

HIP RFA Conference Call Questions
from the February 25, 2010 Q&A Session
and Additional Questions Received After the Call
(as of 3/5/10)

Note: We have continued the practice of numbering questions by group and will do so with each set of Q&As posted. For references to question numbers starting with A, B, C, D, E, F and G see the set of Q&As posted on March 2, 2010 (questions answered are those received as of 1/29/10). Questions referring to numbers starting with H can be found within this document.

H1. Is there a timeframe for the submission of our proposal?

A: All proposals are due by COB 5/21 EDT (see Attachment D).

H2. Will the questions that are sent in be posted on the website?

A: Yes. All questions submitted and their answers will be posted to both the HIP website (www.fns.usda.gov/snap/hip) and the FNS PartnerWeb.

H3. Are there any plans to clarify the RFA or is it a standalone document? Will the Q&As that are posted serve as the only clarification of the RFA?

A: Additional follow-up questions may be submitted in writing to FNS for clarification. The Q&As will serve as the only clarification to the RFA.

H4. In the RFA, there seems to be a contradiction in the target foods section. It states in one sentence that salt/sodium are not allowed, then states that it is allowed. Can you clarify whether or not sodium/salt is allowable?

A: See answer to B4.

H5. Can you explain how the enhancements are worked into the scoring mechanism?

A: See answer to A10.

H6. If the proposal meets the technical specifications, can they then propose changes to them?

A: Yes. See page 11.

H7. If the beginning of the pilot is staggered, will the end be staggered as well or end at the same time?

A: Yes, the end of pilot participation will be staggered as well. While each household is eligible to participate for 12 months, the Pilot will operate for 15 months in total.

H8. Can you discuss the stipend to households and how it will be provided?

A: See answers to C41, G11, and G12.

H9. The RFA states the “best value judgment” will be used in the scoring of enhancements. Can you provide more detail about what this means?

A: In the context of this RFA, the objective of the best value judgment is to award the cooperative agreement to the State whose proposal has the highest technical quality with a realistic and reasonable price. Specific guidance on scoring and other factors for consideration in making this determination can be found in the RFA on pages 17-20.

H10. When participants drop off the program and then come back on during the timeframe of the pilot, are they still eligible for the incentive?

A: This will depend on the State's system and whether or not it is operationally feasible to reintroduce returning SNAP participants to HIP. FNS, the HIP Grantee, and the evaluation contractor will have to make the final determination about this in light of other considerations, including the incentive budget.

H11. If a person becomes income ineligible, will they still continue on the program to maintain the integrity of the evaluation?

a. Should the application contain rationale for why that is best for the government?

A: In the RFA, as written, these persons would become ineligible for continued participation in SNAP, but would continue to participate in HIP until all of their benefits are exhausted.

H12. Some States are coming up for reprocurement of their EBT contracts during the pilot. How will FNS regard these States, will they be looked at favorably?

A: FNS will consider all States' applications. However, converting to a new EBT processor during any phase of the Pilot presents a significant risk to the project timeline, operations and evaluation. This will be considered in the evaluation of proposals. FNS needs assurance that the State selected for the Pilot has taken this factor into account and is adequately prepared so that neither the Pilot nor the State's next EBT system procurement is compromised. Failure to adequately respond to the conditions described below will result in point deductions:

- If the State has recently conducted a new procurement, competitively selected their current contractor, and the new contract period will extend past June 30, 2015, the State and the contractor must both commit to having the new contract signed and approved by FNS at least one month prior to the current contract's expiration.
- If the State's current EBT contract is due to expire prior to June 30, 2015, the applicant must make a commitment to issue the reprocurement request at least 2 years prior, and competitively select the new vendor at least one year prior to contract expiration.
- If the State's current EBT contract expires prior to July 31, 2013, and there are allowable extensions already approved by FNS that would move the expiration date to July 31, 2013 or beyond, the applicant must make a commitment to implement those extensions, if selected for the Pilot.
- If the State's current EBT contract expires between April 30, 2013 and July 31, 2013 and there are no allowable extensions, we strongly recommend that the State commit to a Pilot completion date that occurs the month prior to expiration. See responses to C42, G8 and G9.
- If the current contract is due to expire between August 2010 and April 30, 2013, and a different contractor has already been competitively selected, the Applicant must provide letters of commitment from both the current and future EBT contractors and either (1) they and the State must agree to complete any and all conversion activities no later than the month prior to the proposed HIP Pilot operations start date, or (2) the Applicant must provide a full description of its plans for a seamless transition between contractors during Pilot operations.

If the current contract is due to expire between August 2010 and April 30, 2013 and the State is unable to comply with any of the above bullets, a significant number of points will be deducted under Pilot Design and Implementation. FNS will not approve any sole-source extensions with the current EBT contractor that were not included in the original approved contract in order to allow a State to participate in the HIP pilot.

H13. Some stores may be under investigation for fraud. How will they know which stores are currently being investigated by FNS and will those stores still be allowed to participate?

A: The stores included in the selected State's plan will be screened for ongoing investigations throughout the Pilot. Decisions about including stores under investigation will be made on a case-by-case basis, and will depend on how close FNS is to disqualifying a retailer.

H14. Can FNS say how many stores they would like to see in each category, how many should participate?

A: As mentioned in the answer to C29, ideally all retailers in the pilot site would participate, but that is unlikely. They should all be invited and offered the opportunity to participate in HIP. The categories were presented as a guide to selecting a Pilot site with a desirable retailer environment, not as a limit to the number of required retailers in each category.

H15. What will be the amount for the cap each month; how are they applied and when will this information be available to the State?

A: See answers to C32, C43, and the RFA page 9. The cap will be set by FNS together with the HIP Grantee. Considerations for setting the cap on the monthly amount of incentive a household may earn include the following goals:

- Deter fraud but remain high enough that it does not constrain families with higher benefit levels;
- Be a flat cap for all HIP participants without regard to allotment level;
- Take into account characteristics of the Pilot site.

Also see response to H27.

H16. Can FNS provide details about the set of records for the entire SNAP caseload, the extract file data?

A: Some details were provided in the responses to E8, E9 and E11. The remainder will be determined based on input from the evaluators, FNS, States and EBT Contractors during the design phase of the Pilot.

H17. Will HIP incentives be counted as income for eligibility purposes?

No

H18. Can you give more details about how the \$6.3 million budget was arrived at?

A: The Food, Conservation, and Energy Act of 2008 provided \$20M to FNS to conduct and evaluate HIP. The budget for the cooperative agreement was set by creating an independent government cost estimate for all of the components of HIP (FNS costs, evaluation of HIP, incentive benefits, HIP Grantee costs) and then prioritizing funds according to the requirements for meeting the project's objectives. Tradeoffs were required for all components of the project budget. Further, FNS recognizes that depending on the number and profile of retailers in the selected Pilot area, grant funds may not be sufficient to provide 100% reimbursement for the operational costs retailers incur to participate in HIP.

H19. Can the pilot be modeled after the initiative that was described in the GAO report in California?

A: The GAO report is based on interviews and industry surveys and describes a broad framework for incentive delivery via EBT. The GAO report does not describe a specific initiative and has no relation to the earlier California project, nor does the RFA. All minimum requirements for HIP are addressed in the RFA and were developed via a year-long planning process led by FNS with input from a variety of stakeholders and experts, including the symposium held at FNS in October 2008 and subsequent meetings and consultations.

H20. Are States expected to come up with money on their own to implement the pilot or is it expected that the \$6.3 million should cover the expenses?

A: States are not expected to contribute money to meet the minimum requirements for HIP. Additional funds may be contributed by the State or its partners. As addressed in the answer to question 19, FNS recognizes that depending on specific circumstances associated with each applicant, e.g., the number and profile of retailers in the area, grant funds may not be sufficient to provide 100% reimbursement for the operational costs retailers incur to participate in HIP.

H21. Has it been considered that retailers might make money from the pilot and they may make some financial contributions?

A: The impact HIP will have on retailers is unknown. HIP participation will be limited to 7,500 households and their level of participation will vary. Depending on the Pilot site, the purchase of HIP-eligible foods and the use of the incentive benefits may be spread among a number of retailers resulting in a negligible impact on any one retailer. At the same time, some retailers may see some

positive impact on sales. Ultimately the States have a number of factors to consider when deciding if and how to reimburse retailer participation in HIP. Thus FNS is leaving decisions in this matter to the States.

H22. What kind of eligibility data (not EBT data) will be needed about the households and how often?

A: The State will provide eligibility data in each of the three months leading up to HIP in order for the evaluation contractor to select the sample. A test of the selection process will also be done prior to the actual sample selection. Changes in participant eligibility/status will be reflected in EBT data, however periodic updates around the second and third wave of data collection, and possibly at the end of the pilot, will be required by the evaluation contractor. The frequency and nature of these updates will need to be worked out with the evaluation contractor and will be part of the cooperative agreement executed with FNS.

H23. Regarding the restriction of information to participants/nonparticipants, will the States be penalized for instances beyond their control in which participants find out information?

A: FNS does not intend to penalize States for factors beyond their control. FNS will be evaluating the States' understanding of the evaluation objectives and design, and willingness to cooperate fully with the evaluators, as demonstrated in their proposals.

H24. Is there a page limit for the narrative?

A: No. However, it would be helpful to the reviewers to be as succinct as possible but still meet the requirements of the RFA.

H25. Is FNS open to using more than one county as the pilot site and should they make a case for this in their proposal?

A: Yes.

H26. In regard to the cap, is there a plan for areas already higher in fruit and vegetable consumption than the national average to be accommodated so that the results are significant?

A: See response to H15.

H27. Is \$2 million considered adequate for the incentive, what if it is not enough? (ORA)

A: FNS has used fairly generous assumptions about HIP participation to estimate the incentive budget. The \$2 million dollar budget will be a consideration in setting the cap at the Pilot site.

H28. We are considering a pilot site that is participating in a large Robert Wood Johnson project on healthy eating and physical activity. Would this be considered a positive or negative? The call yesterday seemed to indicate that for evaluation purposes you did not want any additional influences on the buying habits of the SNAP participants. Can you clarify this?

A: Pilot sites that have salient special characteristics not mirrored in other communities will be viewed more negatively than sites that are more “average”. This is because the more unique the community, the less knowledge FNS will gain from the Pilot about how HIP may operate in similar settings.

H29. Can you expand on what you envision as the role of community partners in this pilot?

A: Each State must decide on the role of community partners, e.g., retailer associations, client advocates, etc., in their proposed Pilot. FNS will entertain a variety of roles for community partners as long as

States adequately describe and budget for partners' participation as described on page 14 of the RFA. Community partners may be public or private, for-profit or not-for-profit, may contribute funds to or receive funding from the HIP Grantee (as allowed by law), and may participate in the central functions of the Pilot or in any enhancements proposed by the State.

H30. Can we consider offering participating vendors a suspension of monitoring certain areas of the EBT Compliance Review during the pilot?

A: FNS wants to implement HIP in a SNAP environment that is operating in as normal a manner as possible and plans to continue monitoring compliance of retailers through ALERT analysis and investigations. FNS discourages States from proposing to alter regular SNAP functions except where required by the RFA.