

DEPARTMENT OF CHILDREN AND FAMILIES  
DIVISION OF FAMILY AND ECONOMIC SECURITY  
ADMINISTRATOR'S MEMO SERIES

ACTION  
 NOTICE

**DFES 16-04**

ISSUE DATE: 08/22/2016  
DISPOSAL DATE: 09/07/2016

\*PROGRAM CATEGORIES:

<input type="checkbox"/> AS	<input type="checkbox"/> FM	<input type="checkbox"/> ML	<input type="checkbox"/> TR
<input type="checkbox"/> CC	<input type="checkbox"/> FL	<input type="checkbox"/> NA	<input checked="" type="checkbox"/> W-2
<input type="checkbox"/> CS	<input type="checkbox"/> IT	<input type="checkbox"/> RA	<input type="checkbox"/> WIA
<input type="checkbox"/> CF	<input type="checkbox"/> JC	<input type="checkbox"/> TC	
<input type="checkbox"/> CR	<input type="checkbox"/> LM	<input type="checkbox"/> TA	

**To:** W-2 Contract Agency Directors

**From:** Kris Randal  
Division Administrator

**RE:** 2017-2018 Contracts

**PURPOSE:**

The purpose of this memo is to provide information regarding renewing the 2013-2016 W-2 and Related Programs Contract and submission of an **Intent to Renew** letter.

**BACKGROUND:**

Pursuant to Wis. Stat. § 49.143(1), DCF is authorized to contract with service providers to administer the Wisconsin Works (W-2) and Related Programs included under Wis. Stat. §§ 49.138 and 49.141 to 49.161.

Under Section II of the current contract, the 2013-2016 W-2 and Related Programs contract term is January 1, 2013 through December 31, 2016. Upon satisfactory performance by the W-2 Contractor and by mutual agreement of DCF and the W-2 Contractor, the contract may be renewed up to four (4) additional two (2) year periods, for a maximum of twelve (12) years.

**CONTRACT RENEWAL OPTION:**

The Department of Children and Families (DCF) has chosen to exercise its option to renew the 2013-2016 W-2 and Related Programs contract for a two (2) year period.

DCF will issue the amended contract, including payment terms for Capitated and Performance Based Payments, in the fall preceding each new Contract Year (CY), (i.e. Fall 2016 for CY 2017 and Fall 2017 for CY 2018). For CY 2017, Capitation Payments will not exceed 30% of the total maximum budgeted amount. The rates upon which DCF determines the Capitation Payments

are non-negotiable. Performance Based Payments will account for the remaining 70% and are negotiable.

W-2 Contractors interested in renewing their contracts for January 1, 2017 through December 31, 2018, must submit a letter of intent to renew their contract **no later than the 15th day from the Issue Date of this memo.** (See **AGENCY ACTION** below) Receipt of the **Intent to Renew** letter is no guarantee that negotiations will lead to an agreement to contract.

If DCF does not receive an **Intent to Renew** letter by the required date or if a Contractor notifies us that it intends to not renew its contract, DCF will identify another contractor and negotiate a new contract for the affected W-2 geographic area.

Contractors that do not intend to renew their Contract are expected to meet the requirements of the W-2 and Related Programs Contract Agreement through December 31, 2016. This includes Section XV. *Transition Upon Termination or Expiration of Contract*, which requires the W-2 Contractor to continue providing high quality services during the transition from the W-2 Contractor to DCF or to a successor W-2 Contractor until DCF determines that DCF or a successor W-2 Contractor is prepared to fully assume the W-2 Contractor's duties and obligations under this Contract.

#### **AGENCY ACTION:**

All W-2 Contract Agency Directors, or other agency signing authority, must e-mail an **Intent to Renew** letter for the January 1, 2017 through December 31, 2018 renewal period. Please send your signed **Intent to Renew** letter on agency letterhead to Linda Richardson at [Linda1.Richardson@wisconsin.gov](mailto:Linda1.Richardson@wisconsin.gov) **no later than the 15th day from the Issue Date of this memo.**

**CONTACT:** DFES/BWF/MOS Linda Richardson