



VENDOR MANAGEMENT & OPERATIONS UNIT

September 25, 2015

Clarification on Change of Ownership: New Contract/Same

In response to Vendor inquiries regarding the new WIC Vendor Agreement, we are providing the following clarification to address some of the questions we've received. The WIC vendor contract has a different look and feel, but the **content remains the same** regarding federal regulations on the change of ownership. Because there have been some inquiries on this topic we have developed and posted a Technical Guidance Document (TGD) to the DSHS website accessible at the following web link: <http://www.dshs.state.tx.us/wichd/vo/tgd.aspx>

The TGD addresses and provides examples involving changes in ownership and steps a vendor must take if something changes. Texas WIC is dedicated to ensuring that WIC participants have adequate access to vendor outlets where they can redeem their food benefits, therefore before a vendor application is denied or vendor contract terminated, the state agency considers the impact to participant access.

Another question was asked in regards to the vendor moratorium, which was in place from 2011 through June 2015. During the moratorium vendors with an existing contract could expand by adding new outlets, but the state was not accepting applications from new vendors. With the policy changes implemented on June 15, 2015, the state is now accepting applications from new vendors, specifically full-line grocers, while existing contractors may continue to expand by adding new outlets without having to meet the new vendor requirements for re-applying or expanding. For additional detailed questions regarding the moratorium, we encourage you to contact the state office.

Vendors with specific questions about requirements around change of ownership, expansion ability, and/or changes that trigger a new authorization are encouraged to contact the state agency. For those interested in changing business structure, the state agency strongly encourages vendors to seek legal counsel to ensure they can best achieve their business objectives in a lawful manner.

The Vendor Management & Operations (VMO) team staff is ready to assist you should you have any questions regarding the specifics of the contract requirements and federal regulations. Contact the VMO team at 1-800-252-9629 (Texas only), or email at WICVendorRelations@dshs.texas.gov.