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# **CALIFORNIA FRUIT & VEGETABLE EBT PILOT PROJECT**

## **REQUEST FOR APPLICATION STATE FISCAL YEAR 2021-22**

**Date Posted: September 11, 2020**

**RFA Conference Call: October 9, 2020**

**Application Due: 5 PM PDT November 09, 2020**

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## INTRODUCTION

The mission of the California Department of Social Services (CDSS) is to serve, aid, and protect needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence.

Thank you for taking the time to consider applying for the California Fruit & Vegetable (CF&V) EBT Pilot Project. It is the intent of this project to explore and identify the technological solutions necessary to provide EBT clients a statewide, simple and efficient method for earning CalFresh\* incentives on their EBT card through purchasing California-grown fruits and vegetables.

Nearly every major grocer in the state offers some type of benefit or reward tied to a shopper's phone number or "rewards" card provided by the grocer. It is the state's intention to reward CalFresh shoppers for purchasing California-grown fruits and vegetables by crediting their CalFresh account with benefits equal to the value of California-grown fruits and vegetables they purchase, up to \$60 per month. Unlike grocery store rewards cards that can only be redeemed at that specific store or grocery chain, CalFresh benefits awarded under this project can be spent at any store that accepts CalFresh or SNAP if shopping outside of California.

This Request for Application (RFA) is broken down in to five main sections; the history of EBT, the premise of the grant, the requirements to participate in the grant project, the application instructions and application, and lastly a SAMPLE Standard Grant Agreement (contract) that begins on page 28. The sample contract is included in the RFA to inform prospective applicants of the contract content and expectations.

The RFA has changed substantially since it was last posted as a draft for comment. Please discard all draft RFAs to avoid confusion. It is vitally important that prospective applicants read the RFA and respond completely to all elements requiring a response in their grant application. Missing or improperly placed information may result in an application being rejected. You will see in the scoring criteria that a complete and accurate application is worth 5 points.

Once the RFA is posted, CDSS will not accept communications of any type from prospective applicants. A conference call to address questions about the RFA will be held approximately halfway through the RFA posting period.

\*CalFresh is California's program for administering the federal Supplemental Nutrition Assistance Program (SNAP).

## **EBT HISTORY**

Electronic Benefit Transfer (EBT) replaced paper “Food Stamps” in 1996. EBT is the method by which welfare benefit recipients spend their benefits on daily necessities. EBT functions essentially the same as a debit card for spending CalFresh benefits.

CalFresh benefits have specific limitations set by the federal government regarding what can and cannot be purchased with those benefits. The use of EBT for CalFresh benefits was mandated by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). In 1997 Assembly Bill 1542 (Chapter 270, Statutes of 1997) enacted that mandate and provided counties with the option of adding cash benefits to the EBT card.

In April 2005, EBT was fully implemented in all 58 counties in California. In addition to issuing CalFresh benefits, all 58 counties elected to issue the CalWORKs cash benefits via EBT. Other benefits issued via EBT include CalWORKs Supportive Services, Refugee Cash Assistance (RCA), Cash Assistance Program for Immigrants (CAPI), and County General Assistance/General Relief (GA/GR).

## **CURRENT SUPPLEMENTAL BENEFIT PROGRAMS IN CALIFORNIA**

Currently in California, there are two models for supplementing CalFresh benefits; Scrip in the form of wooden scrip or paper coupons, and a “rewards” card. Scrip is generally used at farmers markets and involves swiping a recipient’s EBT card at a Point-of-Sale (POS) terminal for a specific dollar amount. The recipient is given scrip equal to the amount entered in the POS terminal plus additional scrip as a supplemental benefit to purchase additional fruits and vegetables. The supplemental benefit is funded through federal grant programs aimed at improving eating habits. The scrip is unique to each farmers’ market and can only be used at that specific market. Any unused scrip must be refunded through an EBT POS terminal or retained to use later at that market.

Rewards cards for CalFresh recipients is similar to those often used by many high-volume retailers such as Raley’s, and Safeway. For CalFresh recipients, however, the rewards card simply tracks their purchase of fruits and vegetables and stores the reward value gained and expended. This model requires the recipient’s information be maintained in the retailer’s system where benefit reward data is stored and tracked. This model works well for a specific retailer but does not support extending to other retailers running different POS systems.

Benefit supplement coupons, Double Up Food Bucks California, is a healthy food incentive program in San Jose and Gilroy that reduces hunger and improves health of low-income residents in the Bay Area while also supporting California farmers and local grocers. When shoppers purchase California-grown produce with their CalFresh benefits, they earn a coupon that matches that amount, penny-for-penny (up to \$10 per day). The next time they shop in the same store, they can use the coupon just like benefits to purchase any fresh fruits and vegetables. Again, however, it is only good at that specific retailer or association.

For supplemental benefit programs to be widely available at grocery stores and farmers’

markets statewide, customers and retailers need a system that is simple to use, efficient to administer, and can be incorporated into existing retail business operations. Integrating supplemental benefits into the Electronic Benefit Transfer system provides a mechanism that would allow for many more retailers to easily disburse and redeem CalFresh supplemental benefits, and by extension, for many more CalFresh recipients to access and afford an adequate and nutritious diet.

## **CALIFORNIA FRUIT & VEGETABLE EBT PILOT PROJECT**

The goal of the California Fruit & Vegetable (CF&V) EBT Pilot Project is to develop and prove technology for applying CF&V supplemental benefits directly to a CalFresh recipient's EBT card. Through modeling and detailed lessons learned, a successful project will lay the path to leverage these solutions for use throughout the state.

Assembly Bill 1811 (Chapter 35, Statutes of 2018) approved by the Governor on June 27, 2018, adds Welfare and Institutions Code 10072.3, creating the California Fruit and Vegetable Electronic Benefit Transfer Pilot Project.

Despite California's wealth and agricultural abundance, millions of Californians struggle daily to make ends meet and provide their families with enough food. This inequity has deep negative impacts on the health of California families, contributing to high levels of food insecurity and diet-related diseases. Clear evidence indicates that increasing consumption of fruits and vegetables can help improve health outcomes, yet millions of low-income Californians report that they cannot consistently afford to purchase fruits and vegetables.

Numerous studies and evaluations have found that the CalFresh benefit amount, which is set by the federal government, is inadequate to support the purchase of nutritious foods that support a healthy diet, particularly fruits and vegetables. In the past decade, programs providing supplemental benefits to CalFresh recipients piloted by numerous organizations in California and nationwide have demonstrated that when low-income families have additional money for fruits and vegetables, they buy and consume more fruits and vegetables. These programs have been funded with grants from the Specialty Crop Block Grant Program, the California Nutrition Incentive Program, the United States Department of Agriculture's (USDA) Gus Schumacher Nutrition Incentive Program (GusNIP), formerly known as the Food Insecurity Nutrition Incentive (FINI) Grant Program, and private philanthropy. These supplemental benefit programs also support California's farmers and agricultural sector by increasing sales of California-grown fruits and vegetables.

As an initiative to promote greater access to California-grown fruits and vegetables statewide, CDSS is awarding three or more grants to exemplary non-profit organizations or government agencies interested in implementing pilot projects and testing the supplemental benefit mechanism effectiveness and efficiency in existing CalFresh FNS authorized retail settings.

In partnership with the California Department of Food & Agriculture, the goal of this pilot project is to identify a technological solution for integrating disparate retail systems with

California's EBT system so that, no matter where a CalFresh recipient shops, they may earn supplemental benefits for purchasing California-grown fruits and vegetables. The outcome of this project is a report to the state Legislature of our findings and recommendation for moving forward with a statewide implementation. The recommendation will model best practices for integration with the EBT system, facilitating communication with a variety of point-of-sale systems, and scalability from farmer's markets and small corner stores to high transaction-volume grocery chains.

The supplemental benefit mechanism shall ensure all of the following:

1. Benefit supplements can be transferable across any FNS authorized retailer.
2. Benefit supplements can be accrued, tracked, and redeemed by CalFresh recipients in a seamless, integrated process through the EBT system.
3. Benefit supplements can only be accrued by CalFresh recipients through the purchase of California-grown fresh fruits and vegetables from an FNS authorized retailer.
4. Benefit supplements can only be redeemed to make eligible purchases under the CalFresh program from an FNS authorized retailer.
5. The supplemental benefit mechanism complies with all applicable state and federal laws governing procedures to ensure privacy and confidentiality.
6. FNS authorized retailers that use EBT-only point-of-sale terminals, such as farmers' markets, and those that use integrated point-of-sale terminals, such as grocery stores, shall be able to integrate the new supplemental benefit mechanism into their existing systems, including the free state-issued hardware provided to certified farmers' markets and farmers.
7. The supplemental benefit mechanism provides a CalFresh benefit match ratio of at least 1:1.
8. A CalFresh household may accrue up to \$60.00 in supplemental benefits each calendar month.
9. There shall be no expiration date for use of supplemental benefits, but the benefits may be expunged in accordance with federal Supplemental Nutrition Assistance Program (SNAP) regulations.
10. The supplemental benefit mechanism shall be compatible with operational procedures at farmers' markets with centralized point-of-sale terminals and at grocery stores with integrated point-of-sale terminals.

## GRANT OVERVIEW

The California Department of Social Services is accepting applications for the California Fruit & Vegetable EBT Pilot Project (CF&V) for Fiscal Year (FY) 2019-20 pursuant to provisions in AB 1811 Chapter 35. The Legislature appropriated \$9,000,000 for the project, of which approximately 74 percent is designated for recipient supplemental benefits and grantee awards. The funding for the CF&V is subject to the availability of funds provided in the Budget Act. No individual grant may exceed \$600,000. All submitted grant proposals should fall within the grantee cap amount of \$600,000. If prospective grantees have scoped a pilot that exceeds the \$600,000 cap, they may submit a second Budget Justification reflecting the proposed costs in excess of the grant cap.

A minimum of three grants shall be awarded to nonprofit organizations or government agencies. At least one of the grants shall provide the ability to test the supplemental benefit mechanism at farmers' markets. A farmers' market that operates a centralized point-of-sale terminal and a scrip system and that also participates as a pilot project pursuant to this section may disburse scrips for supplemental benefits and for California-grown fresh fruit and vegetables concurrently.

The Department shall allow expenditure of grant funds awarded under this chapter for technology modifications and improvements, including, but not limited to, the following:

- 1) EBT system modifications.
- 2) Retailer POS system modifications.
- 3) Third Party Processors modifications.
- 4) Client Outreach
- 5) Indirect Costs. (Capped at 20 percent of the awarded grant value)
  - a. The 20 percent cap on indirect costs is within the grant award, not in addition to the grant award. If a grantee is awarded \$600,000, the indirect cost cap is \$120,000, leaving \$480,000 for work directly on the pilot.

Eligible Entities can apply for the California Fruit & Vegetable EBT Pilot Project funding by completing and submitting an application. Please review the information below to determine if your agency meets the qualification standards. Funding determination will be based on an ability to meet all the requirements set forth in this Request for Application (RFA). The final awards will be detailed in the Standard Grant Agreement between the Department and grant awardees.

To the extent that there are additional funds available, CDSS may consider proposals exceeding the \$600,000 cap. Applicants are encouraged to complete two Budget Justification documents; one reflecting a proposal within the grant cap, and a second reflecting what the applicant would like to do in excess of the grant cap. Only grant awardees will be considered for exceeding the cap amount.

## **RETAILER CONSIDERATIONS**

Grantees are responsible for securing the participation of retailers (including farmer's markets and direct farmers) for the California Fruit & Vegetable EBT Pilot Project. Retailers must be FNS authorized prior to participation in this pilot.

Most retailers use a commercial transaction processor also known as a third-party processor (TPP) in order to accept debit, credit, or EBT card transactions. Many retailers have merchant accounts where the TPP is included with the payment processing through the retailer's bank. The TPP is responsible for transmitting data between the retailer and the financial institutions. TPPs are necessary for transactions involving credit, debit, and EBT cards.

This project requires TPP software be up to date and compliant with specific International Organization for Standardization (ISO) standards as described beginning on page 9 of this document under Retailers and Commercial Processors Technical Considerations. If TPPs are not up to date on current ISO standards referenced herein, there could be a substantial time lag for the TPP to become compliant and that time lag could adversely affect the grantee's pilot. It is important that grantees, in securing participating retailers, determine, from the retailer or the retailer's TPP, whether the TPP is compliant with ISO standards.

Consideration must also be given for retailers that use POS devices provided by their financial institutions. Those POS devices will also have to be programmed to accurately receive, display, and print the supplemental benefit information. This is likely to require modifications to their POS software which could require a substantial amount of time.

Retailers that use the EBT POS devices provided by the state's EBT vendor (FIS) (farmers markets) do not have to be concerned about TPPs because FIS manages the TPPs for those transactions and they are compliant with ISO.

The state will work closely with grantees to ensure adequate testing of modifications and training of new processes.

## **FARMERS MARKETS CONSIDERATIONS**

With respect to farmers markets, the state has worked diligently with our EBT vendor, FIS, to identify and estimate the level of work and time required to design, test and implement immediate redemption functionality. The principle behind this project is to facilitate access to California-grown fruits and vegetables without diminishing CalFresh recipient's ability to purchase other food staples. As described earlier in this document, all other supplemental benefit programs have limitations of when and where CalFresh recipients can purchase FNS authorized food products. Immediate redemption is the process whereby cardholders may choose to immediately redeem their CF&V supplemental benefits. Grantees must recognize that the technology required to enable immediate redemption may not be available in time for this pilot.

### **Immediate Redemption**

Immediate redemption is a process unique to farmers' markets. CalFresh recipients

purchase scrip to buy California-grown fresh fruits and vegetables and receive CF&V credit to their CalFresh account. However, instead of the CF&V supplemental benefits remaining on their card to be use elsewhere at a later time, the CalFresh recipient can elect to redeem some or all of the CF&V supplemental benefits in addition to the scrip they purchased and incentives they receive through other grants, to also spend at that specific farmers' market.

Because this process deviates from other CalFresh retail processes for CF&V, steps must be taken to ensure recipients are informed and aware of how the process works including refunding unused scrip. Grantees with farmers' markets using immediate redemption must create and use an informational script to inform each CalFresh recipient of the option to immediately redeem or retain their CF&V supplemental benefits and explain the difference and benefits of both.

Grantees with farmers' markets using immediate redemption must also establish a refund process that does not inconvenience the CalFresh recipient. This refund process must be explained to the CalFresh recipient at the time of choosing immediate redemption. These explanations must be provided verbally and in print. Printed explanations must either be provided to each CalFresh recipient electing immediate redemption or posted conspicuously in areas where CalFresh recipients purchase and refund scrip.

Orientation, training and support for using the modified POS devices at farmers markets will be facilitated through CDSS and provided by OSI and/or FIS.

## **OUTREACH**

Applicants should provide sufficient detail of their outreach strategy ensuring CalFresh recipients are not only informed of the supplemental benefit program but also the details of the supplemental benefit program including what changes they can expect in their shopping experience. The outreach material should include signage as well as address limitations, timeframes, the additional information they will see on their transaction receipt, and how the program works in general.

## **DATA COLLECTION**

The objective of this project is to demonstrate the technological feasibility of integrating supplemental benefits with the EBT system. When CalFresh recipients purchase California-grown fruits and vegetables at participating markets, the full amount of the purchase is returned to the CalFresh recipient's card and can be spent on CalFresh eligible products at any retailer that accepts CalFresh EBT.

CDSS is responsible for the analysis and reporting of all data collected in this project. CDSS will capture all quantitative data through the Statewide Automated Reconciliation System (SARS) and the EBT Data Warehouse. CDSS will provide this data to grantees monthly in a PDF format and posted to the CF&V web site. The data will cover the number of CalFresh recipients receiving and expending CF&V supplemental benefits,

CalFresh recipient volumes at pilot retailers, and the amount of CF&V supplemental benefits disbursed to CalFresh recipients. Additional data points will be shared as they are realized.

The grantees are responsible for collecting and reporting qualitative data to CDSS. The data shall, at a minimum, capture the retailer and recipient experience within the context of this project. Frequency of data collection is at the discretion of the grantee but should be at least every two months. The data shall be reported to the state at a data collection interval of at least once every two months with the final data submission occurring no later than September 15, 2022.

## **THE RECIPIENT EXPERIENCE**

CalFresh recipients and their families are not identified subjects in this project. The pilots will not have defined study and control groups and therefore will not have direct knowledge of individual recipients. Accordingly, collecting data on the recipient's experience presents a challenge, particularly at retail stores. Farmers markets have a better opportunity to obtain recipient data, possibly by offering an incentive. While data collection tools are limited, consideration should be given to use of focus groups, and online surveys that recipients could be directed to on their shopping receipt.

CDSS is interested in understanding the effect CF&V has on their checkout experience, their ability to understand the new receipt layout, and how CF&V supplemental benefits have affected their shopping behavior.

## **THE RETAILER EXPERIENCE**

Capturing the retailer experience will be substantially easier than that for recipients. Grantees will interact with retailers during pilot preparations and throughout the operational phase of the project. Absent concern for ensuring recipient anonymity, a variety of data collection tools can be used. Information can be gathered in surveys, interviews, and anecdotally. The focus of data gathering should cover the overall retailer experience preparing for, implementing, and running the CF&V pilot as well as feedback from those working the checkout lines.

Retailer feedback should also address the process of making the modifications necessary to participate in the pilots, including TPPs.

In no case, should personally identifying information be collected or submitted with data.

## **RETAILERS AND COMMERCIAL PROCESSORS TECHNICAL REQUIREMENTS**

The expectations for commercial system changes related to the California Fruit and Vegetable Pilot are detailed below.

### **Commercial Processors**

Include the following revisions to the SNAP message standard (X9.58 Technical

Specifications)

For the CF&V project, the following processing rules apply:  
052

<b>Format:</b>	LLLVAR										
<b>Attributes</b>	ISO: ans..120 The data element breakdown, occurring six times, is as follows:  <table border="1"> <thead> <tr> <th>Position</th> <th>Data</th> </tr> </thead> <tbody> <tr> <td>1-2</td> <td>Account Type (n 2)</td> </tr> <tr> <td>3-4</td> <td>Amount Type (n 2)</td> </tr> <tr> <td>5-7</td> <td>Currency Code (n 3)</td> </tr> </tbody> </table> <p><b>NOTE:</b> Use value of <b>840</b> for USD.</p> <table border="1"> <tbody> <tr> <td>8-20</td> <td>Amount (x + n 12)</td> </tr> </tbody> </table>	Position	Data	1-2	Account Type (n 2)	3-4	Amount Type (n 2)	5-7	Currency Code (n 3)	8-20	Amount (x + n 12)
Position	Data										
1-2	Account Type (n 2)										
3-4	Amount Type (n 2)										
5-7	Currency Code (n 3)										
8-20	Amount (x + n 12)										
<b>Description:</b>	Information for up to six amounts and related account data for which specific data elements are not defined.  Refer to <a href="#">“Additional Amounts Codes (Bit 054)”</a> for a list of valid account types and amount types.										
<b>Data Edit:</b>	Must be Alphanumeric. The amount in bit 54-4 must be numeric and not be greater than 999999999. x must be 0, C, or D. C or 0 = Credit amount  D = Debit amount										
<b>Example:</b>	C000000000399 = credit of \$3.99										

A0200 BIT 54

Field Name	Length / type	Value
Account type	an 2	98 (Food)
Amount type code	an 2	5S – CF&V - this transaction that was purchased

Currency code	n 3	840 US dollars
CF&V Amount	x + n 12	Dollar amount that is eligible this transaction

*A0210 BIT 54*

Field Name	Length / type	Value
<i>Account type</i>	an 2	98 (Food)
<i>Amount type code</i>	an 2	CF&V incentive earned this transaction
<i>Currency code</i>	n 3	840 US dollars
<i>CF&amp;V Amount</i>	x + n 12	Dollar amount that is CF&V earned this transaction

*A0210 BIT 54*

Field Name	Length / type	Value
<i>Account type</i>	an 2	98 (Food)
<i>Amount type code</i>	an 2	5U- CF&V - incentive earned MTD
<i>Currency code</i>	n 3	840 US dollars
<i>CF&amp;V Amount</i>	x + n 12	Dollar amount that is CF&V eligible for the month earned to date

**California Fruit & Vegetable EBT Pilot Project**

For the California Fruit & Vegetable EBT Pilot Project, the following processing rules apply:

- a) Additional data private, acquirer (bit 111) is not used.
- b) Amounts, additional (bit 054), in the Financial Presentment request message (0200) shall include the sub-total value of the CF&V eligible food items as shown below:

Account type amounts additional, an 2; Value 98 (Food)  
Amount type code, amounts additional, an 2; value "5S - California Fruit & Vegetable EBT Pilot Project (CF&V) purchase amount";  
Currency code, amounts additional, n 3;  
Amount, amounts additional, x + n 12.

- c) Amounts, additional (bit 054) in the Financial Presentment response message (0210) shall include the incentive earned on the current transaction and the month to date total incentive earned as shown below:

A. For the current incentive earned amount:

Account type amounts additional, an 2; Value 98 (Food);  
Amount type code, amounts additional, an 2; value "5T - California Fruit & Vegetable EBT Pilot Project (CF&V) incentive earned";  
Currency code, amounts additional, n 3;  
Amount, amounts additional, x + n 12.

B. For the month to date incentive earned:

*Account type amounts additional*, an 2; Value 98 (Food);  
*Amount type code, amounts additional*, an 2; value "5U - California Fruit & Vegetable EBT Pilot Project (CF&V) month to date earned";  
*Currency code, amounts additional*, n 3;  
*Amount, amounts additional*, x + n 12.

1. Program changes per updated EBT Processor specifications and certify to the EBT Processor.
2. Develop code and requirements for standalone terminal changes.
3. Update proprietary message specifications based on specification provide by EBT Processor. Share with California Fruit and Vegetable Pilot retailer technical staff and, if needed, their acquirers/ISOs (especially for those responsible for installing software loads on standalone terminals).
4. Perform necessary retailer/acquirer certification.

### **Integrated Retailers**

1. Use one of the following methods to modify the retailer's product database so that it can flag CF&V target foods.
  - a. Add a new yes/no CF&V -identifier field to the database.
  - b. Create a new code for the field that identifies SNAP eligible items, e.g. "TBD" = all California Fruit & Vegetable CF&V -eligible products and "TBD" = all other SNAP-eligible products.
  - c. Develop another method that will produce the desired results.
2. Develop initial list all California Fruit and Vegetable EBT -eligible products initial codes or flags.
3. Identify remaining California Fruit and Vegetable EBT-eligible products in database and code the flags.
4. Upon completion, provide a file of all products coded as California Fruit and Vegetable EBT in the retailer's system, using the same format as the initial list mentioned in #2 above.
5. For pilot area stores only, revise in-lane SNAP purchase process to compute, in addition to the current subtotal of SNAP-eligible items, a second subtotal just for California Fruit and Vegetable EBT target foods for both purchase and refund transaction.
6. Using the commercial processor/acquirer's proprietary SNAP CF&V message

specifications, code the CF&V subtotal for each SNAP transaction (both purchases and refunds) in the designated field prior to transmitting the authorization request. The EBT Processor is responsible for verification of CF&V eligibility and calculating the incentive amount.

7. For all approved transactions the software must check the response message fields designated in the SNAP specs for the CF&V incentive earned and the month to date incentive earned. If either value is greater than \$0.00, print both values with concise explanations, for example:
  - a. CF&V Earned: \$##.##
  - b. Total This Month: \$##.##.

If both values are \$0.00 or null, no receipt changes are needed. (Recommendation)

8. Perform necessary processor/acquirer certification.
9. Over the life of the project if new California Fruit and Vegetable SNAP-eligible products are added to the database, also determine if it is CF&V -eligible and code flag appropriately.
10. When the pilot program is over, CF&V incentives may cease to exist. Depending on how the programming was done, the retailer may simply toggle CF&V programming off for the pilot area stores. If they continue to submit CF&V -coded transactions after pilot end, no values will be returned for CF&V incentive earned and the month to date incentive earned, so nothing should print on the receipts anyway.

### **Commercial Standalone Terminal Providers**

1. For pilot area standalone customers only, revise POS software for SNAP transactions to prompt for and accept the CF&V subtotal amount. The new value entry must be added to both purchases and refunds. If the terminal includes the capability to clear vouchers, it must also be added to that process.
2. Using the commercial processor proprietary SNAP CF&V message specifications, code the CF&V subtotal for each SNAP transaction in the designated field prior to transmitting the authorization request.
3. For all approved purchase and refund transactions the software must check the response message fields designated in the SNAP specs for the CF&V incentive earned and the month to date incentive earned. If either value is greater than \$0.00, print both values with concise explanations, for example:
  - a. CF&V Earned: \$##.##
  - b. Total This Month: \$##.##.

If both values are \$0.00 or null, no receipt changes are needed.

4. Perform necessary processor/acquirer certification.

Retailers using these terminals will need to identify California Fruit and Vegetable EBT target foods and separate them from the household's other SNAP eligible foods. The clerk must obtain a subtotal for CF&V and record the value. The clerk would then continue adding up the value of the remaining SNAP items to get a total that also includes the CF&V value. Both values would be entered in the terminal when the clerk is ready to perform the transaction for authorization. The retailer will receive training and resources from California Fruit and Vegetable EBT project staff on the identification and separation of CF&V eligible items.

## SCHEDULE

The intent is to run the pilots until funding is exhausted. The outcome of this project is a report to the Legislature due no later than January 1, 2023. All data collection shall be complete and submitted to the state by September 15, 2022. Due to circumstances brought by the public health emergency, these dates are subject to change.

The ideal project duration is one complete year of transacting which would cover seasonal shopping. One substantial determinant factor is the time it will take to complete all technical modifications necessary to run the pilots at the proposed retail locations.

Activity	Start Date	End Date	Duration	Who
Publish RFA	9/11/2020	10/27/2020	60 days	EBT
Submit Questions	9/11/2020	10/3/2020		
RFA Conference	10/9/2020		1 day	CDSS/OSI/FIS/CDFA/ Applicants
Grant Applications Due	5 PM PDT 11/09/2020		1 day	Grant Applicants
Application Evaluation & Scoring	11/16/2020	12/04/2020	28 Days	EBT/CDFA/CalFresh
Publish Intent to Award Letter(s)	12/14/2020	01/13/2020	30 calendar days contest period	EBT
Execute Grants	01/14/2020		1 day	EBT/Grant Awardees
Project Kick Off Meeting	1/19/2021		1day	

**RFA Question and Answer Meeting:** Organizations are encouraged to participate in the following conference call:

Date: October 9<sup>th</sup>, 2020

Time: 10:00 AM

Meeting: WebEx

WebEx access will be posted on the California Fruit & Vegetable web page, <https://www.cdss.ca.gov/inforesources/ebt/california-fruit-vegetable-ebt-pilot-project>.

The Q&A meeting is intended to assist prospective applicants, describe the scope of services in this RFA, respond to questions, review RFA requirements, review

application processes, and explain other technical and administrative requirements. Please make every attempt to participate in the WebEx meeting. Feedback from this call could result in addendums to the RFA.

Please send your questions to [CDSSEBT@dss.ca.gov](mailto:CDSSEBT@dss.ca.gov) before close of business October 3, 2020. Following the October 9<sup>th</sup> conference call, we will post those questions and responses on the California Fruit & Vegetable EBT Pilot Project web page within 3 business days following the WebEx meeting.  
(<https://www.cdss.ca.gov/inforesources/ebt/california-fruit-vegetable-ebt-pilot-project>)

## **ELIGIBILITY**

The RFA process is open to government and non-profit organizations with experience in CalFresh and EBT supplemental benefit programs. To be eligible to participate in the California Fruit & Vegetable EBT Pilot Project, an applicant shall meet the minimum eligibility criteria below:

- a) Previous experience and effectiveness in administering CalFresh nutrition or similar supplemental benefit programs.
- b) Partnership commitment from at least one existing authorized retailer that already accepts CalFresh benefits and sells fresh fruits and vegetables, including a variety of California-grown fresh fruits and vegetables, and commits to selling California-grown fresh fruits and vegetables during the pilot project period.
- c) Ability to ensure that supplemental benefits are only accrued and delivered when purchasing California-grown fresh fruits and vegetables with CalFresh benefits and will be used only to make purchases authorized under the CalFresh program.
- d) Status as a nonprofit organization or government agency.
- e) Ability to provide the minimum data deemed necessary for the Department to successfully evaluate the pilot project.

**Note:** Applicants selected by CDSS will be required to execute and comply with the provisions of the Standard Grant Agreement (sample included in this RFA), including addendums. Applicants selected by the CDSS will be required to participate in all CDSS joint activities and financial/data reporting systems as required. Expenses incurred prior to/ or after the effective dates of the Standard Grant Agreement may not be eligible for reimbursement.

Upon request, CDSS may, at its sole discretion, advance up to 25 percent (25%) of the individual grant amount. The Grantees shall submit invoices for the valid expenditure of the amount advanced. Thereupon, the remaining balance of funds shall be transmitted to the grantee based on monthly invoices, in arrears, but no later than 30 days after the grantee submits receipts for project expenses to the department.

## REVIEW AND SELECTION PROCESS

All submitted applications will be initially screened by CDSS staff to determine completeness and eligibility. Incomplete applications or ineligible applicants may not be considered. Subsequent evaluation and rating of eligible applicants will be conducted by a committee of CDSS and project stakeholders selected by CDSS.

The applications will be scored consistent with legislative requirements, as well as geographic distribution, variety of retailers, technical feasibility, outreach strategy and data collection strategy and methodology.

CDSS has sole discretion in selecting the qualified organizations that will receive CF&V funding. CDSS reserves the right to distribute funding based on regional and programmatic needs and solicit additional applications and applicants, if necessary.

Organizations selected by CDSS to receive funding will receive written notification and be required to execute a Standard Grant Agreement prior to receiving funding. A sample of the Standard Grant Agreement is attached to this RFA (Please note: the sample Standard Grant Agreement is subject to change).

## SCORING CRITERIA

The below list of criteria is the tool the state will use in evaluating all applications to this RFA. There is a total of 100 points available. Each application will be weighed independently.

Criteria	Value
<i>1. Is the application complete? Does it contain all the required information properly formatted and ordered appropriately?</i>	5
<i>2. What experience does the applicant have administering a CalFresh nutrition incentive program or similar supplemental benefit programs? How long have they administered a CalFresh program? How effective have they been in their program(s)?</i> Welfare and Institutions Code (WIC) 10072.3(e)(2)(A) — Previous experience and effectiveness in administering CalFresh nutrition incentive programs, or similar supplemental benefit programs.	10
<i>3. Does the applicant have at least one CalFresh retailer onboard? Does the applicant have more than one CalFresh retailer commitment? How many?</i> WIC 10072.3(e)(2)(B) — Partnership commitment from at least one existing authorized retailer that already accepts CalFresh benefits and sells fresh fruits and vegetables, including a variety of California-grown fresh fruits and vegetables, and commits to selling California-grown fresh fruits and vegetables during the pilot project period.	10

Criteria	Value
<p>4. <i>What is the applicant's solution to ensure supplemental benefits are only received for the purchase of California-grown fruits and vegetables?</i>  WIC 10072.3(e)(2)(C) — Ability to ensure that benefit supplements are only accrued and delivered when purchasing California-grown fruits and vegetables with CalFresh benefits and will be used only to make purchases authorized under the CalFresh program.</p>	15
<p>5. <i>What is the applicant's data collection strategy? Does the strategy capture the retailer (and employees) as well as the recipient's experience with the new process?</i>  WIC 10072.3(e)(2)(E) — Ability to provide the minimum data deemed necessary for the department to successfully evaluate the pilot project, as described in 10072.3(f)(1).</p>	10
<p>6. <i>Does the application reflect a workable community outreach strategy? Is the distribution strategy described in detail including locations and timing?</i>  WIC 10072.3(e)(3)(B) — Community Outreach</p>	10
<p>7. <i>Does the grant application show the mechanism by which California-grown fresh fruits and vegetables will be accurately identified in their pilot? How robust is the proposed solution?</i>  WIC 10072.3(c)(3) — Benefit supplements can only be accrued by CalFresh recipients through the purchase of California-grown fresh fruits and vegetables from an authorized retailer.</p>	15
<p>8. <i>Does the application reflect a realistic solution to integrate the supplemental benefit into their proposed retailer systems? How complex is the solution?</i>   <i>Does the solution comport with the proposed timeline?</i>   <i>Does the proposed timeline allow for enough time to run the pilot and capture sufficient data in time for the report to the legislature?</i>   WIC 10072.3(c)(6) — Authorized retailers that use EBT-only point-of-sale terminals, such as farmers' markets, and those that use integrated point-of-sale terminals, such as grocery stores, shall be able to integrate the new supplemental benefit mechanism into their existing systems, including the free state-issued hardware provided to certified farmers' markets and farmers.</p>	15
<p>9. <i>Proposed budgets. Is there sufficient detail to clearly identify anticipated expenditures? Does the cost estimate realistically reflect the scope of work?</i></p>	10

Criteria	Value
Total Possible Points	100

## APPLICATION INSTRUCTIONS

To be considered for funding, applicants must comply with the requirements described in this RFA. For questions, please contact, John Morton at 916 657-3804 or via email [cdssebt@dss.ca.gov](mailto:cdssebt@dss.ca.gov)

- 1) A complete and accurate application, with all applicable attachments, is required to be emailed to [CDSSEBT@dss.ca.gov](mailto:CDSSEBT@dss.ca.gov) with the subject line: FY 2021-22 RFA California Fruit & Vegetable EBT Pilot Project Grant Application, no later than 5:00 p.m. PST on November 9, 2020. Incomplete or late applications may not be accepted.
- 2) Applications must be submitted in PDF format using the referenced application form. Altered forms will not be accepted. All supporting documents must be submitted in a separate PDF with a unique identifying title. If applicants have any trouble accessing the required forms, please email [cdssebt@dss.ca.gov](mailto:cdssebt@dss.ca.gov) to request assistance.
- 3) All forms included in this Request for Application are examples or samples of the documents necessary for a complete application package. Application forms can be found on the [California Fruit & Vegetable EBT Pilot Project Web Page](#)
- 4) The Budget Justification is a sample. Applicants may add greater detail (additional lines) as they feel necessary.
- 5) Applicants should use the forms and follow the formats identified in this RFA starting on page 19.

## **ELIGIBILITY CRITERIA**

Review the criteria and select the appropriate response for your organization.

To be eligible to participate in this RFA for CF&V funding, an Applicant shall meet the minimum eligibility criteria below:

- (a) Status as a nonprofit organization or government agency;
- (b) Have previous experience effectively administering CalFresh nutrition programs, or similar supplemental benefits programs;
- (c) Ability to ensure that supplemental benefits are only accrued and delivered when purchasing California-grown fresh fruits and vegetables with CalFresh benefits and will be used only to make purchases authorized under the CalFresh program.

The Applicant meets all three of these requirements:

- Yes. If yes, proceed to next section.
- No. If no, you are not eligible to apply for this funding.



KIM JOHNSON  
 DIRECTOR

GAVIN NEWSOM  
 GOVERNOR

## CF&V APPLICATION CHECKLIST AND ELIGIBILITY CRITERIA

Use the following checklist to ensure that all documents necessary to respond to this Request for Application (RFA) have been included. The items below are required elements of the application. If any of the following items are omitted from the application, the application will be considered incomplete and out of compliance with this RFA and may not be considered. Please review carefully and check off each item before the application is submitted. Submit this checklist as indicated below. All documents, unless otherwise specified, are required for an application to be considered complete. Incomplete applications may not be accepted.

<input type="checkbox"/>	1.	<b>Application Cover Sheet</b> Includes: <i>Cover Sheet</i> with all sections accurately and fully completed.
<input type="checkbox"/>	2.	<b>Checklist and Eligibility Criteria</b> (page 20) with all sections accurately and fully completed.
<input type="checkbox"/>	3.	<b>Application:</b> (page 21 questions A-I) (30-page limit) Includes: <i>Application</i> with all sections accurately and fully completed including attachments.
<input type="checkbox"/>	4.	<b>Statement of Assurances:</b> Be sure to include the required document with your application.
<input type="checkbox"/>	5.	<b>Budget Justification:</b> Using this format, each application must include a breakdown of their proposed grant expenditures (page 23)
<input type="checkbox"/>	6.	<b><u>STD. 204 Payee Data Record</u>:</b> Each application must include a completed signed STD. 204 Payee Data Record (attached and linked in form title).
<input type="checkbox"/>	7.	<b>Board Resolution:</b> For applicants whose organizations have a board of directors, a board resolution is required <u>prior to grant execution</u> .

## CF&V EBT PILOT – APPLICATION QUESTIONS

Please answer the questions below. The response should be single spaced, Arial 12pt. font with 1” margins and not exceed 30 pages in length.

- A. Describe your experience administering a CalFresh nutrition incentive program.
- B. Describe the geographic and physical location(s) of your proposed pilot and types of FNS authorized retailers you intend to engage.
  - How many sites do you intend to operate?
  - How much CalFresh customer traffic do you estimate for each site?
- C. Identify the Third-Party Processors (TPP) involved with each of the proposed retailers and indicate their level of compliance with the ISO standards described in Retailer and Commercial Processor Requirements (beginning on page 9) of the RFA including the strategy and timeline for TPPs to become compliant with ISO standards. Please identify the contact person and contact information.
- D. How do you (your proposed retailers) intend to identify California-grown fresh fruits and vegetables to ensure the intent and integrity of the pilot?
- E. Describe your retail, community, and CalFresh recipient outreach strategy.
- F. Describe how the cost estimate for this application was developed.
  - Please provide a Budget Justification (sample enclosed). If you have a proposal that exceeds the cap, please provide an additional Budget Justification for that work.
- G. Provide a timeline and schedule for all work required by you and your retail partner(s) necessary to properly transact in the CF&V pilot.
- H. If using immediate redemption, provide scripts to be used with CalFresh recipients and describe the CalFresh recipient process for immediate redemption and refunding.
- I. Describe your data collection strategy including schedule, and any data sharing agreements made with retailers.

## STATEMENT OF ASSURANCES

This form must be completed and signed by the applicant, and one copy of the below-listed required documentation **must be returned with the application.**

A. Financial Status:

An application can be rejected if, after review of the document submitted under this section, the CDSS determines an applicant is not fiscally sound.

1. Copy of proof of registration with the California Franchise Tax Board for the payment of gross receipts tax or proof of contract of an exception from payment of federal income tax pursuant to the Internal Revenue Code of 1954, 26 USC Section 501(c)(3).

B. Compliance with Federal and State Regulations:

The organization agrees to comply with all federal and State legal requirements, including Department of Social Services policies and regulations, which apply to the services being provided.

C. Proof of Insurance:

As part of your grant agreement with the Department of Social Services, you are required to carry insurance coverage. *A grant award may be rescinded if the proposed grantee is unable to meet insurance requirements in the grant agreement.*

**I certify that the information provided throughout this application to the Department of Social Services is true and correct, and I fully ensure compliance with all the requirements cited in this document.**

\_\_\_\_\_  
Authorized Signature for Organization

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**BUDGET JUSTIFICATION SAMPLE**

THIS BUDGET JUSTIFICATION SAMPLE IS PROVIDED TO GIVE APPLICANTS AN INDICATION OF THE DETAIL AND FORMAT REQUIRED TO JUSTIFY PROPOSED BUDGET FIGURES. ITEMS MAY BE ADDED BUT NOT REMOVED.

**Retailer Modifications (Including Equipment)- \$XX,000**

Itemize \$XX,000

Justification:

**TPP Modifications (Including Equipment) - \$XX,000**

Itemize: \$XX,000

Justification:

**Other Tech Modifications (Including Equipment) - \$XX,000**

Itemize: \$XX,000

Justification:

**Subcontractor(s) - \$XX,000**

Itemize: \$XX,000

Justification:

**Outreach - \$XX,000**

Itemize: \$XX,000

Justification:

**Indirect Costs\* - \$XX,000**

Itemize: \$XX,000

Justification:

*\*Indirect Costs cannot exceed 20% of the value of the contract. Indirect costs come from within the grant award, not in addition to the grant award.*

***Total Estimated Project Costs - \$XXX,000***

Grant awards do not include funds for CF&V incentives.

## **INSTRUCTIONS FOR APPLICATION COVER PAGE**

### **Applicant Information**

Print or type the official agency name of the organization as it would appear in a resulting contract. Print or type the organization's Federal Tax Identification Number.

Mailing address (Street, P.O. Box, City, State and Zip Code).

Physical Address (Physical location of the organization, if it is different from the mailing address).

Print or type the first and last name, position title, telephone number, email address, and fax number of the person authorized to act as the contact for the organization in matters regarding this application.

Print or type the first and last name, position title, telephone number, email address, and fax number of the person authorized to obligate this organization in matters regarding the application or a resulting contract.

Print or type the first and last name, position title, telephone number, email address, and fax number of the person authorized to act as a secondary (back-up) contact for this organization in matters regarding the application or a resulting contract.

If the organization is a legal corporation with a Board of Directors, print or type the first and last name and position/title of the person authorized to sign this application on behalf of the Board. The authorized signatory must sign and date the Application Cover Page in [blue ink](#).

The person identified as authorized to obligate this organization in matters regarding this application or resulting contract (Section 3) must sign and date the Application Cover Page in [blue ink](#).

CF&V EBT PILOT PROJECT RFA #

I, the official named in Section 3 or 4 below, certify under penalty of perjury that I am duly authorized to legally bind the prospective applicant for the California Fruit & Vegetable EBT Pilot Project Request for Application (RFA).

This certification is made under the laws of the State of California.

**1. Applicant Information**

Official Agency Name *(as it would appear in a resulting contract)*

Federal Tax Identification Number	Type of Organization <i>(e.g., county/city government, private non-profit)</i>
Mailing Address <i>(Street, P.O. Box, City, State, Zip Code)</i>	Physical Address <i>(If different from mailing address)</i>

**2. Person authorized to act as the contact for this organization in matters regarding this application:**

Printed Name <i>(First, Last):</i>		Title:
Telephone number: ( )	Email address:	Fax number: ( )

**3. Person authorized to obligate this organization in matters regarding this application or resulting contract:**

Printed Name <i>(First, Last):</i>		Title
Telephone number: ( )	Email address:	Fax number: ( )

**4. Name and title of person authorized by the Board of Directors to sign this application on behalf of the Board (if applicable):**

Printed Name <i>(First, Last):</i>	Title
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<b>Signature</b> <i>(in blue ink)</i>	Date:
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By submitting this application, the applicant accepts responsibility for all applicable state and federal laws, and all contract requirements in this RFA, released by the California Department of Social Services (CDSS). The applicant understands CDSS is not obligated to fund the project until a Grant Agreement between a successful applicant and the Department has been approved.

Signature and title of person authorized to obligate this organization (Individual in Section 3)

Signature:	Date:
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**PAYEE DATA RECORD**

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 10/2019)

1	<p><b>Requirement to Complete the Payee Data Record, STD 204</b></p> <p>A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.</p> <p>Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&amp;TC).</p>
2	<p>Enter the payee's legal business name. The name must match the name on the payee's tax return as filed with the federal Internal Revenue Service. Sole proprietorships and single member limited liability companies (LLCs) must also include the owner's full name. An individual must list his/her full name as shown on the SSN or as entered on the W-7 form for ITIN. The mailing address should be the address at which the payee chooses to receive correspondence. The business address is the address of the business' physical location.</p>
3	<p>Check only <b>one</b> box that corresponds to the payee business type. Corporations must check the box that identifies the type of corporation.</p> <p>The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by the R&amp;TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&amp;TC section 18662 and its regulations.</p> <p>Payees must provide <b>one</b> of the following TINs on this form: social security number (SSN), individual taxpayer identification number (ITIN), or federal employer identification number (FEIN). The TIN for sole proprietorships, single member LLC (disregarded entities), and individuals is the SSN or ITIN. Only partnerships, estates, trusts, corporations, and LLCs (taxed as partnerships or corporations) will enter their FEIN.</p>
4	<p><b>Are you a California resident or nonresident?</b></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:          Withholding Services and Compliance Section: 1-888-792-4900      E-mail address: <a href="mailto:wscs.gen@ftb.ca.gov">wscs.gen@ftb.ca.gov</a>          For hearing impaired with TDD, call: 1-800-822-6268      Website: <a href="http://www.ftb.ca.gov">www.ftb.ca.gov</a></p>
5	<p>Provide the name, title, email address, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>
6	<p>This section must be completed by the state agency requesting the STD 204.</p>

**Privacy Statement**

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to \$20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.

RECIPIENT: [RECIPIENT]  
 GRANT NUMBER: [GRANT NUMBER]

State of California – Health and Human Services Agency

California Department of Social Services

**STANDARD AGREEMENT**

GRANT  (NEW)  (AMENDED)

This Agreement is entered into between the State Agency and the Grantee named below:

Agency California Department of Social Services (State/CDSS)	Grant Number
Grantee	Grantee I. D. Number

I. **THE PARTIES** mutually agree and understand that this Agreement is a legally binding document. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this agreement.

II. **EXHIBITS**

		If Amended
Exhibit A – Description of Services (Scope of Work)	___ Page(s)	<input type="checkbox"/>
Exhibit A-1 – Grantee Program Narrative	___ Page(s)	<input type="checkbox"/>
Exhibit B – Budget Detail and Payment Provisions	___ Page(s)	<input type="checkbox"/>
Exhibit C – Grant Agreement Terms and Conditions	___ Page(s)	<input type="checkbox"/>
Exhibit C-1 – (Grantee Certification Clauses)	___ Page(s)	<input type="checkbox"/>
Exhibit D – Special Terms and Conditions	___ Page(s)	<input type="checkbox"/>
Exhibit E – Additional Provisions	___ Page(s)	<input type="checkbox"/>

III. **TERMS**

The term of this Agreement shall be from \_\_\_\_\_ through \_\_\_\_\_.

IV. **MAXIMUM AMOUNT PAYABLE**

The maximum amount payable under this Agreement shall not exceed (enter both numerals and text) \$ \_\_\_\_\_ dollars.

**IN WITNESS WHEREOF, this agreement has been executed when signed by all parties hereto.**

STATE OF CALIFORNIA		GRANTEE	
Agency California Department of Social Services		Grantee (If other than an individual, state whether a corporation, partnership, etc.)	
By: (Authorized signature)		By: (Authorized signature)	
Printed Name of Person Signing	Date	Printed Name of Person Signing	Date
Title		Street Address	
		City, State Zip	

RECIPIENT: [RECIPIENT]  
GRANT NUMBER: [GRANT NUMBER]

## **EXHIBIT A (SCOPE OF WORK)**

### **DESCRIPTION OF SERVICES**

#### **I. THE PARTIES**

This Grant Agreement is for the California Fruit & Vegetable EBT Pilot Project and is between GRANTEE NAME and California Department of Social Services (CDSS), Electronic Benefits Transfer Unit, also referred to as the State. The Grantee shall designate a person(s) to sign this Grant Agreement and make certification pursuant to Exhibit D.

#### **II. AUTHORITY**

Provision 12, item 5180-101-001 of the Budget Act of 2018 (AB 1811, Chapter 35, Statutes of 2018) appropriates \$9,000,000 to fund the project, including grants to non-profit or government agencies with experience in supplemental benefit programs.

#### **III. PURPOSE OF THIS GRANT AGREEMENT**

The grant shall support technology modifications of retailer systems. TPP systems, the EBT system and other systems as necessary. This includes ancillary costs associated with implementing the pilots such as outreach, and data collection.

#### **IV. DESCRIPTION OF GRANT PROGRAM SERVICES**

The Grantee shall use the funding for the California Fruit and Vegetable EBT Pilot Project through this Agreement consistent with the requirements of the Request for Applications (RFA), included in this Agreement as Exhibit A-1. The Grantee shall use the funding as described in Grantee's RFA response, included in this Agreement as Exhibit A-2.

The grantee shall be responsible for all of the following:

- 1) Securing the commitment of at least one authorized retailer willing to participate in the pilot project.
  - a. At least one grantee must engage a farmer's market.
- 2) Conducting community outreach.
- 3) Providing evaluation data to the Department.
- 4) Ensuring the integrity of the pilot project following guidelines adopted by the Department pursuant to enacted legislation.

#### **V. GRANTEE RIGHTS AND RESPONSIBILITIES**

The Grantee shall:

- A. Designate an individual to have primary responsibility as a liaison with the State in carrying out the terms of this Agreement.
- B. Complete the grant activities in accordance with the Agreement. Grantee shall be responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures in the performance of grant activities.
- C. Complete and submit all required forms, including equipment inventory reports, as specified in this Agreement. These reports from the Grantee are an integral part of the State requirements. Completion of reports and data forms is the Grantee's responsibility. Invoice payment will be conditioned upon the timely receipt by the State of acceptable reports or data forms. If acceptable reports or forms are not received or a request for extension of a due date has not been granted by the State, invoices will not be processed for payment and will be returned to the Grantee.
- D. Promptly provide details of any and all expenditures (including those of subcontractors) under this Agreement when requested by the State.
- E. Use of Subcontractors:

If the Grantee desires to accomplish part of the services through the use of one or more subcontractors, the following conditions must be met:

- (1) The Grantee shall submit any subcontracts to the State for approval prior to starting any of the work.
- (2) The Agreement between the Grantee and the subcontractor must be in writing;
- (3) The subcontract must include specific language which establishes the rights of the auditors of the State to examine the records of the subcontractor relative to the services and materials provided under this Agreement; and
- (4) Upon termination of any subcontract, the State shall be notified immediately, in writing

Further, any subcontract in excess of \$100,000 entered into as a result of this Agreement, shall contain all applicable provisions stipulated in this Agreement.

- F. Be responsible for the performance of any and all subcontractors in meeting the terms of this Agreement. Subcontractors shall only be utilized when a particular expertise, knowledge, skill, or ability is not possessed by Grantee staff and is necessary for the provision of specified training or technical assistance under this agreement.
- G. Potential Subcontractor(s): Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractor(s) and no subcontract shall relieve the primary Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be as

fully responsible to the State for the acts and omissions of its subcontractor(s) and of persons directly employed or indirectly employed by any of them, as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractor(s) is an independent obligation from the State's obligation to make payments to the primary Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any monies to any subcontractor.

- H. Inform the State of any Grantee or subcontractor address changes, contract cancellations, or new subcontractors during the course of the Agreement.

## **VI. STATE'S RIGHTS AND RESPONSIBILITIES**

The State shall:

- A. Monitor and evaluate the Grantee's performance, expenditures and service levels for compliance with the terms of this Agreement. Grant monitoring is accomplished by a variety of methods. Monitoring can be informal, such as telephone conversations, or formal, such as site visits. During a site visit the State may review equipment, materials, publications or curricula used by the Grantee, and all fiscal, group plan or client records developed by the Grantee. Grant monitoring shall be accomplished in a manner, location, and time at the sole discretion of the State.
- B. Evaluate Grantee's report of all equipment purchased for compliance with the terms of this Agreement and provide a written response within 30 calendar days of receipt if the report is determined to be unacceptable.
- C. Review all invoices submitted by Grantee for allowable costs and approve for payment as appropriate, conditioned on the availability of state funds.
- D. Retain the right to issue disposition instructions for any equipment purchased with grant funds within 120 calendar days after final inventory coinciding with termination of the Agreement. Notwithstanding other legal or accounting definitions, for the purpose of retention of equipment, equipment is defined as any instrument, machine, or apparatus that:
  - 1. Retains its original shape, appearance, and character with use;
  - 2. Does not lose its identity through fabrication or incorporation into a different or more complex unit or substance;
  - 3. Is more feasible to repair than to replace;
  - 4. May be expected to serve its principal purpose for at least one year;
  - 5. Is movable in that they are transportable from one location to another;
  - 6. Does not function as integral part of or permanently fastened or attached to the building; and
- E. Retain the right to modify this Agreement based on the results of its evaluation

and review. The State may use the results of the evaluation and monitoring review in future grant decisions. The evaluation shall include, but is not limited to Agreement compliance, effectiveness of planning, and program results.

## **EXHIBIT A-1 Grantee Program Narrative**

Provide a brief detailed description of your pilot's start-up, process, implementation and monitoring in a narrative format.

## EXHIBIT B (BUDGET DETAIL AND PAYMENT PROVISIONS)

### A. Invoicing and Payment

- 1 The maximum amount payable under this Agreement shall not exceed \$600,000.
- 2 For services satisfactorily rendered, and upon receipt and approval of the invoice(s), CDSS agrees to pay the Grantee for said services in accordance with the rates specified.
- 3 Funding for necessary travel expenses and per diem are not included in this Agreement.
- 4 Grantee shall submit a written request for advancement of funds of up to 25% of the total awarded amount within 30 calendar days from the execution date of this agreement.

Grantee shall submit invoices for payment on a monthly basis. This schedule can be flexible and changes to the invoice schedule shall not require an amendment to this agreement. All invoices shall be on the contractor's letterhead, include the address where the check shall be mailed, include the CDSS Agreement number and the PCA code provided by CDSS, and be accompanied by supporting documents and the claim form to be provided by CDSS.

Invoices shall be mailed to the designated Grant Manager at the following address:

California Department of Social Services Automation and  
Client Initiatives – Electronic Benefits Transfer Unit  
744 P Street, MS 8-5-45  
Sacramento, CA 95814  
Attn: CF&V Grant Manager

Any invoices submitted without the above referenced information may be returned to the Contractor for further re-processing.

### B. State Budget Contingency Clause

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force

and effect. In this event, CDSS shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement.

2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, CDSS shall have the option to either cancel this Agreement with no liability occurring to the State or offer an agreement amendment to Grantee to reflect the reduced amount.

#### C. For Agreements with Federal Funds

1. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of Congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
2. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the term of this Agreement for the purposes of this program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms, or funding of this Agreement in any manner.
3. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
4. CDSS has the option to invalidate the Agreement under the 30-day cancellation clause or to amend the Agreement to reflect any reduction of funds.

#### D. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

#### Review

CDSS reserves the right to review service levels and billing procedures as they impact charges against this Agreement.

#### Final Billing

Invoices for services must be received by CDSS within 90 days following each federal fiscal year, or 45 days following the end of the contract term, whichever comes first. The final invoice must include the statement "Final Billing."

RECIPIENT: [RECIPIENT]  
GRANT NUMBER: [GRANT NUMBER]

## **EXHIBIT C (GRANT AGREEMENT TERMS AND CONDITIONS)**

1. APPROVAL: This Agreement is of no force or effect until signed by both parties. Grantee may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Grantee agrees that the awarding Department, the State, the California State Auditor, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment or end of the grant term, whichever is later, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the State to audit records and interview staff in any subgrant related to performance of this Agreement. (Gov. Code § 8546.7, Pub. Contract Code § 10115 et seq., Cal. Code Regs., tit. 2, § 1896.)
5. INDEMNIFICATION: Grantee agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all grantees, subgrantees, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Grantee in the performance of this Agreement.
6. DISPUTES: Grantee shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such

termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Grantee under this Agreement and the balance, if any, shall be paid to the Grantee upon demand.

8. INDEPENDENT CONTRACTOR: Grantee, and the agents and employees of Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
  
9. RECYCLING CERTIFICATION: The Grantee shall certify in writing, under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code section 12209. With respect to printer or duplication cartridges that comply with the requirements of section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply. (Pub. Contract Code § 12205.)
  
10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Grantee and its subgrantees shall not deny the grant's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Grantee shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Grantee and subgrantees shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code § 12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§ 11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Grantee shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Grantee and its subgrantees shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, § 11105.)

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subgrants to perform work under the Agreement.

11. CERTIFICATION CLAUSES: Grantee shall complete the GRANTEE CERTIFICATION CLAUSES contained in Exhibit C – Attachment 1 of this Agreement.
12. TIMELINESS: Time is of the essence in this Agreement.
13. COMPENSATION: The consideration to be paid Grantee, as provided herein, shall be in compensation for all of Grantee's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
14. GOVERNING LAW: This grant is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ANTITRUST CLAIMS: The Grantee by signing this Agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Grantee shall comply with the requirements of the Government Code sections set out below.
  - a. The Government Code chapter on antitrust claims contains the following definitions:
    - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of section 16750 of the Business and Professions Code.
    - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. (Gov. Code § 4550.)
  - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2 (commencing with section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. (Gov. Code § 4552.)
  - c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal

costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. (Gov. Code § 4553.)

- d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. (Gov. Code § 4554.)

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the Grantee acknowledges in accordance with Public Contract Code section 7110, that:

- a. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b. The Grantee, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this Grant includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Grant to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

- a. If for this Agreement Grantee made a commitment to achieve small business participation, then Grantee must within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) report to the awarding department the actual percentage of small business participation that was achieved. (Gov. Code §

14841.)

- b. If for this Agreement Grantee made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Grantee must within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the awarding department: (1) the total amount the prime Grantee received under the Agreement; (2) the name and address of the DVBE(s) that participated in the performance of the Agreement; (3) the amount each DVBE received from the prime Grantee; (4) that all payments under the Grant have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vet. Code § 999.5(d); Gov. Code § 14841.)

20. LOSS LEADER: If this Agreement involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in section 17030 of the Business and Professions Code. (Pub. Contract Code § 10344(e).)

RECIPIENT: [RECIPIENT]  
GRANT NUMBER: [GRANT NUMBER]

## EXHIBIT C-ATTACHMENT 1 (GRANTEE CERTIFICATION CLAUSES)

### CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Grantee to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Grantee Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County of</i>	

### GRANTEE CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Grantee has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code § 12990 (a-f) and Cal. Code Regs., tit. 2, § 11102.) (Not applicable to public entities.)
2. DRUG-FREE WORKPLACE REQUIREMENTS: Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
  - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
  - b. Establish a Drug-Free Awareness Program to inform employees about:
    1. the dangers of drug abuse in the workplace;
    2. the person's or organization's policy of maintaining a drug-free workplace;
    3. any available counseling, rehabilitation and employee assistance programs; and,
    4. penalties that may be imposed upon employees for drug abuse violations.

- c. Every employee who works on the proposed Agreement will:
  1. receive a copy of the company's drug-free workplace policy statement; and,
  2. agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Grantee may be ineligible for award of any future State agreements if the Department determines that any of the following has occurred: the Grantee has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code § 8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Grantee certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Grantee within the immediately preceding two-year period because of Grantee's failure to comply with an order of a Federal court, which orders Grantee to comply with an order of the National Labor Relations Board. (Pub. Contract Code § 10296.) (Not applicable to public entities.)
4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE – PRO BONO REQUIREMENT: Grantee hereby certifies that Grantee will comply with the requirements of section 6072 of the Business and Professions Code, effective January 1, 2003.

Grantee agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the grant equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any grant period of less than a full year or 10 percent of its grant with the State.

Failure to make a good faith effort may be cause for non-renewal of a state grant for legal services and may be taken into account when determining the award of future grants with the State for legal services.

5. EXPATRIATE CORPORATIONS: Grantee hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code sections 10286 and 10286.1 and is eligible to contract with the State of California.
6. SWEATFREE CODE OF CONDUCT:
  - a. All contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the State pursuant to the contract have been laundered or produced in whole or in part by sweatshop

labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov), and Public Contract Code section 6108.

- b. The Grantee agrees to cooperate fully in providing reasonable access to the Grantee's records, documents, agents or employees, or premises if reasonably required by authorized officials of the granting agency, the Department of Industrial Relations, or the Department of Justice to determine the Grantee's compliance with the requirements under paragraph (a).
7. **DOMESTIC PARTNERS:** For agreements of \$100,000 or more, Grantee certifies that Grantee is in compliance with Public Contract Code section 10295.3.
8. **GENDER IDENTITY:** For agreements of \$100,000 or more, Grantee certifies that Grantee is in compliance with Public Contract Code section 10295.35.

## **DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST:** Grantee needs to be aware of the following provisions regarding current or former state employees. If Grantee has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code § 10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code § 10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the

decision-making process relevant to the contract while employed in any capacity by any state agency.

- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Grantee violates any provisions of above paragraphs, such action by Grantee shall render this Agreement void. (Pub. Contract Code § 10420.)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code § 10430(e).)

2. LABOR CODE/WORKERS' COMPENSATION: Grantee needs to be aware of the provisions which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions, and Grantee affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code § 3700.)
3. AMERICANS WITH DISABILITIES ACT: Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. § 12101 et seq.)
4. GRANTEE NAME CHANGE: An amendment is required to change the Grantee's name as listed on this Agreement. Upon receipt of legal documentation of the name change, the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:
  - a. When agreements are to be performed in the State by corporations, the Department will be verifying that the Grantee is currently qualified to do business in California in order to ensure that all obligations due to the State are fulfilled.
  - b. "Doing business" is defined in Revenue and Taxation Code section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the State not be subject to the franchise tax.
  - c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California.

The Department will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the Agreement.
7. AIR OR WATER POLLUTION VIOLATION: Under State law, the Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to a cease and desist order not subject to review issued pursuant to section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.
8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all grantees that are not another state agency or other governmental entity.

## EXHIBIT D (SPECIAL TERMS AND CONDITIONS)

### A. Dispute Provisions

1. If the Grantee disputes a decision of the State's designated representative regarding the performance of this Agreement or on other issues for which the representative is authorized by this Agreement to make a binding decision, Grantee shall provide written dispute notice to the State's representative within 15 calendar days after the date of the action. The written dispute notice shall contain the following information:
  - a. the decision under dispute;
  - b. the reason(s) Grantee believes the decision of the State representative to have been in error (if applicable, reference pertinent grant provisions);
  - c. identification of all documents and substance of all oral communication which support Grantee's position; and
  - d. the dollar amount in dispute, if applicable.
2. Upon receipt of the written dispute notice, the State program management will examine the matter and issue a written decision to the Grantee within 15 calendar days. The decision of the representative shall contain the following information:
  - a. a description of the dispute;
  - b. a reference to pertinent grant provisions, if applicable;
  - c. a statement of the factual areas of agreement or disagreement; and
  - d. a statement of the representative's decision with supporting rationale.
3. The decision of the representative shall be final unless, within 30 days from the date of receipt of the representative's decision, Grantee files with the California Department of Social Services a notice of appeal addressed to:

California Department of Social Services  
744 P Street, M.S. 8-5-45  
Sacramento, CA 95814  
Attention: Chief, Electronic Data Management Branch  
or email: [CDSSEBT@dss.ca.gov](mailto:CDSSEBT@dss.ca.gov)

Pending resolution of any dispute, Grantee shall diligently continue all grant work and comply with all of the representative's orders and directions.

### B. Termination of the Agreement

1. This Agreement may be terminated without cause by the State upon 30 days written notice to the Grantee.

### **C. Debarment and Suspension**

For federally funded agreements, **Grantee certificates** that to the best of his/her knowledge and belief that he/she and their principals or affiliates or any subgrantee utilized under this agreement, are not debarred or suspended from federal financial assistance programs and activities nor proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. The Grantee also certifies that it or any of its subgrantees are not listed with any active exclusions on the System for Award Management (<http://www.sam.gov>) (Executive Order 12549, 2 CFR Parts 180, 376, 417 and 2336).

### **D. Certification Regarding Lobbying**

Applicable to Grants, Subgrants, Cooperative Agreements, and Grants Exceeding \$100,000 in Federal Funds.

1. For Agreements with Grantees who are State entities not under the authority of the Governor, or cities, private firms or agencies which are receiving in excess of \$100,000 in federal funds from CDSS to perform services. By signing this Agreement, the Grantee certifies that to the best of his or her knowledge and belief, that:
  - a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal grant, the making of a Federal grant, the making of a Federal loan, the entering into of a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal grant, grant, loan, or cooperative agreement.
  - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal Grant or agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
  - c. The Grantee shall require that the language of this certification be included in the award documents for all covered subawards exceeding \$100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.
2. This certification is a prerequisite for making or entering into this transaction and is imposed by Section 1352, Title 31, U. S. Code. This certification is a

material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of no less than \$10,000 and not more than \$100,000 for each such failure.

#### **E. Computer Software Copyrights**

Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this grant for the acquisition, operation or maintenance of computer software in violation of copyright laws.

#### **F. OMB Audit**

Pursuant to Office of Management and Budget (OMB) audit requirement regulations (2 C.F.R. § 200.501), non-federal entities that expend \$750,000 or more in a year in Federal awards from all sources combined shall have a single or program-specific audit conducted for that year in accordance with the provisions of 2 C.F.R. § 200.514 (previously OMB Circular A-133). All OMB audit reports shall meet the report submission requirements established in 2 C.F.R § 200.512 and a copy shall be forwarded to CDSS.

#### **G. Subgrantees**

(Applicable to agreements in which the Grantee subgrants out a portion of the work.) Nothing contained in this Agreement or otherwise shall create any contractual relationship between CDSS and any subgrantees, and no subgrantee shall relieve the Grantee of its responsibilities and obligations hereunder. The Grantee agrees to be fully responsible to CDSS for the acts and omissions of its subgrantees and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Grantee. The Grantee's obligation to pay its subgrantees is an independent obligation from the obligation of CDSS to make payments to the Grantee. As a result, CDSS shall have no obligation to pay or to enforce the payment of any moneys to any subgrantee.

#### **H. Indirect Costs/Administrative Overhead**

For agreements with other governmental entities, public universities, and private non-profit organizations, indirect costs are expenses incurred for administrative services such as, but not limited to, travel, accounting; personnel and payroll administration; accounts payable services; general and specialized insurance coverage; compliance and regulatory monitoring; independent audit services; and legal services. Indirect costs are applied to personnel, operating expenses, supplies, equipment, and travel expenses. Per State Contracting Manual, Section 3.06.B, agencies shall assure that all administrative fees are reasonable considering the services being provided. Agencies may only pay overhead charges on the first \$25,000 of each subgrant. Any subgrantee receiving \$25,000 or more

must be clearly identified in the budget display and excluded when the total indirect costs are calculated.

## **I. Prohibition on Use of Funds for Union Organizing**

Grantee shall certify in accordance with Government Code Section 16645.2 that none of the grant funds received will be used to assist, promote, or deter union organizing. Any Grantee that makes expenditures to assist, promote, or deter union organizing shall maintain records sufficient to show that state funds have not been used for those expenditures. Grantee shall provide those records to the Attorney General upon request. Grantee is liable to the State for the amount of any funds expended in violation of this provision plus a civil penalty equal twice the amount of those funds.

## EXHIBIT E (ADDITIONAL PROVISIONS)

### A. Insurance Requirements

1. Compliance with Insurance Requirements – The Grantee agrees that the insurance herein required to be provided shall be in effect at all times during the term of this Agreement. In the event that any policy of said insurance coverage is going to expire at any time during the term of the Agreement, the Grantee agrees to provide notice of pending expiration to CDSS at least 30 calendar days before said expiration date. Grantee shall provide to CDSS a new certificate of insurance for the expiring insurance coverage at least 10 days prior to the date of expiration of the insurance. Any new insurance must still comply with the original terms required by this Agreement and must be for a period not less than one year.
2. Proof of Insurance – The Grantee will submit proof of liability insurance for the location where clients receive services. The Grantee agrees that all work and services shall immediately cease during such periods that the required insurance is not in effect, and that any costs incurred for services in violation of this provision will not be reimbursed by CDSS.
3. Certificates of Insurance – Each certificate of insurance must state that the insurer will not cancel the insured's coverage without 30 days prior written notice to CDSS.
4. Commercial General Liability – Grantee shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent grantees, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Grantee's limit of liability.
  - a. The policy must include California Department of Social Services, State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under the Agreement.
  - b. This additional insured endorsement, required in 6.a. that is attached to the insurance policy, must be supplied in a form acceptable to the Office of Risk and Insurance Management. In the case of Grantee's utilization of subgrantees to complete the Scope of Work under this Agreement, Grantee shall include all subgrantees as insured under Grantee's insurance or supply evidence of insurance to the CDSS equal to policies, coverage's and limits required of Grantee.

7. Automobile Liability – Grantee shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles.

**The policy must be endorsed to include The State of California, its officers, agents, employees and servants as additional insured, but only with respect to work performed under the grant. The additional insured endorsement is to be provided with the certificate of insurance.**

8. Workers Compensation and Employers Liability – Grantee shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Grant. Employer's liability limits of \$1,000,000 are required.

**The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the CDSS. The waiver of subrogation endorsement is to be provided with the certificate of insurance.**

9. Professional Liability (excluding application to Education and Outreach Services) – Grantee shall maintain professional liability and/or Legal Malpractice for attorneys, but not limited to covering any damages caused by a negligent error, act or omission with limits of not less than \$1,000,000 per occurrence and \$1,000,000 policy aggregate. The policy's retroactive date must be shown on the certificate of insurance and must be before the date this grant was executed or before the beginning of grant work.

a. Certificates evidencing Grantee's insurance coverage shall be filed with CDSS prior to execution of this Agreement.

b. The legal insurance required above shall cover all attorneys providing legal services pursuant to this Agreement for Grantee.

## **B. General Provisions Applying to All Insurance Policies**

1. Coverage Term – Coverage needs to be in force for the complete term of the grant. If insurance expires during the term of the grant, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the grant.
2. Policy Cancellation / Termination & Notice of Non-Renewal – Grantee shall provide to the State within five business days a copy of any notice of Cancellation/Termination or Non-renewal received by grantee for any of the required insurance policies. In the event Grantee fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Grant upon the occurrence of such event, subject to the provisions of this Grant.

3. Deductible – Grantee is responsible for any deductible or self-insured retention contained within their insurance program.
4. Primary Clause – Any required insurance contained in this grant shall be primary, and not excess or contributory, to any other insurance carried by the State.
  - a. Any insurance required of the Grantee pursuant to this Agreement shall be the primary source of insurance for protecting the CDSS. This primary insurance coverage shall not be limited to, nor only apply to losses or damages above a stated amount; nor shall it require the CDSS to contribute to the purchase of insurance coverage required of the Grantee.
5. Insurance Carrier Required Rating – All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Grantee is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
6. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
7. Inadequate Insurance – Inadequate or lack of insurance does not negate the grantee's obligations under the grant.