Chapter Eleven
Local Agency Proposals
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter Eleven</td>
<td>Local Agency Proposals .................................................................................... 11-1</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Overview</strong></td>
<td>11-3</td>
</tr>
<tr>
<td></td>
<td><strong>In This Chapter</strong></td>
<td>11-3</td>
</tr>
<tr>
<td>Section A</td>
<td>Request for Agreement / Request for Proposal (RFA/RFP) ....................... 11-4</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Request for Agreement / Request for Proposal (RFA/RFP)</strong></td>
<td>11-4</td>
</tr>
<tr>
<td>Section B</td>
<td>Scope of Work</td>
<td>11-5</td>
</tr>
<tr>
<td></td>
<td><strong>Description</strong></td>
<td>11-5</td>
</tr>
<tr>
<td>Section C</td>
<td>Components of the Scope of Work</td>
<td>11-6</td>
</tr>
<tr>
<td></td>
<td><strong>Purpose</strong></td>
<td>11-6</td>
</tr>
<tr>
<td></td>
<td><strong>Goals</strong></td>
<td>11-6</td>
</tr>
<tr>
<td></td>
<td><strong>Population Served</strong></td>
<td>11-6</td>
</tr>
<tr>
<td></td>
<td><strong>Facility Locations</strong></td>
<td>11-6</td>
</tr>
<tr>
<td></td>
<td><strong>Notices, Correspondence, Reports and Payments</strong></td>
<td>11-6</td>
</tr>
<tr>
<td></td>
<td><strong>Special Program Requirements</strong></td>
<td>11-6</td>
</tr>
<tr>
<td></td>
<td><strong>Caseload Assignment</strong></td>
<td>11-7</td>
</tr>
<tr>
<td></td>
<td><strong>Scope of Service(s)</strong></td>
<td>11-7</td>
</tr>
<tr>
<td></td>
<td><strong>Tasks</strong></td>
<td>11-7</td>
</tr>
<tr>
<td></td>
<td><strong>Requirements</strong></td>
<td>11-7</td>
</tr>
<tr>
<td>Appendix A</td>
<td>Local Agency Proposal</td>
<td>11-8</td>
</tr>
<tr>
<td></td>
<td><strong>Scope of Work</strong></td>
<td>11-8</td>
</tr>
<tr>
<td>Appendix B</td>
<td>Local Agency Amendment Application</td>
<td>11-25</td>
</tr>
<tr>
<td>Index</td>
<td></td>
<td>11-29</td>
</tr>
</tbody>
</table>
Overview

In This Chapter

This chapter is divided into three (3) sections detailing interagency proposals including the scope of work and its components, and two (2) appendices.
Section A
Request for Agreement / Request for Proposal (RFA/RFP)

The Arizona Department of Health Services (ADHS) will forward a Request for Agreement/Proposal (RFA/RFP) and instructions to each WIC Local Agency according to the ADHS contracting timetable for the fiscal year.

Each Local Agency must include in their proposal:
- Completed WIC Project Statement
- Proposed Budget
- Approved Indirect Cost Agreement for corresponding year of service if included in proposed budget
- Certification regarding debarment, suspension, ineligibility and voluntary exclusion – lower tier covered transactions to ensure compliance with 7 CFR 3017
- Assurance of Compliance with Title VI of the Civil Rights Act of 1964, as amended
- Assurance of compliance with section 504 of the Rehabilitation Act of 1973, as amended

Each Local Agency must complete and return their application to ADHS, 150 N. 18th Avenue, Suite 310, Phoenix, Arizona 85007, by the date specified on the proposal.

Any negotiations between the Arizona WIC Program and the Local Agency should be completed by July. ADHS Procurement, with input from the WIC program staff, will then prepare the final agreement and forward it to the Local Agency. The agreement should be reviewed and approved by the Local Agency’s governing body and attorney.

The Local Agency must return the signed agreement to ADHS Procurement. The Intergovernmental Agreement (IGA) must be filed with the Secretary of State on or before October 1st for an effective date of October 1st.
Section B
Scope of Work

Description

The scope of work in the RFA/RFP package outlines the services that the ADHS wishes to purchase from a non-governmental entity (e.g., non-profit community health center).

The work statement completed by the offeror provides the basis for negotiation of services to be provided by the offeror upon award of a contract.

The work statement, finalized during contract negotiations between the ADHS and offeror, is then the service-specific component of the successful offeror’s contract.
Section C
Components of the Scope of Work

Purpose

The components of the scope of work explain the reason ADHS is providing the services.

Goals

The desired outcome of the services provided and potential benefits to the population to be served as written by ADHS.

Population Served

ADHS completes this section, indicating the population the successful offeror will serve under the contract.

Facility Locations

The offeror lists by name, address, and hours of operation, all the facilities at which services will be delivered. This data will also be provided for subcontractors.

Notices, Correspondence, Reports and Payments

• Program Reporting Requirements to ADHS – this section lists the reports to be submitted along with the frequency of submission.
• Notices, Correspondence, Reports, and Payments from ADHS – this section is completed by the offeror. The offeror provides the name, title, address, and telephone number of the person designated to receive correspondence from ADHS.
• Notices, Correspondence and Reports, and Payments to ADHS – this section is completed by ADHS. It describes the staff person designated to receive correspondence from the contractor.
• Licensure/Certification requirements. This section will be completed by ADHS, and applies to the:
  o Personnel: ADHS indicates the type of licensure/certification personnel must have.
  o Facility: ADHS indicates the type of licensure, certification, and/or permits the facility must have.

Special Program Requirements

ADHS lists those activities which are outside of the scope of the other sections, but which are integral to successful completion of contract activities.
Caseload Assignment

The standard quantity by which the services provided will be measured is assigned monthly caseload. For IGAs / contracts the caseload assignment will be finalized during negotiations, and provided monthly on the WIC State Participation Report. Increases or decreases in assigned caseload will be based on the agency’s performance for the first six months of the previous fiscal year, community need, ability to serve and available funding.

Scope of Service(s)

The general requirement and standards of WIC services to be provided under the contract are outlined in this section.

Tasks

Each task name is defined and has a list of activities to be performed. This section will include:

- WIC Services which includes screening, certification, use of the HANDS database, client education on program rules regulations, approved foods and authorized vendors, documentation requirements and required referrals.
- Nutrition Education which includes nutrition education requirements for program participants.
- Staffing which includes the requirements for the Local Agency program director, Nutrition Coordinator, Breastfeeding Coordinator, Training Coordinator, Registered Dietitian/nutritionist, community nutrition workers and clinic clerks.
- Staff Training which includes training requirements to enable paraprofessional staff to maintain their designation as competent professional authority
- Data Collection which includes completion of all required data elements in the HANDS database.

Administrative Services which includes:
- compliance with the ADHS Accounting and Auditing Procedures for ADHS Funded Programs
- conduct of annual physical inventory of program equipment, maintenance of WIC purchased equipment, requirement for written approval for the purchase of equipment valued at more than $1,000.00 or for any ADP related item, requirement for written approval for transfer or disposal of any equipment purchased with WIC funds. requirement for maintenance of certain WIC related records
- correction of any inaccurate or erroneous data entries in HANDS
- correction of any regulatory deficiency or discrepancy noted in Management Evaluations, Audits or Program financial reviews
- submission of a monthly Contractor’s Expenditure Report
- submission of a Bi-annual WIC Expenditure Report
- preparation and submission of an Annual Outreach Plan
- submission of all required plans/reports as set forth in the WIC Policy and Procedure Manual

Requirements

Defines the categories of persons to be served and sets for the participation maintenance standards.
Appendix A:  
Local Agency Proposal

Scope of Work

A. BACKGROUND

The Arizona Department of Health Services (ADHS) Bureau of Nutrition and Physical Activity (BNPA) administers funds provided by the United States Department of Agriculture (USDA) for the operation of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Breastfeeding Peer Counseling Program (BFPC), and the Women and Children's Farmers Market Nutrition Programs (FMNP) for the State of Arizona. The USDA nutrition programs are discretionary, and each provides a specific service to women, infants, and children who are low income and at nutrition risk. The overall goal of all the USDA Nutrition Programs is to improve the health status of eligible participants through adoption of healthy behavioral lifestyle changes and to help prevent the occurrence of health problems.

WIC Nutrition Services

1. The WIC Program accomplishes this goal by providing participant-centered services (PCS) including nutrition and breastfeeding information and support, specific supplemental healthy foods through the issuance of food instruments/benefits that can be used at ADHS-approved grocery stores and farmers’ markets, and referrals to other health and human services as an adjunct to good health care during critical times of growth and development. Service population eligibility for the WIC Program is based upon federal regulations such as participant category (pregnant and breastfeeding woman, infant or child under five years of age), a household income at or below 185% of federal poverty guidelines, residence within the service area, and nutrition risks.

To be considered as a WIC Local Agency, the organization must be a local public or private non-profit organization, County health department, or tribal entity under contract with ADHS to provide WIC services according to the WIC Program federal regulations and state policies and procedures. The State awards a WIC Contract based on the ability of the organization to provide WIC services, potential eligible population, need, response to the Scope of Work, information technology capacity, and available funds. The State determines and awards the WIC contract amount based on a funding formula using several factors such as a base level for a program to function, the amount of caseload negotiated with each Local Agency, and quality of performance.

1.1 Specific objectives for nutrition services (based on Healthy People 2020 goals) are:
1.1.1. To increase the incidence of breastfeeding to 82% of women initiating breastfeeding;
1.1.2. To increase the duration of breastfeeding to 61% of women breastfeeding for the first six (6) months of their baby’s life;
1.1.3. To increase the duration of breastfeeding to 34% of women breastfeeding for the first year of their baby’s life;
1.1.4. To increase the rate infants are exclusively breastfed to 44% at three (3) months and 24% at six months;
Chapter Eleven – Local Agency Proposals

1.1.5. To reduce the proportion of adults who are considered obese to 31%;
1.1.6. To reduce the proportion of children ages 2-5 who are considered obese to 10%;
1.1.7. To increase the consumption and variety of fruits and vegetables by those two (2) and older;
1.1.8. To increase the consumption of whole grains by those two (2) and older; and
1.1.9. To increase the proportion of children ages 0-2 who view no television or videos on an average day to 45%.

Breastfeeding Peer Counseling (BFPC)

2. In 2003, the USDA Food and Nutrition Service (FNS) entered into a cooperative agreement with Best Start Social Marketing (Best Start) to gather information to obtain a clear understanding of the components that are necessary to sustain effective peer counseling programs and how to structure these programs so they are cost effective and manageable. They developed the program "Using Loving Support to Implement Best Practices in Peer Counseling", which is a training and technical assistance project that will be used as a model to aid WIC in designing, building, maintaining, and sustaining peer counseling programs that will improve breastfeeding initiation and duration rates. Arizona will be using this program to guide and develop the state peer counseling program.

The discretionary peer counseling services are considered an adjunct support to WIC breastfeeding services to help achieve the WIC Nutrition Services objectives regarding breastfeeding.

Peer counseling has been a significant factor in improving initiation and duration rates of breastfeeding among women in a variety of settings, including disadvantaged and WIC populations representing diverse cultural backgrounds and geographical locations. Peer counselors are especially effective in communities where role models for breastfeeding behaviors, knowledgeable health care providers, and cultural practices that include breastfeeding as the norm, are scarce. Combining peer counseling with the ongoing WIC breastfeeding promotion and support efforts has the potential to significantly impact breastfeeding rates among WIC participants, and most significantly, increase the harder to achieve breastfeeding duration rates. WIC Local Agencies are strongly encouraged to provide peer counseling services in addition to the ongoing breastfeeding support to their WIC participants. Contractors must provide a breastfeeding friendly environment and have policies to accommodate participants and staff who are breastfeeding.

Farmer’s Market Nutrition Program (FMNP)

3. The Women and Children Farmers’ Market Nutrition Program (FMNP) is intended to increase consumption of locally grown fresh fruits and vegetables by providing FMNP checks to a limited number of WIC women and children to purchase these items directly from growers at ADHS-approved farmers’ markets. FMNP is also intended to support local agriculture by expanding the awareness, use of, and sales at farmers’ markets.
Chapter Eleven – Local Agency Proposals

B. OBJECTIVE

At a minimum, to provide WIC services while allowing each Local Agency to provide, at their discretion, Breastfeeding Peer Counseling Services and/or Farmers’ Market Nutrition Program Services.

C. SCOPE OF WORK

1. WIC Services

The WIC Program Contractor shall perform all the work required to administer and provide WIC services to eligible participants according to the Arizona WIC Program Policies and Procedures Manual (WIC PPM). These include, but are not limited to the following activities:
   1.1. Perform WIC certification procedures such as categorical and income screening and health and nutrition assessments;
   1.2. Provide participant centered nutrition and breastfeeding support services to WIC participants;
   1.3. Provide the mandatory and appropriate additional referrals reflecting the needs of the individual WIC participants;
   1.4. Issue WIC food instruments/benefits;
   1.5. Ensure the collection and recording of accurate information;
   1.6. Provide professional training, mentoring and monitoring of WIC staff competencies necessary for delivery of required services;
   1.7. Provide administrative functions for operation of the WIC Program; and
   1.8. Prepare and submit all required plans/reports in accordance with this contract and the WIC PPM.

2. Breastfeeding Peer Counseling (BFPC)

WIC BFPC Contractors shall perform all the work required to administer and provide additional breastfeeding support services to WIC mothers following the Loving Support best practice guidelines for peer counseling services and according to the Contractor’s proposal in order to increase the breastfeeding rate and duration of breastfeeding.

3. Farmer’s Market Nutrition Program (FMNP)

WIC FMNP Contractors shall perform all the work required to administer and provide WIC FMNP services to eligible participants including but not limited to:

   3.1. Identifying participants and offering program services;
   3.2. Distributing information to participants;
   3.3. Providing competent staff to perform certification;
   3.4. Issuing of FMNP checks;
   3.5. Safeguarding FMNP checks;
   3.6. Documenting accurately all required information;
   3.7. Providing administrative functions necessary for operation of the FMNP;
   3.8. Preparing and submitting all required reports in accordance with this Contract; and
D. TASKS AND REQUIREMENTS

1. WIC Services Outreach and Referrals

1.1 Conduct outreach activities targeting high risk and underserved populations by developing written and verbal presentations or utilizing available materials to inform potentially WIC eligible individuals of the availability of the WIC Program and to explain the benefits of participation according to the outreach plan proposal submitted and accepted with this Contract.

1.2 Establish community partnerships with, at a minimum, the mandatory referral agencies, local hospitals, OB/GYN and pediatricians offices, and provide regular contacts according to the outreach and plan proposal submitted and accepted with this Contract.

1.3 Establish community partnerships with community organizations such as food banks, community organizations, human and social services, school districts, etc according to the outreach and referral plan proposal submitted and accepted with this Contract.

1.4 Establish a referral system with breastfeeding/lactation specialists, including but not limited to, International Board Certified Lactation Consultants (IBCLC), Certified Lactation Counselors (CLC), Certified Breastfeeding Counselors (CBC), and Certified Lactation Educators (CLE) according to the outreach and referral plan proposal submitted and accepted with this Contract.

Additional BFPC Outreach Tasks:

1.5 Develop and document an internal referral link between WIC Program and WIC Peer Counseling Program when applicable. Interaction between WIC Program and WIC Peer Counseling Program shall occur at least monthly and may be in the form of site visits from Peer Counselors, participation of Peer Counselors in WIC clinic meetings, and/or additional training for WIC clinic staff and Peer Counselors.

2. Participant Records:

2.1. Follow and maintain documentation of participant centered certification and administrative procedures as described in the WIC PPM, including but not limited to:

2.1.1. Eligibility and ineligibility determinations;

2.1.2. Nutrition assessments;

2.1.3. Nutrition and breastfeeding education and support;

2.1.4. Nutrition and breastfeeding counseling;

2.1.5. Encourage participants in setting behavioral goals;

2.1.6. Appropriate referrals;

2.1.7. Program abuse; and

2.1.8. Food instrument issuances.

2.2. Maintain inventory and accountability records, as set forth in the WIC PPM, of paper food instrument stock and food instruments issued by the Contractor.
2.3. Assure participant confidentiality by obtaining written permission from affected program participant(s) prior to the release of participant information to any agency. The Contractor shall have a written agreement, completed in accordance with 7 CFR (Code of Federal Regulations) 24626 (h)(3), and the Arizona WIC Policy and Procedure Manual, with any agency or program that will share participant information. The above federal regulation details the implementation of a written agreement and state plan to regulate use and disclosure of confidential applicant and participant information.

2.4. Staff shall only access the WIC Computer Data System and client files for business related reason(s).

2.5. Ensure paper files containing confidential participant information are stored in a secure location in the clinic, archived when appropriate, and destroyed according to the retention schedule. All files should be destroyed in an appropriate manner.

2.6. The Local Agency shall notify the State Agency immediately by telephone call and email upon the discovery of a breach of a participant’s confidentiality.

2.7. The Local Agency shall immediately investigate such security incident, breach, or unauthorized use or disclosure of participant information, including:
   2.7.1 What data elements were involved and the extent of the data involved in the breach;
   2.7.2 A description of the unauthorized person(s) known or reasonably believed to have improperly used or disclosed the protected information;
   2.7.3 A description of where the protected information is believed to have been improperly transmitted, sent, or utilized;
   2.7.4 A description of the probable causes of the improper use or disclosure; and
   2.7.5 Whether Arizona Revised Statues (A.R.S) § 44-7501 or any other federal or state laws requiring individual notifications of breaches are triggered.

2.8. The Local Agency shall provide a written report of the investigation to the Chief of the Bureau of Nutrition and Physical Activity (BNPA)/WIC Director and Program Integrity Manager within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall include the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure.

2.9. The Local Agency shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any costs associated with the breach. The BNPA Chief/WIC Director, Program Integrity Manager, and Assistant Attorney General shall approve the time, manner and content of any such notifications. The Local Agency will arrange and pay for any mitigation (e.g. LifeLock) for participants at risk for identity theft because of breach of security of information.

Additional FMNP Participant Records Tasks:

3. Service Delivery and Program Rules

The Contractor shall:

3.1. Determine eligibility of persons requesting WIC services by screening individuals in accordance with procedures set forth in the WIC PPM; Eligible program participants shall include the following categories whose household income does not exceed 185% of the current designated federal poverty guidelines, who have a nutritional risk as defined in the WIC PPM, and reside in Arizona as defined by the WIC PPM;

3.1.1. Pregnant women, breastfeeding women up to 12 months post-partum, and non-breastfeeding women up to six (6) months post-partum,

3.1.2. Infants from birth to age one (1), and

3.1.3. Children from age one (1) year through the end of the month in which they turn five (5) years.

3.2. Provide complete nutrition assessment utilizing OARS, ABCDE, and Getting to the Heart of the Matter Tools in accordance with Value Enhanced Nutrition Assessment (VENA) initiative. Documentation of nutrition assessment using Tools, Goals, Information, Follow-up (TGIF) notes in HANDS is required.

3.3. Provide participant-centered nutrition education to participants and appropriately utilize emotion-based materials provided by the State;

3.4. Assist participants in setting goals for behavioral change and follow-up on goals set;

3.5. Promote breastfeeding to WIC participants and provide breastfeeding education and support, and refer to and promote the Breastfeeding Peer Counseling Program, when appropriate;

3.6. Prescribe a food package appropriate to the participant's nutritional risk(s) and category, and issue food instruments/benefits as set forth in the WIC PPM;

3.7. Provide program participants with information about available health and social services to which the participant could be referred. The participant shall be provided with written information regarding community services and referrals in accordance with the WIC PPM and Local Agency referral procedures;

3.8. Coordinate WIC Services with other health and social services available within the service area, including but not limited to immunizations, voter registration, and breastfeeding support;

3.9. Provide information, check for understanding, and document training to participants on program rules, regulations, WIC approved foods, food instrument/benefit use and redemption including the WIC Cash Value Vouchers (CVV), and if applicable, FMNP checks. The training shall be documented in the participant's record as set forth in the WIC PPM and/or AzFMNP Manual;

3.10. Distribute information to all participants regarding the authorized WIC vendors and the location and hours of ADHS approved Arizona Farmers' Markets; and

3.11. Explain to all WIC participants that, in addition to FMNP checks, WIC CVVs may be used to purchase locally grown fresh fruits and vegetables at FMNP approved farmers' markets in Arizona and provide instructions as to how to redeem both types of food instruments.
Additional BFPC Service Delivery tasks:

3.12. Accept referrals generated from calls to the ADHS Pregnancy and Breastfeeding Hotline into the Peer Counseling Program;
3.13. Provide peer counseling services, when appropriate. Services shall be made available outside of usual clinic hours and outside of the WIC clinic, but may also be available during usual clinic hours and in the WIC clinic; and
3.14. Provide supervision, mentoring, monitoring, and evaluation of peer counselors, when appropriate.

Additional FMNP Delivery tasks:

3.15. Identify eligible participants, offer FMNP checks, and provide services to participants in accordance with the Arizona Farmers' Market Nutrition Program Policies and Procedures Manual;
3.16. Issue a unique series of ADHS-provided FMNP check numbers after participant has been certified as an eligible WIC participant and has expressed a desire to participate in the program, through the Arizona electronic participant record system;
3.17. Submit a written request to the ADHS FMNP Manager for authorization to utilize a Local Agency WIC staff to train and certify local growers at no extra cost to ADHS. Grower training shall be conducted only by ADHS authorized individuals. Each request to conduct training will be granted on a case-by-case basis, and shall not be performed without receipt of prior written approval from the ADHS FMNP Manager;
3.18. Distribute to participants a brief description of non-allowable and allowable items (Participant Guide and other information provided by ADHS) and the time period for redeeming FMNP checks and WIC CVV's;
3.19. Notify ADHS within five (5) working days of receipt of any notification of change to the date, time or location of an individual Farmers' Market;
3.20. If funding for additional FMNP checks becomes available and the contract budget (as shown on the Contract Price Sheet) has been fully expended, the Contractor may choose whether or not to distribute the additional checks with no increase in the Contract budget.

4. Participant-Centered Nutrition Education

The Contractor shall:

4.1. Prepare and submit a two (2) year Nutrition Services Plan for participants to include, but not be limited to:
   4.1.1. Adoption and Implementation of ADHS goals for nutrition services. In addition, Local Agencies will identify their own goals for nutrition services in this plan.
   4.1.2. Adoption and implementation of the State objectives for staff training and client interventions related to the goals for nutrition services. In addition, Local Agencies are required to provide at least one additional objective for each goal.
4.2. Provide and document participant-centered nutrition education to all WIC adult participants, and to parents or caretakers of participants according to the guidelines of the State Nutrition Services Plans. A minimum of two (2) nutrition education contacts in each six (6) month certification period shall be made and documented in the participant’s record. Breastfeeding women, infants and migrants from any eligibility category are certified for one (1) year and will receive one (1) nutrition education contact for each three (3) month period. Pregnant women certified through six (6) weeks postpartum will receive one (1) nutrition education contact for each three (3) month period.

4.3. Provide and document professional supervision, mentoring and monitoring of paraprofessional staff at the clinic level on a regular basis, as often as necessary, to ensure competence.

4.4. Provide, as often as necessary, high- and medium-risk nutrition education/counseling by an RD to all participants deemed high-risk upon assessment. As defined in the WIC PPM Local Agencies may designate a Bachelor’s degree nutritionist or Dietetic Technician Registered to provide medium-risk counseling to participants under the supervision of the RD.

4.5. Expend for nutrition education activities an aggregate amount that is not less than the sum of one-sixth (1/6) of the amount the Contractor receives for provision of WIC services each contract year. If the one-sixth (1/6) amount is not expended for nutrition education activities, the Contractor shall return to ADHS an amount equal to the difference between the one-sixth (1/6) requirement and the actual amount expended. Costs that can be applied to meet the one-sixth (1/6) requirement for nutrition education include:

4.5.1. Salary and other costs for time spent on nutrition education, whether with an individual or group;
4.5.2. The cost of procuring and producing nutrition education materials;
4.5.3. The cost of training nutrition educators, including costs related to conducting training sessions and purchasing and producing training materials;
4.5.4. The cost of conducting participant evaluations of nutrition education;
4.5.5. The salary and other costs incurred in developing the nutrition education plan;
4.5.6. Other ADHS-approved costs.

4.6. Coordinate nutrition education activities and messages. Wherever possible, the Contractor shall utilize USDA and/or Arizona Nutrition Network (AZNN) materials and messages to ensure common nutrition messages.

4.7. The Local Agency will provide documentation that a minimum of 4% of their annual WIC expenditures have been used to support breastfeeding promotion and education, If the 4% is not expended for breastfeeding promotion and education activities, the Contractor shall return to ADHS an amount equal to the difference between the 4% and the actual amount expended.
5. **Staffing**

The Contractor shall:

5.1. Designate a WIC Program Director/Manager who is an RD, with previous WIC and/or community health experience to manage and administer the WIC Program and provide high-risk nutrition counseling and/or formula authorization to WIC participants. If an RD is on staff to provide the WIC RD services and with prior approval from ADHS, the Contractor shall designate a Director with a minimum of an undergraduate degree from an accredited institution in nutrition (community nutrition, public health nutrition, nutrition education, human nutrition or nutrition science) or a related field such as home economics or biochemistry with an emphasis in nutritional science or public health administration.

5.2. All Local Agencies will identify an RD to serve as the Local Agency Nutrition Coordinator as defined in the WIC PPM. The Nutrition Coordinator will oversee all WIC nutrition services for the Local Agency. If a Local Agency has barriers to this staffing standard, they must be submitted in writing to ADHS with their plan for coordination of nutrition services within the Local Agency to be approved by ADHS.

5.3. Provide an appropriate number of RDs to perform high-risk and medium-risk counseling, formula authorization, and as necessary, certification of participants. The Contractor shall provide the RD services in a number proportional to the agency's high-risk caseload in accordance with the WIC PPM. The Contractor may hire nutrition degree graduates or Registered Dietetic Technicians, to do medium-risk counseling, formula authorization, and as necessary participant certification under the direction of an RD. If a Local Agency has a barrier to having an RD on staff, the agency must submit in writing to ADHS with their plan for providing high risk nutrition counseling to participants.

5.4. Provide staff to conduct outreach activities targeting high risk and underserved populations by developing written and verbal presentations or utilizing available materials to inform the potentially eligible individuals of the availability of WIC Program and explain the benefits of participation.

5.5. Provide an appropriate number of adequately trained certification specialists to provide categorical and financial eligibility screening, pre-certification and record required documentation, in accordance with the WIC PPM, as well as administrative support services when necessary. Such individuals shall have the minimum of a high school degree or equivalent and must complete the state training requirements and be certified by the Contractor as competent according to the competencies for the position. Previous nutrition or health related job experience is desirable. These individuals shall meet individual ADHS competencies as set forth in the WIC PPM prior to providing each service such as certifying applicants for participation and/or providing health assessments in the Arizona WIC Program Staff should be observed and certified by the supervising authority to be competent in an activity before being allowed to perform on their own without supervision.
5.6. Provide an appropriate number of adequately trained nutrition education specialists to
to provide certification and nutrition education services to participants in accordance with
the WIC PPM. Such individuals will have the minimum of a high school diploma with
nutrition experience, education, and training that have been certified by local or state
agencies to be competent for the position. An Associate or Bachelor’s degree is highly
preferred. These individuals shall meet the ADHS competencies for Nutrition Education
Specialists as set forth in the WIC PPM prior to certifying applicants for participation
and/or providing nutrition education in the Arizona WIC Program. Staff should be
observed and certified by the supervising authority to be competent in an activity
before being allowed to perform on their own without supervision.

5.7. All local agencies will identify an International Board Certified Lactation Consultant
(IBCLC) to serve as the local agency Breastfeeding Coordinator as defined in the WIC
PPM. The Breastfeeding Coordinator will oversee all WIC breastfeeding services for the
local agency to ensure all participants have access to breastfeeding promotion and
support services. If a local agency has barriers to this staffing standard, they must be
submitted in writing to ADHS with their plan for coordination of breastfeeding services
within the local agency to be approved by ADHS.

5.8. All Local Agencies will identify a Training Coordinator as defined in the WIC PPM. The
Training Coordinator will oversee and facilitate both new employee and ongoing WIC
training for the Local Agency including certifying that staff have met competencies prior
to providing services without supervision. If a Local Agency has barriers to this staffing
standard, they must submit in writing to ADHS their plan for coordination of training
services within the Local Agency to be approved by ADHS.

5.9. Provide WIC Clerks to perform administrative support within WIC clinics at the option of
the Contractor. Such individuals shall have the minimum of a high school degree or
equivalent. They must meet WIC Program competencies. Previous clerical or work
experience is desirable.

5.10. Maintain a record of training provided, monitoring, and observation results of staff
competencies in each staff file and/or the state Learning Management System (LMS)

Additional BFPC Service Staffing

5.11. Employ a BFPC Program Manager to plan, direct and coordinate general operation of
Peer Counseling Program Ideal candidate will be an International Board Certified
Lactation Consultant (IBCLC), have WIC experience, and be familiar with community
resources.

5.12. Develop a support referral system for peer counselors with community Lactation
Consultants, including IBCLCs, if the BFPC Program Manager is not an IBCLC or is unable
to fulfill consultation duties for any reason.

5.13. Employ Breastfeeding Peer Counselors to provide services. Qualifications for peer
counselors shall be previous personal experience with breastfeeding, enthusiasm for
helping others to succeed at breastfeeding, and similarities with the WIC population the
program serves (including similar age, ethnic background, and language spoken).
Exemptions to the peer counselor qualifications must be approved by ADHS before hire.
When possible, peer counselors should be current or previous WIC participants.
6. Staff Training

The Contractor shall:

6.1. Implement the Blended Learning ADHS training plan for new staff.
6.2. Register and ensure all WIC staff complete all ADHS required WIC on-line courses according to the time requirements set forth by the State through ADHS LMS at www.azdhslearn.gov, in accordance with the ADHS WIC PPM.
6.3. In addition to state requirements for competency trainings, Local Agencies must implement and adopt the state training standards as reflected in the Nutrition Education Plan and the ADHS WIC PPM. In addition, Local Agencies must participate in any mandatory training provided by ADHS due to changes in policy, procedures, and / or federal regulations.
6.4. Provide training for all new staff members regarding Civil Rights and Americans with Disabilities Act (ADA) during their orientation and, annually, provide all staff with training on Civil Rights and ADA issues by completing the ADHS LMS course on Civil Rights or other courses that will be required by ADHS.
6.5. Provide one (1) representative for a maximum of six (6) mandatory, face-to-face, two (2) day meetings or trainings session in Phoenix, as scheduled by ADHS on a yearly basis. These meetings will be opportunities for the Local Agency to discuss issues with regards to WIC policies and procedures, federal rules and regulations, and nutrition standards.
6.6. Provide one (1) representative for a maximum of 12 iLinc teleconference meetings to receive information updates on WIC operations, policies and procedures, and other relevant materials being held in lieu of face to face meetings.

Additional BFPC Staff Training:

6.7. Send the WIC Director and the Breastfeeding Peer Counselor Program Manager to a two (2) day training at the ADHS office in Phoenix during each Peer Counseling Program contract term
6.8. Provide training of Breastfeeding Peer Counselors using the Loving Support through Peer Counseling curriculum within one (1) month of employment
6.9. Provide continual education and adequate resources to peer counselors. Continual education shall include basic and continuing breastfeeding training, and may include opportunities to shadow lactation consultants, opportunities to meet with other peer counselors, and related training such as counseling skills, adult learning styles, and others
6.10. Provide WIC clinic staff the PowerPoint presentation "Peer Counseling: Making a Difference for WIC Families" through the Loving Support curriculum at least once per partnering clinic during each Peer Counseling Program contract term
7. Data Collection

The Contractor shall:

7.1. Utilize the hardware, software, and training provided by the Arizona WIC Program to operate the Contractor's portion of the WIC Computer Data System.

7.2. Complete all data elements required on the WIC Computer Data System as outlined in the WIC PPM.

7.3. WIC Computer Data System users are required to maintain integrity by keeping their username and password secure. Users shall not share their login information with others.

8. Administrative Services

The Contractor shall:

8.1. In addition to complying with the Accounting and Auditing Procedures Manual for Contractors of ADHS Funded programs:

8.1.1. Maintain a formal inventory listing or subsidiary record of all equipment owned by the Contractor in an organized manner as an official part of the official accounting system. The capital equipment listing will include the following: tag or ID number, description, purchase cost or fair market value on date of donation, purchase or donation date, location, and disposal date.

8.1.2. Provide maintenance and upkeep for all equipment purchased with WIC funds. Maintenance may be provided through the Contractor's own organization or the Contractor may participate in State maintenance contracts where available.

8.1.3. Obtain written permission from ADHS prior to expending WIC funds to purchase equipment with a value of $5,000 or more.

8.1.4. Obtain written permission from ADHS prior to expending WIC funds for the purchase of any non-disposable automated data processing related item: hardware (e.g. computers, printers) or software, regardless of cost as well as their transfer or disposal.

8.1.5. Obtain specific approval from ADHS prior to the transfer or disposal of any equipment purchased with WIC funds exceeding $2,500 if purchased prior to October 1, 2010, and $5,000 or more beginning on October 1, 2010.

8.2. Submit to ADHS for approval any policy or procedure that deviates from those set forth in the Arizona WIC PPM.

8.3. Update the Local Agency information on a timely basis on the www.azwic.gov website including but not limited to names of WIC Directors, RDs, nutritionists, clinic staff, clinic names, addresses, phone numbers, days and hours of operations, closure days, and other pertinent information for the public to know.

8.4. Provide at least a six (6) month written notice when planning on suspending WIC services at any location.

8.5. Read, timely, all ADHS posted documents and provide requested response on the ADHS SharePoint site.

8.6. The Local Agency Director shall ensure the State Agency has their most recent contact information in an effort to maintain current and accurate information in the Arizona Health Alert Network (AzHAN) account.
8.7. Maintain documentation records of WIC services according to the WIC PPM, including but not limited to:

8.7.1. Signed consent forms for anemia screening and anthropometrics;
8.7.2. Signed Rights and Obligations Form for enrolled participant files (active and inactive);
8.7.3. Eligible participant files (active and inactive);
8.7.4. Ineligible applicant forms/files;
8.7.5. Monthly Participation Reports by Category and Ethnicity;
8.7.6. Outreach files;
8.7.7. Medical documentation;
8.7.8. Staff files: Trainings attended, skill observations, and annual evaluations;
8.7.9. Documentation of dual participation actions;
8.7.10. Waiting lists (when applicable);
8.7.11. Reconciliation of voided food instruments;
8.7.12. Civil rights file to include documentation and resolution of all civil rights complaints;
8.7.13. Documentation of annual civil rights training of all employees; and
8.7.14. Documentation of WIC Confidentiality and Conflict of Interest forms.

8.8. Correct and resolve inappropriate or missing participant information, improbable assessment values, duplicate participation, and other quality assurance WIC Computer Data System issues identified in the report provided to the Contractor by ADHS within the timeframes specified in the WIC PPM.

8.9. Correct any regulatory deficiency or discrepancy noted during any of the three program Management Evaluations, Audits, Local Agency Compliance Investigations or Program Financial Reviews within sixty (60) calendar days of the date of the audit report unless an extension date is granted by the auditing/reviewing agency and documented.

8.10. Prepare and submit individual electronic and signed paper copies of the Contractor's Expenditure Reports (CER) for each contracted program according to the instructions and requirements of the WIC PPM.

8.11. Prepare and submit Final Yearly Closeout CER invoice for each contracted program reflecting the cumulative expenditures for a contract year.

8.12. Prepare and submit a WIC Local Agency Mid-Year and Annual Cost Summary that matches the amount in the month of March and Final Yearly Closeout CER invoice respectively in accordance with the requirements in the WIC PPM.

8.13. Prepare and submit an annual update on the Two (2) Year Contractor’s Outreach Plan and a progress report on activities accomplished during the year.

8.14. Prepare and submit an annual update on the Two (2) Year Nutrition Education Plan and a progress report on activities accomplished during the year.

8.15. Prepare and submit an annual Amendment Application in accordance with the individual program requirements that will include budget breakdown of line items and budget justifications of any budget changes.

8.16. Prepare and submit a Local Agency Annual Summary of the Local Agency self-assessment(s). Local Agency self-assessments must be done annually in the year that the Local Agency has a Management Evaluation, and semi-annually in the year that they do not have a Management Evaluation.

8.17. Prepare and submit all required plans and reports in accordance with the requirements in the WIC PPM.
Additional Peer Counseling Administrative Services

8.18. Prepare and submit a Quarterly Report for the Peer Counseling services in the format provided by ADHS.
8.19. Present program logistics, highlights, and data at a Nutrition Programs meeting at a time and location to be determined by ADHS.

Additional FMNP Administrative Services

8.20. Assume liability for the distribution and reconciliation of all FMNP checks, and assume financial liability for any checks that cannot be accounted for and reconciled.

E. Referenced Documents

3. Federal Regulations: Refer to http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=a6980ff847aff32ab535bd37f71ce93d&tpl=/ecfrbrowse/Title07/7cfr246_main_02.tpl
4. 7 CFR 246.14: program costs Item J of this Solicitation, Performance Awards
5. 7 CFR 246.26 (h)(2): notice to applicants and participants about the use and disclosure of confidential applicant and participant information
6. 7 CFR 246.26 (h)(3): implementation of a written agreement and state plan to regulate use and disclosure of confidential applicant and participant information

F. State Provided Items

2. Hardware and software necessary for operation of the WIC Computer Database System.
3. Learning Management courses for software training and nutrition education courses for staff to complete and/or pass.
4. Paper WIC and/or FMNP Food Instrument stock or Blank Electronic Benefit Transfer Card when implemented.
5. CER invoice electronic template. The ADHS WIC Program Manager or designee will accept and approve the CER prior to payment.
8. Technical assistance and support.
9. Breastfeeding material lending and library for Peer Counselor use.
10. Assistance with International Board Certified Lactation Consultant (IBCLC) career track or advanced lactation consultant education, when appropriate.
11. Loving Support through Peer Counseling curriculum, which includes the PowerPoint presentation "Peer Counseling: Making a Difference for WIC Families," when appropriate.
12. FMNP Participant Guides.
13. Online, downloadable information regarding the location and hours of approved Arizona Farmers' Markets.
14. Monitoring of WIC Authorized Vendors and Farmers’ Markets for compliance with regulations, and coordination with tribal and county officials when doing compliance buys for markets on a reservation.
15. Periodic redemption reports for issued checks.
16. Formats for required reports.
17. Program Integrity staff monitoring reports (monthly).

G. DELIVERABLES

If applicable, any work plan or other documentation submitted to and accepted by ADHS regarding participation in WIC, BFPC or FMNP shall be incorporated into this Agreement. Furthermore, any policy or procedure that deviates from those set forth in the Arizona WIC Program and / or Arizona Farmers’ Market Nutrition Program Policies and Procedures Manuals requires approval from ADHS prior to implementation.

The Contractor shall submit to ADHS:

1. Updated copies of Local Agency Policies and Procedures that will include coordination and referral procedures with internal and external programs and agencies, i.e. WIC and Peer Counseling;
2. Prepare and submit individual electronic and signed paper copy of the CER invoice, not later than thirty (30) days following the end of each report month of the program year;
3. Final CER invoice for each program not later than forty-five (45) days following the end of each Contract year;
4. WIC Local Agency Annual Cost Summary matching the final WIC Contractor’s CER, not later than forty-five (45) days following the end of each Contract year;
5. Each Contracted Program’s amendment application by the specified deadline for the following contract year which contains the following information:
   5.1. Request for Caseload to be served;
   5.2. Request for budget and budget justification;
   5.3. Updated Participant Nutrition Education Plan for the following contract year and a progress report of the previous year’s activities;
   5.4. Updated Outreach Plan of each contract year and a progress report of previous year’s activities; and
   5.5. Any additional services.
6. All required responses to federal and state audits and reviews submitted in a timely manner.

Additional Peer Counseling Deliverables

7. Quarterly reports for the Peer Counseling Program to be submitted 15 days after each quarter of the Contract year.
H. PERFORMANCE STANDARDS AND AWARDS

1. Upon Contract finalization, ADHS shall notify the Contractor by certified mail of the assigned caseload, and throughout the term of the Contract, of any changes to the assigned caseload. The Contractor shall maintain an average monthly participation level in accordance with the following table:

<table>
<thead>
<tr>
<th>Caseload Assignment</th>
<th>% Maintained</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;10,000 participants/month</td>
<td>97%</td>
</tr>
<tr>
<td>10,000 to &lt;49,999 participants/month</td>
<td>98%</td>
</tr>
<tr>
<td>&gt;50,000 participants/month</td>
<td>99%</td>
</tr>
</tbody>
</table>

2. If, after each quarter of the Federal Fiscal Year (October through September), the Contractor has not attained the required participation level, ADHS will have the option of reducing the assigned caseload and resources to the Contractor's current service level. ADHS may also then move the unused caseload and corresponding resources to other WIC Local Agencies in order to fully utilize the resources.

3. Local Agencies shall be eligible for one (1) or more of the following awards:
   3.1. Any Local Agency in which 90% or more of the certifications (6) months (October 1 through March 31) have an appropriate TGIF note as verified by the “No notes” and “TGIF detail” reports may receive an award of $10,000 added to their following fiscal year WIC funding formula award if the Contract is extended and additional expenditure can be identified;
   3.2. Any Local Agency which meets 98% of its documentation requirement in nutrition education for the previous contract year may receive an award of $5,000 added to that agency's following fiscal year WIC funding formula award if the Contract is extended and additional expenditures can be identified;
   3.3. Any Local Agency in which 25% or more of the infant caseload for a six (6) month time period (October 1 through March 31) were at least six (6) months old and were IEN at six (6) months of age ay receive an award of $10,000 added to the following fiscal year WIC funding formula award if the Contract is extended and additional expenditures can be identified;
   3.4. Pursuant to 7 CFR 246. 14, which allows the WIC program to fund nutrition services and administrative expenses, the Performance Awards may be part of the annual funding formula and awarded to the Contractor in the next contract year; and
   3.5. USDA has the option to award breastfeeding performance awards to State Agencies who exceed the national average If funds are awarded to Arizona, each Local Agency program will receive a proration of the amount based upon the number of exclusively nursing women in their Local Agency. It will be a set amount, and may only be used for purposes outlined in the current federal guidelines.
I. NOTICES, CORRESPONDENCE AND REPORTS

1. Notices, correspondence, reports and invoices from the Contractor to ADHS shall be sent to:

   Arizona Department of Health Services
   150 N. 18th Avenue
   Phoenix, Arizona 85007
   Attention: WIC Program Manager

2. Notices, correspondence and reports from ADHS to the Contractor shall be sent to:

   (Contractor to complete)

   Contractor: _________________________________
   Attention: _________________________________
   Address: _________________________________
   Address: _________________________________
   City, State, ZIP: _________________________________
   Phone: _________________________________
   Fax: _________________________________
   Email: _________________________________
Appendix B:
Local Agency Amendment Application
### Arizona WIC Program
#### FFY 2018 Application Checklist

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>WIC Funding Formula with proposed caseload</td>
<td>March 10, 2017</td>
</tr>
<tr>
<td>2.</td>
<td>FFY18 Outreach Plan</td>
<td>March 10, 2017</td>
</tr>
<tr>
<td>3.</td>
<td>Evaluation of FFY17 Outreach Plan</td>
<td>March 10, 2017</td>
</tr>
<tr>
<td>4.</td>
<td>Budget Worksheet(s) for each Program applied</td>
<td>April 14, 2017</td>
</tr>
<tr>
<td></td>
<td>a. WIC Services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Breastfeeding Peer Counseling, if applicable</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Price sheet change justification(s) (Required by procurement)</td>
<td>April 14, 2017</td>
</tr>
<tr>
<td></td>
<td>a. WIC Services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Breastfeeding Peer Counseling, if applicable</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Indirect cost agreement for FFY18, if applicable</td>
<td>April 14, 2017</td>
</tr>
<tr>
<td>7.</td>
<td>Letter of Intent stating services to be provided</td>
<td>May 26, 2017</td>
</tr>
<tr>
<td>8.</td>
<td>FFY18 WIC Application</td>
<td>May 26, 2017</td>
</tr>
<tr>
<td>10.</td>
<td>FFY18-19 Nutrition Services and Training Plan</td>
<td>May 26, 2017</td>
</tr>
<tr>
<td>12.</td>
<td>Civil Rights Certification Form</td>
<td>May 26, 2017</td>
</tr>
<tr>
<td>13.</td>
<td>CLIA waiver</td>
<td>May 26, 2017</td>
</tr>
<tr>
<td>14.</td>
<td>732 Form</td>
<td>May 26, 2017</td>
</tr>
<tr>
<td>15.</td>
<td>LLL Form (if applicable)</td>
<td>May 26, 2017</td>
</tr>
<tr>
<td>16.</td>
<td>Conflict of Interest and Confidentiality Statements for each staff (not to send in to ADHS. Keep on file at agency)</td>
<td>Annually</td>
</tr>
</tbody>
</table>
WIC AMENDMENT APPLICATION FFY2018

PROGRAM MANAGEMENT

Program Name:______________________________________________________________

Current Address: Street: ______________________________________________________

City: _______________ State: ___________ Zip: ________________

Phone: _______________ FAX: ____________________

Health Officer/Director/CEO: ________________________________ Phone: _____________

Supervisor of LA WIC Director: ________________________________ Phone: _____________

WIC Director: ________________________________ Phone: _____________

Nutrition Coordinator: ________________________________ Phone: _____________

Breastfeeding Coordinator: ________________________________ Phone: _____________

Training Coordinator: ________________________________ Phone: _____________

Registered Dietitian(s) for Agency/Clinic Site(s): ________________________________

______________________________

______________________________

BFPC Program Manager (if applicable): ________________________________ Phone: _____________

FMNP Lead (if applicable): ________________________________ Phone: _____________

CSFP Lead (if applicable): ________________________________ Phone: _____________

HANDS Lead: ________________________________ Phone: _____________

Financial Lead: ________________________________ Phone: _____________

LMS (TRAIN) Lead: ________________________________ Phone: _____________

Agency IT Supervisor: ________________________________ Phone: _____________

Clinic Search Administrator(s): ________________________________ Phone: _____________
PROGRAM OPERATIONS

1. **Service Delivery Area(s) Update:**
   (Describe any new geographical areas and population to be served.)

2. **Requesting WIC Farmers Market Nutrition Program?**  
   Yes  No

3. **Requesting Breastfeeding Peer Counselor Program?**  
   Yes  No

4. **Funding Request for FFY 2018**
   a. **WIC** – complete funding template form
   b. **WIC FMNP** – $1.25 per person flat rate. No need to calculate
   c. **BFPC** – Use same funding as FFY 17 Peer Counseling Program

5. **Budget worksheet for WIC program** – Please list and specify the FTE’s for each type of position for the WIC Program.

6. **Budget worksheet for BFPC program (if applicable)** – Please list and specify the FTE’s for each type of position for the BFPC Program.

7. **FFY18 Price Sheet Change Justification(s) for both WIC Program and BFPC Program (if applicable)**

8. **Submit evaluation of the FFY16-17 Nutrition Services and Training Plan with FFY17 efforts.**

9. **Submit new FFY18-19 Nutrition Services and Training Plan.**

10. **Submit new FFY18 Outreach Plan and an evaluation of the FFY17 Outreach Plan with FFY17 efforts.**

11. **Complete additional documents outlined in the FFY18 Application Checklist.**
Index

Accounting and Auditing Procedures, 11-7, 11-19
Assurance of Compliance, 11-4
Data Collection, 11-7, 11-19
inventory, 11-7, 11-11, 11-19
Licensure/Certification, 11-6
Local Agency Amendment Application, 11-25
Local Agency Annual Summary, 11-7, 11-20
Local Agency Proposal, 11-1, 11-8

nutrition education, 11-7, 11-13, 11-15, 11-16, 11-17, 11-21, 11-23
Program Reporting Requirements, 11-6
Proposed Budget, 11-4
Request for Agreement, 11-4
Request for Proposal, 11-4
Scope of Work, 11-5, 11-6, 11-8
Self-Evaluation, 11-7
WIC purchased equipment, 11-7