



State of California—Health and Human Services Agency
California Department of Public Health



EDMUND G. BROWN JR.
Governor

September 17, 2013

VENDOR ALERT 2013 - 05

TO: ALL WIC VENDORS

SUBJECT: NOTICE TO VENDORS OF CHANGES TO THE PROGRAM REGARDING FINAL ACTION FOR VENDOR AUTHORIZATION CRITERIA, EFFECTIVE OCTOBER 17, 2013

Purpose The California Supplemental Nutrition Program for Women, Infants, and Children (WIC) is notifying vendors that WIC Regulatory Bulletin 2013-01 issued on September 17, 2013, is posted on the WIC website and provides notice of Final Action for changes to Vendor Authorization Criteria. The Final Action will be effective on October 17, 2013.

This Vendor Alert also provides a reminder for vendors to prepare for major changes to the Program as part of the updates to Vendor Authorization Criteria. Changes include, but are not limited to the following: competitive price criteria, including shelf price survey; minimum technology requirements; cash register requirements; store hour requirements; and Supplemental Nutritional Assistance Program (SNAP) authorization requirement.

Authority Title 7 of the Code of Federal Regulations (C.F.R.) Section 246.12(g)(1) and (3) requires that the state agency must authorize vendors and develop and implement criteria to select stores for authorization. Health & Safety Code Section 123322(a)(3) requires the California WIC Program to establish requirements for criteria used for vendor authorization.

Background On June 14, 2013, the Department issued WIC Regulatory Alert 2013-01, which informed WIC stakeholders of the Program's plan to adopt the California WIC Vendor Authorization Criteria into California regulation, pursuant to H&S Code Section 123322 and in accordance with 7 C.F.R. Section 246. The Program has authority to adopt these requirements with a bulletin notice which will be in the form of a WIC Regulatory Bulletin.

In establishing Program vendor authorization criteria requirements, before the WIC Regulatory Bulletin is placed into effect, the Program provided notice to affected stakeholders, including vendors, manufacturers, local agencies, participants, advocates, consumer groups, and their respective associations. The notice stated the reasons and authority for the change and provided an opportunity for written comments and a meeting with stakeholder representatives. This notice was fulfilled with the issuing of WIC Regulatory Alert 2013-01 and Attachment 1, "Vendor Authorization Criteria and Statement of Reasons." on June 14, 2013. The Stakeholder Workgroup Consultation Webinar for this proposal was held on Thursday, July 11, 2013.

WIC Regulatory Alert 2013-01 can be accessed online at:
<http://www.cdph.ca.gov/programs/wicworks/Pages/WICRegulations.aspx>.

On September 10, 2013, the Department issued Vendor Alert 2013-04, which reminded



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vendors about the proposed Vendor Authorization Criteria.

Subsequently on September 17, 2013, the Department issued WIC Regulatory Bulletin 2013-01, which posted a Final Action on the Vendor Authorization Criteria at:

<http://www.cdph.ca.gov/programs/wicworks/Pages/WICRegulations.aspx>.

The Final Action will be effective October 17, 2013.

Changes and Updates in Program Rules

Below are some of the changes to Vendor Authorization Criteria that will go into effect on October 17, 2013. Please see WIC Regulatory Bulletin 2013-01 for a complete listing of all Vendor Authorization Criteria.

Cash Register Requirements (Article 4, Section 70300)

Vendors must use a cash register for all sales transactions and print a daily transaction summary (Z-tape). Vendors must provide itemized receipts to all WIC customers for all transactions. Summaries for all sales transactions from the cash register system must have the vendor's name and address, the transaction date, the quantity purchased, the sale price of the item purchased, the amount of tax charged, and the indication of tax status. A summary of all the sales transactions from the cash register must be retained for three years.

Competitive Price Criteria (Article 4, Section 70600)

The Competitive Price Criteria requirement is already federally mandated; however, the Department has the authority to establish criteria for authorization by comparing the prices of vendors within the same peer group. As part of that authority, the Department developed a shelf price survey system. The shelf price survey allows the Department to collect shelf prices from vendors. Vendors must be ready to enter price information using the Vendor WIC Information eXchange (VWIX) system. Vendors will enter into the VWIX system information regarding "The Market Basket" items. These items include the following 10 items: breakfast cereal (two sizes); cheese; corn tortillas; dry beans, peas, or lentils; eggs; bottled juice; milk; infant formula; peanut butter, and whole wheat bread. Vendors will enter the highest shelf price and the lowest shelf price for these items within The Market Basket. These prices will be compared against the average price for these individual items within the vendor's peer group. If the vendor or vendor applicant exceeds 120% of the Average Overall Market Basket, the vendor is considered noncompetitive. See Article 4, Section 70600, of WIC Regulatory Bulletin 2013-01 for more details.

It is imperative that vendors ensure they can log into VWIX. If you are unable to log into your VWIX account, please contact WIC Technical Support at 1 (800) 224-7472.

Minimum Technology Requirements (Article 4, Section 71200)

In order to keep up with the changes in technology, the Program is transitioning from paper-based to electronic communications. The new minimum technology requirement will require that all vendors and vendor applicants have access to a computer or other electronic device that has the ability to:

- Access the internet,
- Receive and send email,
- Use web-based applications, and
- Apply an electronic signature to official documents.

This requirement is also needed for vendors to submit shelf price survey information, discussed above, via VWIX. It is imperative that vendors ensure they can log into VWIX. If

you are unable to log into your VWIX account, please contact WIC Technical Support at 1 (800) 224-7472.

Store Hour Requirements (Article 4, Section 71500)

In order for WIC participants to have improved access to WIC authorized supplemental foods, all authorized vendors must operate at least 6 days per week, for at least 8 hours per day, and at least 4 of those hours must be during core business hours (9:00a.m. – 5:00p.m.).

SNAP Authorized Requirement (Article 4, Section 71700)

All authorized vendors must be Supplemental Nutrition Assistance Program (SNAP) authorized by February 28, 2014. SNAP provides nutrition assistance to millions of eligible, low-income individuals and families in the United States and is also known as CalFresh in California. Vendors and vendor applicants can complete the online application in as little as 15 minutes. By applying online, vendors and vendor applicants can also check the real-time status of their application online. Typically, new applications take about 60-70 days to be processed and approved by the U.S. Department of Agriculture (USDA). For more information on how to become a SNAP authorized retailer, access the USDA's website at: <http://www.fns.usda.gov/snap/retailers/application-process.htm>.

Action for Vendors

Vendors of the California WIC Program are required to comply with the Vendor Authorization Criteria, as established in WIC Regulatory Bulletin 2013-01, effective October 17, 2013. WIC Regulatory Bulletin 2013-01 can be found at the WIC Regulations website at: <http://www.cdph.ca.gov/programs/wicworks/Pages/WICRegulations.aspx>.

Webinar

To obtain an overview of the Vendor Authorization Criteria, vendors are invited to attend a webinar. This 30 minute online presentation will be held every Tuesday & Thursday at 2:00 p.m. beginning September 26, 2013 through October 17, 2013. To register, visit <https://wicworks.webex.com>, select the "Upcoming" tab, and then select "Vendor Authorization Criteria."


Email Notification and Alerts

Vendors are encouraged to regularly check the WIC Regulations website for actions related to changes to the Program, including notices of when a proposed action or regulation is placed into effect. Stakeholders who wish to be personally informed of the proposed actions should subscribe to WIC email notification by visiting: <http://apps.cdph.ca.gov/listssubscribe/default.aspx?list=cdphwicvendors>

Questions

If you have any questions, please contact your Vendor Consultant or call toll free (855) WIC-STOR or (855) 942-7867. You can also contact the WIC Vendor Management Branch by email: WICVENDORINFO@cdph.ca.gov.

If you have specific questions about the SNAP retailer eligibility or the SNAP retailer application process, visit the USDA's website at: <http://www.fns.usda.gov/snap/> or contact the SNAP Retailer Service Center at (877) 823-4369.



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