

### 2.0 Vendor Contracting

Effective Date: 07-01-2021

### 2.05 Application Determination & Contract Execution

**PURPOSE:** To describe procedures for notifying Vendor applicants of the approval or denial of their application for WIC authorization and the process of contract execution once approved.

#### DEFINITIONS:

*Chain contract* means an owning entity with at least three (3) outlet locations authorized on the same WIC Vendor Contract.

*Contract execution* means the process of signing and making valid a WIC Vendor Contract.

*Point-of-Sale (POS) terminal* means a hardware system for processing electronic card payments at a retail location. A POS terminal may be a stand-beside device, which requires Vendors to ring up WIC transactions separately, or an integrated system which can accept multiple payment types at once.

#### A. POLICY:

1. The Department will notify the Vendor in writing regarding approval or denial of the Vendor's application for authorization following the close of the open application period (OAP) and after review of all applications received therein. (See Policy 1.03 Communication with Vendors.)
2. The same procedures apply for applications received outside of the OAP once all available applications (i.e., new and Waitlist applications) in a given zip code have been reviewed.
3. If the Vendor's application for authorization is approved, the Department will notify the Vendor and execute a WIC Vendor Contract allowing the Vendor to transact WIC food benefits using the process described below.
  - a. Upon approval of a WIC Vendor Application, the Department will provide the Vendor with the following via email:
    - i. An unsigned copy of the WIC Vendor Contract with necessary instructions;
    - ii. A copy of the WIC Vendor Sanction Schedule;
    - iii. The Administrative Review Procedures; and
    - iv. The Administrative Hearing Procedures. (See Policy 7.0 Vendor Appeals; Exhibit 2.05A WIC Vendor Contract, 2.05B WIC Pharmacy Vendor Contract, and 6.01A WIC Vendor Sanction Schedule.)

- b. In instances of chain ownership, the Department may, at its discretion, authorize multiple outlet locations under a single WIC Vendor Contract.
    - i. When this is the case, the contract will include an attachment that lists all of the stores (i.e., Vendors) of that owning entity which have been granted authorization by the Department.
    - ii. When an owning entity has outlet locations in multiple contract cycle regions around the state, these outlet locations will be authorized under separate contracts following the regional contract authorization periods. (See Policy 2.01 Vendor Applications & Authorization.)
    - iii. The WIC Vendor Contract will be executed with owning entity/corporate office.
    - iv. If one or more individual outlet location(s) is/are to be added to the WIC Vendor Contract by the owning entity, with the approval of the Department, a Contract Amendment must be executed. The addition of a new Vendor location may be done at any point during the contract cycle and must follow normal application procedures, including adherence to selection and limitation criteria. (See Policy 2.01 Vendor Applications & Authorization, 2.02 Vendor Selection Criteria, and 2.04 Vendor Limitation Policy; Exhibit 2.05C Contract Amendment.)
  - c. The Vendor will then read, sign, and return the contract via electronic signature technology.
  - d. The Bureau of Grants and Purchasing will approve and return a signed and fully executed copy of the WIC Vendor Contract to the Vendor. The executed contract and communication will include:
    - i. A unique Vendor number for each Vendor location, including chain outlets.
    - ii. The date the Vendor is authorized and may begin to conduct WIC transactions.
    - iii. The expiration date of the contract.
  - e. Once authorized, the Vendor is responsible for obtaining an eligible point-of-sale (POS) system within seven (7) days of authorization for processing WIC transactions. The POS system may either be a stand-beside device or an integrated cash register system of their choosing.
4. If a Vendor's application for authorization is denied, the Department will inform the Vendor of the reasons for denial and the right to appeal the denial in accordance with the

Administrative Review and/or Administrative Hearing Procedures in effect at the time of the denial. (See Policy 7.0 Vendor Appeals.)

- a. The Department will not consider or process a WIC Vendor Application received from a disqualified Vendor during any period of disqualification from the WIC Program.
  - b. Vendors that have been denied in ranking or for failure to meet selection criteria may reapply for authorization ninety (90) days after receiving their denial notice. (See Policy 2.02 Vendor Selection Criteria and 2.04 Vendor Limitation Policy.)
5. In lieu of an application denial action being issued, the Department will postpone making a determination on a WIC Vendor Application received from an authorized Vendor who is in the process of being disqualified, or is in the process of receiving a civil money penalty (CMP) in lieu of disqualification, by the WIC program until the effective date of the action or until the effective date of the final decision on an appeal. (See Policy 2.06 Contract Expiration & Termination, and 7.01 Appeals Policy Overview.)
- a. If a Vendor does not appeal or a Vendor loses its appeal after an administrative review and/or hearing of the disqualification action, the Department will give no further consideration to the application.
  - b. In the event the Department's disqualification action is not upheld upon administrative review and/or hearing, the Department will review the Vendor's application and may authorize the Vendor provided the Vendor meets all Vendor Selection Criteria in place at the time of the review. (See Policy 2.02 Vendor Selection Criteria.)

#### References:

[7 CFR Part 246.12 \(h\) \(u\) 7](#)  
[CFR Part 246.18 \(a-f\)](#)

#### Cross-References:

[1.03 Communication with Vendors](#)  
[2.01 Vendor Applications & Authorization](#)  
[2.02 Vendor Selection Criteria](#)  
[2.04 Vendor Limitation Policy](#)  
[2.06 Contract Expiration & Termination](#)  
[7.0 Vendor Appeals](#)  
[7.01 Appeals Policy Overview](#)

#### Exhibits:

[2.05A WIC Vendor Contract](#)  
[2.05B WIC Pharmacy Vendor Contract](#)  
[2.05C Contract Amendment](#)  
[6.01A WIC Vendor Sanction Schedule](#)