

8.05 Selection Criteria

POLICY:

The State Agency establishes selection criteria for Vendor authorization to ensure:

- < that outlets selected to redeem WIC food benefits are capable of fulfilling the responsibilities of appropriate food benefit redemption in a timely manner;
- < that selected outlets pricing structure on food items allows for maximum participation of eligible WIC participants; and
- < that outlets selected are operating within the framework of acceptable business practices.
- < this policy is subject to the fair hearings process outlined in policy 8.06.

PROCEDURE:

A. Farmer Authorization

Farmers, Farmers Markets, and Roadside Stands (Vendors) authorized by the WIC Farmers Market Nutrition Program (FMNP) will also be authorized to accept WIC Cash Value Benefits (CVB) using the criteria outlined in the WVFMNP Farmer Guidebook, the WIC FMNP Farmer Agreement, and 7 CFR 248.10. Authorization is valid for three years.

WIC CVBs are accessible through a QR code on the participant's eWIC card or a QR code in an online portal/app. The Vendor will scan the QR Code with a mobile device, enter the amount of the CVB purchase, and have the WIC participant enter their four-digit PIN to complete the transaction.

1. An application must be submitted and approved, and an agreement must be signed by the Vendor.
2. Training must be completed at initial authorization and annually for the duration of the authorization period.
3. The Vendor must permit periodic, unannounced monitoring to determine compliance with the Farmer Guidebook and WIC FMNP laws, rules and procedures. If violations are found, sanctions will be imposed according to the WVFMNP Sanction Policy.
4. The Vendor must grow at least one type of fruit or vegetable offered for sale.

B. Regional and New Vendor Authorization

The West Virginia WIC Program has established an ongoing cycle of regional Vendor authorization.

1. Currently active Vendors will be authorized on a regional basis with Vendor Agreements running three (3) years.
2. New applicant vendors will, upon initial approval, receive a Vendor Agreement with an end date that will coincide with the other active vendors within the particular region.
3. New applicant vendors seeking consideration as authorized Vendors for the WIC

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8. In making the determination that a store was sold in an attempt to circumvent a WIC sanction, the WV WIC Program will consider factors such as whether the store was purchased by a relative by blood or marriage of the previous owner(s) or sold to any individual or organization for less than its fair market value.
9. The vendor must maintain a satisfactory sanitary condition.
10. A current WIC Vendor must have complied with all required corrective actions resulting from monitoring by the State WIC Agency.
11. The Vendor must abide by any applicable West Virginia consumer protection law.
12. The Vendor must explain and document any possible conflict of interest.
13. As provided in WV Code §21A-1-9 the WV WIC Program may not issue or renew a Vendor Agreement if the vendor is in default with the state's Workers' Compensation and/or Unemployment Compensation benefits.
14. The WV WIC Program will not authorize a vendor that is expected to derive more than 50 percent of its annual revenue from the sale of food items for WIC food and/or cash-value benefits unless the State determines the vendor is need for participant access.
15. The WV WIC Program will provide to the vendor a listing of approved infant formula manufacturers, wholesalers, distributors and retailers licensed in the State from which the vendor is required to purchase WIC approved infant formula. If the manufacturer, wholesaler, distributor or retailer from whom the vendor normally purchases WIC approved infant formulas does not appear on the list, the vendor must contact the WV WIC Program to confirm approval of that manufacturer, wholesaler, distributor or retailer.

The vendor may purchase from a source outside the state as long as that source appears on that state's approved manufacturers, wholesalers, distributors and retailers list. The vendor is not to purchase infant formula from an individual or source not appearing on the approved list.

The approved list of manufacturers, wholesalers, distributors and retailers will be updated on an annual basis and provided to the vendors. The list will also be available on the WIC Program's website at www.dhhr.wv.gov/wic.

The vendor is to maintain copies of all invoices/receipts verifying the purchase of infant formula for three years.

The vendor must make available purchasing records to the WV WIC Program within 30 days of a written request from the State Agency. The purchasing records must show the source and date of purchase of all WIC Approved formulas and foods.

The vendor must notify the State Agency within 30 days, if their primary source of WIC approved formula has changed from what was reported at the time of application or previously reported. The purchase of WIC approved infant formula from a non-approved source may result in a vendor sanction.

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16. The vendor must be EBT capable with use of a Point of Sale (POS) device, integrated system or mobile application. Transactions may be supported through in-lane procedures, self-checkout, scan and go, curbside pickup and online ordering with curbside or in-store payment and pickup.

Vendor shall not charge the WV WIC Program any third-party commercial processing costs and fees incurred from Electronic Benefits Transfer (EBT) multi-function equipment. Commercial transaction processing costs and fees imposed by a third-party processor which the Vendor elects to use to connect to the EBT system of the WV WIC Program shall be the responsibility of the Vendor. The WV WIC Program shall not pay for ongoing maintenance, processing fees or operational costs for vendor integrated systems to support WIC EBT.

Point of Sale (POS) terminals used to support the WIC Program and participant access will be deployed in accordance with the minimum lane coverage provisions of 7 CFR 246.12(z)(2). At its discretion, on a case-by-case basis, the WV WIC Program may pay the ongoing maintenance, processing fees or operational costs, as outlined in the WV WIC third party processor contract, of POS terminals utilized solely for WIC transactions, or, multi-function POS terminals at Vendor locations necessary for participant access. Any costs shared by the WV WIC Program will be proportional to the POS terminal usage for the WIC Program.

Note: With the exceptions of WV Code §21A-1-9 (18), federal minimum stocking requirements, competitive pricing selection criteria, providing incentive items, and EBT capability, any of the above criteria may be waived by the State Agency based on inadequate participant access.

C. Vendor Pricing (Step 2)

Vendor pricing is a large determinant in the West Virginia WIC Program's ability to maximize the number of participants it can serve. Therefore, the ability of a Vendor to provide the services within the limited range of prices established by actual reported food prices is essential to successful WIC Program operation.

1. A vendor applicant's current highest shelf price for each WIC supplemental food listed on the WIC Price Survey shall not exceed the State's NTE amount for each supplemental food within the vendor applicant's peer group. The maximum price for each supplemental food shall be established as follows:
 - a) The most recent prices submitted through the EBT system by authorized vendors within the same peer group shall be used to determine the maximum price for each supplemental food. The maximum price shall be two standard deviations above the average current highest shelf price of each supplemental food within a vendor peer group.
 - b) If any of the vendor applicant's price(s) on its WIC Price Survey exceed the maximum price(s) set by the State agency for that applicant's peer group, the State agency shall offer the Vendor an opportunity to adjust the price(s) in order to meet the maximum allowable price. If none of the vendor applicant's resubmitted prices exceed the maximum prices set by the State agency, the vendor applicant shall be deemed to have met the requirements.

2. For infant formula, the highest price reported for a 12.4 ounce container of powdered contract formula, as designated on the Vendor Price Survey, will be used.

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3. For infant cereal, the highest price reported for an 8 ounce box of the contract infant cereal, as designated on the Vendor Price Survey, will be used.
4. For adult/child cereal, the cost will be computed based on the average per ounce price of the cold cereals carried by the Vendor.
5. Should the Vendor be unable to meet the pricing requirements, the application will not be approved (or the current Vendor Agreement will not be renewed).

D. Site Visit (Step 3)

The State Agency will conduct on-site visits to those Vendors that appear to have met the stated criteria.

1. The monitoring and authorization specialist will review the current stock of WIC-approved food to determine if the stock requirements are met according to the Minimum Stock Requirements in both variety and quantity.
2. The monitoring and authorization specialist will review all WIC-approved food items to determine if these items are within the manufacturer's expiration dates.
 - a) If an item is beyond the expiration date, the item will not be included in determining if the Vendor meets the minimum stock requirements.
 - b) If the Vendor does not have the required minimum stock in either quantity and/or variety of WIC approved foods at the time of the initial visit, the State will allow 30 days for the vendor to attain compliance and then will reconsider the vendor's authorization application. The State will consider a minimum stock exemption per policy 8.11.
3. The monitoring and authorization specialist will request verification of the following licenses or authorization, where applicable:
 - < SNAP (with the exception of farmers/farmers markets) ;
 - < Food Sanitation (with the exception of farmers/farmers markets); and
 - < West Virginia Business License.
4. If a Vendor is located in a county that does not issue Food Sanitation licenses, the monitor will review the sanitary conditions of the store. Should the store appear (to the Vendor monitor) to not meet acceptable standards, a referral will be made to the local county sanitarian for inspection.
5. The Vendor monitor will also review the store to determine if WIC-approved food items are clearly and correctly priced, requiring corrections if errors are found before proceeding with authorization.

E. Vendor Training (Step 4)

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4. WVFMNP Farmer Guidebook
5. WVFMNP Sanction Policy
6. 7 CFR §246.12(z)(2)
7. WV Code §21A-1-9
8. WV Code §21A-1-9 (18)