

D. MODIFICATION OF CONTRACT

This Contract may not be amended orally or by performance. Modification of provisions of this Contract shall only be valid when reduced to writing and duly signed by both parties to the Contract. The parties agree to amend this Contract if federal and/or state revisions of any applicable laws or regulations make changes to the Contract necessary.

E. SEVERABILITY

In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

F. GOVERNING LAW

This Contract shall be deemed to have been executed and entered into in the State of Arkansas, the County of Pulaski, and shall be construed, performed and enforced in all respects in accordance with the laws and rules of the State of Arkansas. It is agreed between the parties hereto that the place of this Contract, its situs and forum, shall be Pulaski County, Arkansas. Each party shall perform its obligations hereunder in accordance with the terms and conditions of this Contract.

G. HEADINGS NOT CONTROLLING

Headings used in this Contract are for reference purposes only and shall not be considered to be a substantive part of this Contract.

H. AVAILABILITY OF FUNDS

It is understood and agreed between the CONTRACTOR and the PROGRAM that Arkansas Code Annotated §19-11-238 (c) requires that the payment of any amounts specified in this Contract, or its continuation, is contingent upon and subject to the allocation of funds to the PROGRAM for the purposes set forth in this Contract.

I. NON-ASSIGNMENT

The CONTRACTOR shall not assign, sublicense, subcontract or otherwise transfer its rights, duties and/or obligations under this Contract without prior written approval by the PROGRAM. Any sublicense, subcontract, assignment or transfer otherwise occurring shall be null and void; provided, however, that the PROGRAM shall at all times be entitled to assign or transfer its rights, duties and/or obligations under this Contract to another governmental agency in the State of Arkansas upon giving prior written notice to the CONTRACTOR.

J. FORCE MAJEURE

The CONTRACTOR shall not be liable for delay, failure of performance, loss or damage, due to fire, earthquake, volcanic action, flood, war, civil or military authority, acts of God, or other causes beyond its reasonable control.

Notwithstanding the preceding paragraph, when the CONTRACTOR's product is not available in the State for 72 hours or more, the PROGRAM shall have the right to substitute contract brand infant formulas currently not approved for issuance or non-contract brand infant formulas currently not approved for issuance, except exempt infant formulas. The PROGRAM shall invoice, and the CONTRACTOR shall pay, rebates for the units issued during the period when the CONTRACTOR's formula was not available, notwithstanding that food instruments issued during a shortage may be redeemed after the shortage is remedied. The lowest national wholesale price per unit at the time of issuance for a full truckload of the substitute formula shall be used to calculate the rebate amount. The rebate paid for the substitute formula shall yield the same net price per reconstituted fluid ounce as the rebate for the formula for which it is being substituted. At any time after the CONTRACTOR's product is not available for 72 hours or more, the PROGRAM may declare the CONTRACTOR in

breach and terminate the Contract for cause pursuant to Section III L, 1. "Termination for Cause."

K. PROGRAM'S RIGHT TO APPROVE NEW OR ADDITIONAL CONTRACT BRAND INFANT FORMULAS FOR ISSUANCE

The CONTRACTOR agrees that the PROGRAM has the right to approve for issuance additional contract brand infant formulas that are not currently listed in Attachment A., of this Contract and new contract brand infant formulas introduced into the CONTRACTOR'S product line during the term of this Contract. The PROGRAM is not obligated to add new or additional contract brand infant formulas to the PROGRAM'S WIC-approved food list.

L. TERMINATION

Termination shall not nullify or otherwise excuse any obligation owed by the CONTRACTOR to the PROGRAM prior to the effective date of the termination or as provided otherwise herein.

1. Termination for Cause

- a. Unless the CONTRACTOR's material breach of any provision of this contract is waived by the PROGRAM in writing, the PROGRAM may, by written notice to the CONTRACTOR specifying CONTRACTOR's failure, terminate this contract upon no less than twenty-four (24) hours' notice unless the CONTRACTOR has cured the breach within time frames agreed upon by both parties. Said notice shall be delivered by certified mail, return receipt requested, or in person with proof of delivery.
- b. Waiver of breach of any provision of the contract shall not be deemed to be a waiver of any other breach and shall not be construed to be modification of the terms of this contract. The provisions herein do not limit the PROGRAM's right to remedies at law or to damages.
- c. The PROGRAM may terminate this contract for cause upon the filing of a bankruptcy action or insolvency by or against the CONTRACTOR.
- d. If the contract is terminated pursuant to this provision, the CONTRACTOR shall provide to the PROGRAM the same rebate payment for infant formula that would have been paid until a new contract is executed.

2. Termination Without Cause

- a. Either party may terminate this contract with a minimum of two hundred

and seventy (270) calendar days written notice delivered to the contract representatives specified herein.

- b. In the event of termination of the contract by either party pursuant to this provision, any payment or obligation incurred during the two hundred and seventy (270) calendar days between issuance of notice and termination will be made or satisfied within thirty (30) calendar days of the receipt of the invoice.
- c. If the contract is terminated pursuant to this provision, the contractor shall continue to pay rebates from the date notice is given until the end of the notice period or until a new contract is executed, whichever occurs first.
- d. Notwithstanding termination, the Contractor shall comply with paragraph I C, 9. regarding payment of rebates on units of contract infant formula for which food instruments were issued during the term of the Contract and redeemed subsequent to the Contract termination.

M. RECONCILIATION INVOICES

Every six (6) months during the contractual period and within one hundred and twenty (120) calendar days of the termination of the Contract, the PROGRAM may provide reconciliation invoices to include unreported claims against the CONTRACTOR. Payment from the CONTRACTOR is due within thirty (30) calendar days of receipt of the PROGRAM'S invoice. A late payment charge of 1.0 percent per month accrued on a daily basis (12% annual percentage rate) shall be assessed on past-due amounts at the time the subsequent invoice is calculated.

N. ALL TERMS AND CONDITIONS INCLUDED

The Contract and its attachments contain all the terms and conditions agreed upon by the parties.

All terms and conditions of the ARKANSAS/NORTH CAROLINA/NEW MEXICO WIC INFANT FORMULA REBATE INITIATIVE REQUEST FOR PROPOSALS (issued January 5, 2018), STATES ANSWERS TO PRE-BID QUESTIONS (issued March 2, 2018) and the CONTRACTOR'S accepted response to the Request for Proposals, are hereby incorporated, and are a part of the Contract. Also incorporated in the Contract are the QUOTE SHEET (Attachment A), the CONTRACTOR'S CERTIFICATION (Attachment B) and the ARKANSAS METHODOLOGY FOR DETERMINING PARTIAL REDEMPTIONS (Attachment C).

IN WITNESS THEREOF, the CONTRACTOR and the PROGRAM have executed this agreement in duplicate originals, one of which is retained by each of the parties, the day and year first written below.

CONTRACTOR

ARKANSAS DEPARTMENT OF HEALTH

BY _____
Contractor's Signature/Date
President/Vice President
or designee

Nathaniel Smith, MD, MPH
Director and State Health Officer

WITNESS

Signature/Date
CORPORATE SECRETARY

Date

Instructions: Offeror to complete columns A, B, E, and F, and name of offeror, authorized signature, title and date.

Attachment III									
New Mexico Department of Health, Arkansas Department of Health and North Carolina Department of Health and Human Services									
WIC Infant Formula Rebate Initiative									
QUOTE SHEET									
(for a single milk-based infant formula)									
A	B	C	D	E	F	G	H	I	
Physical Form, Product Brand Name, and Unit Size	Reconstituted Fluid Ounces per Unit	Total Monthly Reconstituted Ounces for Bid by Physical Form*	Total Monthly Units (C/B)	Wholesale Price per Unit**	Rebate per Unit	Net price per unit (E-F)	Monthly net price (D*G)	% rebate (F/E)	
Powder (12.4 oz. - 12.7 oz.) Brand Name / Unit Size		Total Powder							
		47,792,650							
Concentrate (12.1 oz. - 13 oz.) Brand Name / Unit Size		Total Concentrate							
		710,851							
Ready-to-Feed (32 oz. - 33.8 oz.) Brand Name / Unit Size		Total Ready-to-Feed							
		119,290							
Total Monthly Net Price									
* From Attachment II of the RFP, Standardized Number of Reconstituted Fluid Ounces by Physical Form, Column (E)									
** Lowest national wholesale price per unit for a full truckload as of March 23, 2018									
The signature below certifies:									
a) that the infant formula manufacturer is registered with the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et. seq.);									
b) that the infant formula manufacturer's milk-based and soy-based infant formulas comply with the Federal Food, Drug, and Cosmetic Act and regulations issued pursuant to the Act;									
c) that as of March 23, 2018, the manufacturer's lowest national wholesale prices per unit for a full truckload are as specified in Column (E) above; and									
d) that the offeror agrees to pay a rebate on all milk-based and soy-based infant formula products subject to this RFP and issued by the States.									
Name of Offeror _____									
Authorized Signature _____									
Title _____									
Date _____									

ATTACHMENT 3

**NEW MEXICO DEPARTMENT OF HEALTH (NMDOH),
ARKANSAS DEPARTMENT OF HEALTH (ADH)
AND NORTH CAROLINA DEPARTMENT OF
HEALTH AND HUMAN SERVICES (NCDHHS)**

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN,
INFANTS AND CHILDREN (WIC)
WIC INFANT FORMULA REBATE INITIATIVE
CONTRACTOR CERTIFICATION**

CONTRACTOR _____

The undersigned authorized official of the above listed infant formula manufacturer (contractor) certifies:

1. That the contractor has read and understands all requirements and specifications of the Request for Proposals, all attachments and the State's sample contracts.
2. That the contractor agrees to all requirements, specifications, terms and conditions of the Request for Proposals, all attachments and the State's sample contracts.
3. That the contractor, its principals, officers and employees have not been debarred or otherwise sanctioned by any governmental entity (federal, state, territory, tribal, county or municipality) for misconduct, breach of contract, tortious acts or omissions or criminal acts or omissions relating to the production, sale or distribution of infant formula or WIC rebate contractual compliance in the past 10 years. (The facts, circumstances and agreements or findings relating to any sanction or debarment must be provided for the States' consideration).
4. That the contractor shall provide infant formula and rebates to the States pursuant to the terms specified in the Request for Proposals, all attachments and the State's sample contracts.
5. That the contractor is registered with the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 *et seq.*) and that the products shall comply with all applicable regulations relevant to infant formulas, including 7 CFR Section 246.10 (g) and 21 CFR Parts 106 and 107, as well as the provisions of the Federal Food, Drug and Cosmetic Act.
6. That the contractor will give the States, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and shall establish a proper accounting system in accordance with generally accepted accounting standards.

7. That the contractor will comply with the provisions of the Federal Certification Regarding Lobbying.

8. That the contractor will comply with the Civil Rights Act of 1964 (42 U.S.C. 2000d, et seq.), Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 6101, et seq.), the Americans With Disabilities Act (42 U.S.C. 12150 et seq.) the Age Discrimination Act of 1975 (42 U.S.C. 6101, et seq.) and all other applicable federal and state laws and regulations. These laws and regulations prohibit discrimination on the grounds of race, color, national origin, sex, disability, and age.

9. That the contractor will comply with the provisions of the Federal Certification Regarding Debarment and Suspension.

10. That the contractor will comply with the provisions of the Federal Certification Regarding Drug-Free Workplace Requirements.

11. That the contractor will comply with the Energy Policy and Conservation Act (Public Law 94-163), the Commodity Distribution Reform Act and the WIC Amendment of 1987 (Public Law 100-237).

12. That the contractor will obey all applicable federal regulations in the performance of its duties, including applicable standards, orders or requirements issued under the Clean Air Act (42 U.S.C 1857), the Clean Water Act (33 U.S.C. 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 CFR Part 15), which prohibit the use under non-exempt federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Violations shall be reported to the States and the EPA Assistant Administrator for Enforcement.

13. That the contractor will carry adequate public liability insurance and other appropriate forms of insurance as well as pay all taxes incident hereto.

Signature of Authorized Certifying Official

Date

Printed Name of Certifying Official

Title

ARKANSAS METHODOLOGY FOR DETERMINING PARTIAL REDEMPTIONS

The process used to determine potential partial redemptions begins with a monthly report listing all Food Instruments (FI's) that were redeemed the previous month at a cost of less than 65% of the maximum allowed for the FI type.

The FI price is compared to the retailer price based on the most recent vendor price survey OR if unavailable, to the average price for the retailer's peer group. Each FI identified is reviewed by the Food Delivery/Vendor Section staff. The review consists of checking for bank errors, cash register endorsements that have been switched with other FIs tendered at the same time, or other vendor transaction details including receipts/transaction reports, if available.

The result of this analysis yields the number of units to be adjusted on the rebate invoice for each contract brand, form and size of the infant formula.

The file (listing all FI's with formula) is sent to the Vendor/Food Delivery Section staff monthly for their analysis.

