

Selection and Authorization Criteria

The Hawaii WIC Program authorizes a limited number (150) to assure that WIC Program staff can effectively monitor and review vendor performance. Hawaii WIC Program allows participants to receive supplemental food from any authorized vendor. Criteria have been established for vendor selection, including qualifying criteria which limit the number of participating vendors. Only stores authorized by the Hawaii WIC Program may redeem Hawaii WIC checks.

Vendors are selected to meet the needs of the WIC Program and its participants. Vendors do not automatically have the “right” to participate. If there are no WIC authorized vendors, within a ten (10) mile radius, denial based upon the selection criteria may be waived. A waiver may be considered for any of the below criteria, with the exception of criterion #1 (competitive prices) and criterion #2 (stock requirements), if WIC determines that an undue hardship for WIC participants would result if the vendor were not approved as a Hawaii WIC food vendor.

The Vendor shall comply with the selection criteria throughout the Agreement period, including any changes to the criteria. The WIC Program may reassess the Vendor for compliance to the selection criteria at any time. Any failure to comply with the Selection and Authorization criteria must be corrected by the Vendor. The Vendor will be given an opportunity to correct any deficiencies. Failure to correct any deficiencies upon notification from the WIC Program shall result in the termination of the Vendor’s Agreement. If the applicant provides false information in connection with the application, the application will be denied, and/or the vendor will be disqualified for up to one year.

Hawaii WIC Program will accept and process vendor applications outside the established time frames if the State Agency determines there will be inadequate participant access to the WIC Program. This includes instances in which a previously authorized vendor sells a store under circumstances that do not permit timely notification to the State Agency of the change in ownership.

Consideration of applications is limited by the following:

WIC will only process applications meeting the deadline for the upcoming open enrollment period and where the Participant/Vendor Ratio determines a need for vendor(s) in that location. WIC will notify applicants in writing if their location is deemed necessary and that a complete application is due within 30-days of the notice. If the applicant provides false information in connection with the application, the application will be denied, and/or the vendor will be disqualified for up to one year. Application forms are on-line at www.hawaii.gov/health/family-child-health/wic/vendor/forms/ven-appl.pdf.

The WIC State Agency will review all applications received for the appropriate open enrollment month and will prioritize applications based on needs assessment. If the number of applicants exceeds the needs of the WIC Program, vendors will be authorized according to their relative rank. Applications will not be ranked according to the date received. Only vendors meeting the request deadline and submitting a complete application within 30-days of notice from WIC will be considered. The application must include all the documents required as specified in the package. Incomplete applications may be denied. Site visits and training will be conducted during the open enrollment month whenever possible.

The processing of Vendor Applications is completed once a year based on site location on the following islands by open enrollment month as follows:

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<u>ISLAND</u>	<u>MONTH</u>	<u>DEADLINE FOR REQUEST</u>	<u>EXPECTED START DATE</u>
Hawaii	January	September 1	February 1
Kauai	August	April 1	September 1
Maui County	October	June 1	November 1
Oahu	May	January 1	June 1

A vendor applying to become a WIC vendor must notify Hawaii WIC Services to request to be entered on a list for authorization consideration. Request must be no later than 4-months prior to the start of an open enrollment month. For example, vendors located in Maui, with an open enrollment month of October, must make this request prior to June 1 of the year applying.

No early applications or contracting outside open enrollment month shall be permitted with the exception of instances where WIC determines that an undue hardship for WIC participants would result if authorization of the vendor were delayed.

The Participant/Vendor Ratio shall be calculated for geographic regions to determine the need for vendors (geographic regions are marked on Hawaii WIC Vendor maps on-line at www.hawaii.gov/health/family-child-health/wic/vendor/ven_maps.html#ven_maps):

Rural	(4 or less authorized vendors)	shall be greater than 50:1.
Suburban	(5 to 10 authorized vendors)	shall be greater than 200:1.
Urban	(11 or more authorized vendors)	shall be greater than 300:1.

Participant/Vendor Ratios vary as enrollment changes and their use in need calculation may vary if the WIC State Agency determines that participant access would be improved. Other factors may include, but are not limited to: new clinic site opening, participant caseload increases, new participant population center recognized, and problems with WIC Program compliance.

These criteria for accepting an application do not apply to vendors authorized prior to April 1st, 2005, if there is no break in their authorization. Should the vendor be disqualified or fail to complete future authorization without a break in authorization, the above listed considerations will be applied to their application.

The following mandatory criteria will be used when evaluating applications and throughout the agreement period:

The following criteria will be used when evaluating applications:

1. **Competitive Prices** - The applicant shall have shelf prices that are competitive. The WIC Program shall group applicants/vendors by peer groups, and will calculate the average price for the most frequently redeemed food packages by vendor peer group. Vendor's shelf prices shall not be more than 30% above the average food prices for vendors in the same peer group. Exemptions from this criterion are not allowed. Shelf prices are manually recorded by the State Agency at an on-site preauthorization visit for initial applications, when change in ownership and during Routine Monitoring visits.
2. **Stock Requirements** - The applicant shall have and maintain the minimum variety and quantity of WIC foods as required by the Hawaii WIC Program. Infant Formula may only be purchased from sources listed on Hawaii WIC Authorized Infant Formula Sources. This listing includes instructions on inquiring about sources not listed. Purchasing from a source not listed may result in a 1-year disqualification from WIC. The Hawaii WIC Authorized Infant Formula Sources list is maintained on the Vendor Management website at:

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<http://www.hawaii.gov/health/family-child-health/wic/vendor/index.html>. Vendors are required to maintain for inspection and audit by the WIC Program, the State of Hawaii, the USDA Food and Nutrition Service, and the Comptroller General of the United States, inventory records used for tax reporting purposes, all books, receipts, accounts, reports, files, purchase invoices and other records relating to the performance of this Agreement for four (4) years after the expiration of this Agreement. Failure to maintain or provide these purchase records for infant formula and other WIC Allowed Foods will result in a 1-year disqualification. Exemptions from the Stock Requirements' criterion are not allowed.

3. **Business Integrity** - The applicant or any of the applicant's current owners, officers, or managers shall not have been convicted of or had a civil judgment entered against them for any activity indicating a lack of business integrity. Activities indicating a lack of business integrity include fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of justice.
4. **History of Compliance** - The applicant shall not have been sanctioned or disqualified from participating in any Food Stamp Program or WIC program for a period of six (6) Federal Fiscal Years prior to the application to participate in the Hawaii WIC Program.
5. **Food Stamp Authorization** - The applicant shall have authorization from and operate in compliance with Food Stamp Program regulations. Applicants who are currently disqualified from the Food Stamp Program or that have been assessed a Food Stamp Program civil money penalty for hardship, and the disqualification period that would otherwise have been imposed has not expired, shall not be considered to become a WIC Vendor.
6. **Business Type** – The Vendor shall be located at a fixed permanent location, and shall furnish WIC Allowed foods to participants only at the site of the authorized vendor location. The vendor shall be a full line/service grocery store with a fresh meat, produce, dairy, and canned goods section. The vendor shall have a well-stocked line of grocery items featuring three (3) or more brands to choose among for most food lines. The vendor shall be primarily a retailer of groceries with fifty (50) percent or more of its sales from groceries and not from alcohol, tobacco products or gas. The vendor may not derive, or be expected to derive, more than fifty (50) percent of their annual food sales revenue from the sale of supplemental foods that are obtained with WIC food instruments. Convenience stores may be authorized only if they meet all of the criteria and there are no full line grocery stores within a ten (10) mile radius. "Super" stores may be authorized only if they meet all of the criteria and the grocery area is separated from the rest of the store's goods and services.
7. **Volume of WIC Business** - Applicants that participated as WIC vendors during the previous contract year that had an average of 90 or fewer food instruments redeemed for the most recent fiscal quarter, may be considered to have too low a volume of WIC transactions, and may be evaluated as demonstrating a lack of demand for the Vendor Applicant in the area.
8. **Accessibility to WIC participants** - The applicant shall be open for business at least 10 (ten) hours per day, six (6) days a week.
9. **Sanitation** - The applicant shall be in compliance with all state and local sanitation standards. The applicant must have a current Food Establishment Permit posted in the store.
10. **Conflict of Interest** - There shall be no conflict of interest between the Vendor and the Hawaii WIC Program or its clinics.
11. **Registered with the Hawaii State Department of Commerce and Consumer Affairs** – The corporation or business entity applying for WIC authorization must be registered with the Hawaii State Department of Commerce and Consumer Affairs.