



**MICHIGAN DEPARTMENT OF
HEALTH AND HUMAN SERVICES
WIC VENDOR CONTRACT AND CERTIFICATION**

Vendor Number

Vendor Name (Name of Store
as it appears on
building or sign): _____

Vendor Retail Address: _____

Vendor Mailing Address:
(only if different than above) _____

Federal Identification Number: _____

This contract by and between the Michigan Department of Health and Human Services, having a mailing address of 320 S. Walnut, Lansing, MI 48913 hereinafter referred to as the Department and the above named vendor is effective July 1, 2017 and ends June 30, 2020, subject to any amendments prescribed by the Department or until terminated by either party according to Section XV of this contract.

I. PURPOSE

This document, upon signature by the vendor and the Department, is a contract for the purpose of providing an authorized source from which qualifying women, infants and children can obtain nutritious supplemental foods in accordance with the rules, regulations and policies of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) established by the Food and Nutrition Service, U.S. Department of Agriculture (USDA) and the Michigan Department of Health and Human Services.

II. RETAIL PURCHASE FOOD DELIVERY SYSTEM

The Michigan WIC Program operates a "Retail Purchase Food Delivery System." This enables WIC clients to go to an authorized store of their choice and shop to obtain supplemental WIC food benefits in exchange for food instruments and complete the transaction at the cash register in accordance with the terms of this contract. Food instruments are defined as WIC EBT transactions that are processed through the use of the Michigan WIC EBT Bridge Card, which includes the WIC shopping list produced by any WIC EBT point of sale device. This also includes Cash Value Benefits (CVB's), which are specific dollar amounts provided to the WIC client's account intended only for the purchase of WIC approved fresh fruits and vegetables. Each authorized store must have a single fixed location.

III. RESPONSIBILITIES – VENDOR

The undersigned vendor agrees to comply with the terms and conditions of this contract, including:

- The WIC Vendor Sanction Policy hereby made a part of this contract
- Federal and State statutes, rules, regulations, policies and procedures, including USDA regulations at 7 CFR 246.1 et. seq.
- The State Plan of Program Operation and Administration governing the WIC Program, including any subsequent changes made during the contract period and hereby made a part of this contract.

In the instance of chain store ownership (multiple outlets on one contract), a list shall be attached to this contract containing the specific names and addresses of the outlets covered under this contract along with the store managers name and other pertinent information.

THE VENDOR AGREES TO:

1. Accept training of the storeowner, manager and/or an authorized representative such as the head cashier on WIC Program regulations, policies and procedures as required. Annual vendor training may be provided by the Department by newsletters, videos, letters, interactive training or through other formats. At least once during the contract period the vendor must send a representative to a group or interactive training scheduled by the Department. Vendors contracted as chain stores must also send a chain headquarter representative to group or interactive training. The chain headquarters is then responsible for providing required training to each authorized outlet.
2. Inform, train and update cashiers and other staff on WIC Program requirements and ensure that all cashiers and other staff are knowledgeable regarding procedures set forth in the most recent publication of the “Michigan WIC Program Vendor Guidebook” and Michigan WIC EBT Manual, hereby made a part of this contract and current State Plan of Program Operation, including any revisions or supplements issued by the Department.
3. Be responsible and accountable for its owners, officers, managers, agents and employees in the processing of WIC EBT transactions and the provision of WIC Program authorized supplemental foods (hereafter called WIC foods) and assure that they are in compliance with WIC Program requirements.
4. Be accountable for its owners, officers, managers, agents and employees who commit vendor violations.
5. Provide only currently authorized WIC foods in exchange for valid food benefits issued by any authorized Local or State Agency as designated by the Department, according to Federal and State requirements as follows:

WIC VENDOR CONTRACT AND CERTIFICATION

- A. Stock WIC authorized foods as designated on the current approved Michigan WIC Vendor Food List except for pharmacies as set forth in Section IX of this contract. The vendor shall carry as many as possible of the WIC approved types and brands of foods in all categories and have in stock at minimum, at all times, all mandatory minimum stock items listed on the most current Mandatory Minimum Stock Requirements sheet provided with the application. (Note: The Department may issue revisions to the mandatory Minimum Stock Requirements as determined necessary.)
- B. Ensure that WIC authorized foods are not spoiled, expired or outdated and are sold to WIC clients before the expiration date for those foods.
- C. Provide only WIC authorized supplemental foods to WIC clients in exchange for WIC food benefits.
- D. Offer WIC clients the same courtesies offered to other customers.
- E. Requiring WIC clients to use special checkout lanes with exception of WIC EBT equipped lanes.
- F. Ensure all incentives (such as free merchandise) offered to WIC clients to redeem their WIC benefits at your store are also offered to all other customers.

Vendors are not allowed to offer ANY incentives for the purpose of attracting WIC clients only. Incentives offered to WIC clients must be the same as offered to all customers. Incentives may include in-store credit,

Vendors are strictly prohibited from offering cash, alcohol, tobacco or lottery to WIC clients as an incentive, even if these items are being offered to non-WIC customers.

- G. Never give WIC client's cash in exchange for redeeming their food benefits.
- H. Never demand that WIC clients purchase the full amount of WIC foods authorized on the food instrument (WIC EBT shopping list).
- I. Allow up to the full amount of WIC authorized foods specified on the WIC EBT shopping list.
- J. Never limit WIC clients in their choices of WIC authorized foods (e.g., never require purchase of a particular store brand).
- K. Never provide credit, rain checks, due bills or other similar receipts for WIC authorized foods not obtained at the time of the transaction.
- L. Never substitute one WIC authorized food for another (e.g., evaporated milk for infant formula).
- M. Never substitute a non-WIC food item for a WIC authorized food item.

- N. Never allow the return of food purchased with food instruments in exchange for cash.
 - O. Never allow the return of WIC authorized foods in exchange for food(s) not authorized by WIC or other WIC authorized food(s) except for exchanges of an identical WIC authorized food item when the original authorized food item is defective, spoiled, or has exceeded its "sell by", "best if used by" or other date limiting the sale or use of the food item. An identical WIC authorized food item is defined as the exact brand, type and size and UPC code (if available) of the original WIC authorized supplemental food item obtained and returned by the client (e.g., a one gallon container of X brand of whole milk that was spoiled at time of purchase for an identical one gallon container of X brand of whole milk).
 - P. Assure that only WIC approved fresh fruits and vegetables are sold in exchange for the cash value benefit amount listed on the WIC clients shopping list.
 - Q. Never buy or sell food instruments for cash (trafficking).
 - R. Never allow the sale of non-food items, alcohol, alcoholic beverages or tobacco products in exchange for food instruments.
 - S. Never allow the sale of firearms, ammunition, explosives or controlled substances as defined in 21 U.S.C. 802 in exchange for food instruments.
6. Clearly mark the price of WIC authorized foods on the item, container, shelf or sign, in compliance with all Federal and State laws regarding the pricing of food items.
7. Accept food instruments and redeem WIC food benefits in accordance with the procedures as set forth in the most recent publication of the "Michigan WIC Program Vendor Guidebook, the Michigan WIC EBT Manual including any revisions or supplements issued by the Department, and as set forth below:
- A. Vendor must allow only those food items specifically listed on the client's WIC EBT shopping list.
 - B. WIC clients must receive the food item that corresponds specifically to the UPC code scanned by the vendor during the transaction.
 - C. Vendor must scan (or manually enter) the actual UPC code that is affixed to the item actually being purchased by the WIC client.
 - D. Vendor is prohibited from scanning any UPC code that is not affixed to the actual item being purchased by the WIC client, or any UPC code as a substitute, replacement or otherwise not actually affixed to the actual item being purchased by the WIC client.

- E. Vendor must assure that the price affixed to the scanned UPC code in the point of sale device is not greater than the price displayed on the package, container, shelf or other signage in the store for the purchased item. This may be verified by a Department representative scanning the actual UPC code affixed to a WIC approved item and comparing that price to the price marked on the package, container, shelf or other signage of that same item.
 - F. Vendor is responsible for updating price changes in the point of sale device including, but not limited to, changes due to sales or other promotions, to ensure compliance with item E above.
8. Maintain prices for WIC foods which are competitive as determined by the Department.
 9. Provide each WIC food item at the “current shelf price” or at less than the “current shelf price” charged to other customers, and charge the WIC Program for only those food items actually received by the client. The “current shelf price” (UPC based) is the price marked on the item, shelf, container, or sign or “sale price” offered to non-WIC customers.
 10. The WIC logo or acronym may only be used in accordance with the following:

The WIC Logo is any stylized representation of a silhouette depicting a woman holding an infant, or other variations of silhouettes depicting various types of WIC clients. The WIC acronym are the letters W-I-C placed in sequence and represents the WIC Program as defined in Section I.

 - A. Never place stickers, tags, or labels that include either the WIC logo or acronym on individual packages.
 - B. Never place stickers, tags, or labels that include either the WIC logo or acronym in a location to indicate or suggest that a non-WIC food item is WIC approved.
 - C. The WIC acronym or logo may not be used in manufacturer advertising or by vendors in their names or in advertising or promotional literature other than to inform the public that the vendor is WIC-authorized.
 - D. The WIC acronym or logo may not be used in manufacturer or vendor advertising in any manner likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of a manufacturer or vendor with the WIC Program, or as to the sponsorship or approval of a manufacturer’s or vendor’s goods, services, advertising, or commercial activities, including nutritional message(s), by the WIC Program or USDA.
 11. Always display to the public that the vendor is authorized to participate in the WIC Program and accept WIC food instruments.
 12. Submit the WIC Vendor Survey as required by the Department.

WIC VENDOR CONTRACT AND CERTIFICATION

13. Ensure that no conflict of interest exists between the vendor and the Department or its Local Agencies as defined by applicable State laws, regulations and policies.
14. Notify the Department in writing immediately if there is a change in the vendor's Federal Identification Number, the vendor changes ownership, changes the name of the store, or changes their address or location.
15. Notify the Department in writing immediately if the vendor ceases business operation for any reason.
16. Never collect sales tax on WIC purchases.
17. Never allow total sales from WIC during any annual period to be greater than 50% of the annual gross food sales. Also, the vendor must notify the Department in writing immediately, if annual sales from WIC for any annual period is greater than 50% of the annual gross food sales.
18. Comply with all Federal Regulations including the United States Department of Agriculture Regulations at 7 CFR 246, State laws, rules and regulations as they relate to WIC vendors.
19. Never contact or seek restitution from clients for foods not paid by the Department or charge WIC clients for foods obtained with food instruments.
20. Maintain required records for three (3) years after final payment is received or after all pending matters are resolved, whichever time period is greater. This includes the vendor's purchase and inventory records for authorized WIC food items for which the vendor has claimed reimbursement from the WIC Program.
21. Make available to representatives of the Department of Health and Human Services, the United States Department of Agriculture, Department of the Attorney General, the Comptroller General of the United States, or any law enforcement agency at any reasonable time and place as determined by the Department, for inspection and audit, all food instruments and program related records, including electronic records.
22. Permit unannounced visits by Local, State or Federal Agency representatives to review adherence to WIC Program policy and procedures including prices of WIC food items.
23. Upon request, provide access to all WIC transaction information on hand, including receipts, shelf price records, vendor inventory records and any other WIC records during a monitoring visit by an authorized State or Federal Agency representative
24. Assure that WIC clients are not discriminated against on the basis of race, color, national origin, sex, age, or disability.
25. Be licensed as a Retail Food Establishment and be in good standing with the Michigan Department of Agriculture and Rural Development.
26. Have approval to redeem SNAP (Food Stamp) benefits and be in good standing with the USDA Food and Nutrition Service.

IV. PURCHASE AND INVENTORY RECORD REQUIREMENTS

Vendors must maintain purchase and inventory records as described below and make said records available to the Department upon request.

Purchase records or invoices shall reflect the following:

- name and address of the supplier or wholesaler
- date of the purchase
- list of the items purchased including, size, stock number, UPC code (if available), quantity and unit price.
- sales receipts for WIC foods purchased at retail grocer (for resale by the vendor) must include the name and address of the store, the date of purchase, description of the exact items purchased (e.g. 12 oz. Total cereal), the unit price of the items and the total quantity purchased.

The following criteria must also be met regarding the acceptability of purchase and inventory records for WIC review purposes.

1. Receipts, which do not completely describe the actual item, shall have computer codes, which can be verified by contacting the store at which the merchandise was purchased.
2. All receipts from purchases at retail establishments must be machine dated by the establishment. Hand dated retail store receipts are not acceptable.
3. Affidavits, Statements of Fact and oral statements shall not be accepted as evidence of inventory. Only purchase invoices or retail receipts as described in this section shall be accepted and constitute evidence of inventory.
4. Vendors must only purchase infant formula from wholesalers, distributors, and retailers licensed by the Michigan Department of Agriculture and Rural Development or from infant formula manufacturers registered with the Food and Drug Administration.

V. INDEPENDENT CONTRACTOR

The vendor shall be considered an independent contractor and not as an employee or agent of the Department in carrying out the terms of this contract.

VI. NOT A LICENSE/PROPERTY INTEREST

This Vendor Contract does not constitute a license or a property interest. If the vendor wishes to continue to be authorized beyond the period of its current contract, the vendor must reapply for authorization. If a vendor is disqualified, the Department will terminate this contract and the vendor must then re-apply in order to be considered for WIC authorization after the disqualification period is over. In all cases, the vendor's new request for WIC authorization will be subject to the Department's vendor selection criteria and any vendor limiting criteria in effect at the time of application.

VII. COMPLIANCE WITH VENDOR SELECTION CRITERIA

The vendor must comply with the vendor selection criteria throughout the contract period, including any changes to the criteria. Using the current vendor selection criteria, the Department may reassess the vendor at any time during the contract period. The Department may terminate the Vendor Contract and disqualify the vendor per the Sanction Policy if the vendor fails to meet the current vendor selection criteria.

VIII. RESPONSIBILITIES – DEPARTMENT

THE DEPARTMENT SHALL:

1. Supply the vendor with the most recent copy of the Michigan WIC Program Vendor Guidebook, the Michigan WIC EBT Manual, the WIC Vendor Sanction Policy and, as requested, the Administrative Review Procedures for Vendors.
2. Assure that WIC clients are informed of the proper food benefit redemption procedures and use of WIC food instruments through Local Agencies.
3. Maintain a system through Local Agencies to assure that WIC food benefits are provided only for qualified women, infants and children.
4. Keep the vendor informed of the requirements as set forth by the U.S. Department of Agriculture WIC Program regulations, the Michigan Department of Health and Human Services Policy regarding implementation of the WIC Program including vendor relations and compliance policy; and notify the vendor in writing of any changes in the current approved WIC foods or any other changes which affect food benefit redemption or program requirements.
5. Provide interactive training at least once during each contract period for the vendor to obtain information on WIC Program policies, procedures and updates.
6. Monitor the vendor for possible violations of Federal and State laws and WIC Program rules, regulations and procedures. Monitoring includes, but is not limited to, routine monitoring visits, undercover compliance buys and inventory audits.
7. Enforce compliance with Federal and State laws, rules, regulations, policy and procedures of the WIC Program through sanctions against the vendor as described in the Department's most recent WIC Vendor Sanction Policy or subsequent revisions that are incorporated as part of this contract or as prescribed by law.
8. Assure, through Local Agencies that each client is issued a valid Michigan WIC Bridge Card in accordance with procedures described in the most current publication of the Michigan WIC Program Vendor Guidebook and Michigan WIC EBT Manual, including any revisions or supplements issued by the Department.
9. Make payments to the vendor in accordance with the food benefit redemption procedures set forth in this contract, the Michigan WIC Program Vendor Guidebook and the Michigan WIC EBT Manual, and subsequent revisions.

IX. LIMITED CONTRACTS

Pharmacies may be issued a Limited Contract to provide infant formula only. If a vendor is contracted to provide infant formula only, any reference to “WIC foods” in this contract shall be interpreted as “infant formula only.” All other provisions in this contract remain the same.

X. RENEWABILITY

This contract is in effect for the period indicated on page 1. Neither the Department nor the vendor is under any obligation to renew this contract. Expiration of this contract shall not be subject to Appeal or Administrative Review.

XI. NON-TRANSFERABILITY

This contract is between the Department and the vendor named herein, and is not transferable between owners or establishments. The vendor must notify the Department immediately of a change of ownership or change of location of retail operations.

XII. CHAIN STORES

Only those outlets specified on the attachment to this contract are authorized to accept WIC food instruments.

XIII. LIMITATION POLICY

The approval of this contract is subject to the availability of funds.

The Department reserves the right to limit the number of vendors authorized for the WIC Program in accordance with the most recent Limitation Policy and Selection Plan. The criteria applied to determine the number of vendors needed within a specified area may include, but are not limited to, the ratio of vendors to WIC clients, the distance between vendors and client accessibility.

XIV. VENDOR PAYMENTS AND CLAIMS

The Department, subject to the terms of this contract, shall provide payment for WIC food instruments validly transacted and redeemed. Payment may be denied for WIC food instruments including WIC EBT card benefits not completed, transacted or redeemed in accordance with Department policies and procedures outlined in this agreement and in the most recent publication of the “Michigan WIC EBT Vendor Manual” and the “Michigan WIC Program Vendor Guidebook”, including any revisions or supplements issued by the Department.

The vendor must maintain prices for WIC foods which are competitive with other similar vendors. The Department shall not pay the vendor more than the competitive price limitations applicable to the vendor. Competitive price limitations will be determined by the maximum price calculated for that food item. If the requested price exceeds the max price, vendors will be paid the max price. The vendor will not be sent any notification when this occurs.

Should improper use or redemption of WIC food benefits be determined following payment, claims may be made against the vendor for amount(s) equal to the total price for which the vendor received payment on the WIC food benefit. If a claim is assessed against a vendor after an improper WIC food benefit has been paid, the Department may offset future payments to the vendor for the amount of the claim. In addition to denying a payment or assessing a claim, the Department may sanction a vendor for vendor overcharges or other violations or errors in accordance with the Vendor Sanction Policy.

The vendor shall register with Project Main upon request by the Department or other State, Federal or law enforcement agency.

XV. EXPIRATION, TERMINATION AND DISQUALIFICATION

Expiration is when a contract between the Department and the vendor ceases to be effective because the end date as specified in the contract has been reached. This is not subject to Appeal or Administrative Review.

Termination is the ending by either party of the contract between the Department and the authorized food vendor. Notification of the termination action shall be mailed to the affected party at least 21 calendar days in advance of the effective date of the action as appropriate (except in the case of 15 day termination orders as stated in the Administrative Hearing Procedures for Vendors).

Disqualification is an action taken by the Department for ending the vendor's eligibility to participate in the WIC Program for a specific period of time or permanently, for cause.

Reasons for termination or termination and disqualification by the Department include, but are not limited to:

1. Failure of the vendor to comply with conditions and responsibilities set forth in this contract, the most recent Federal Regulations at 7 CFR 246, the most recent State Plan of Program Operation and Administration and the most recent Vendor Sanction Policy and subsequent revisions to these documents.
2. Civil money penalty in lieu of disqualification

The Department may impose a civil money penalty in lieu of disqualification if it is determined that such disqualification will have an adverse impact on accessibility to WIC approved foods by area clients. The Department will not impose a civil money penalty in lieu of permanent disqualification for vendors convicted of trafficking in food instruments or selling firearms, ammunition, explosives, or controlled substances (as defined in Section 102 of the Controlled Substance Act (21 USC 802) in exchange for food benefits.

XVI. ADMINISTRATIVE REVIEW PROCEDURES

The vendor has the right to an Administrative Hearing or an Administrative Review of certain adverse actions by the Department which result in denial of an application, termination of this contract or disqualification from the WIC Program as stated in the Administrative Hearing Procedures for Vendors and the Administrative Review Procedures hereby made a part of this contract. Copies of the Administrative Hearing Procedures for Vendors and the Administrative Review Procedures are available upon written request to:

Michigan Department of Health and Human Services
WIC Vendor Management and Operations Section
320 S. Walnut
Lansing, MI 48913

The Administrative Hearing Procedures for Vendors and the Administrative Review Procedures will be provided to the vendor, as applicable, along with an adverse action that is subject to an Administrative Hearing or an Administrative Review. Questions regarding the Michigan Department of Health and Human Services Administrative Hearing Procedures for Vendors or Administrative Review Procedures should be directed by telephone at 1-877-833-0870 or to:

State Office of Administrative Hearings and Rules
For The Department of Health and Human Services,
P.O. Box 30763
Lansing, MI 48909

XVII. PENALTY

A vendor that commits fraud or abuse of the WIC Program is liable for prosecution under applicable Federal, State and Local laws. Vendors who have willfully misapplied, stolen, or fraudulently obtained WIC funds shall be subject to a fine of not more than \$25,000.00, imprisonment for not more than five years or both. If the value of the funds is less than \$100.00, then the penalties are a fine of not more than \$1,000.00, imprisonment for not more than one year or both.

XVIII. SEVERABILITY

If any provision of this contract or any provision of any document attached to or incorporated by reference is waived or held to be invalid, such waiver or invalidity shall not affect other provisions of this agreement.

If this contract is terminated due to voluntary withdrawal or store closure, such termination is not subject to appeal. This includes ceasing operation for any reason except, upon written notification to the Department, temporary closure resulting from casualty losses, natural disaster, or renovation for improvements as set out in the State Plan of Program Operation and Administration and any subsequent revisions. In accordance with Federal Regulations, this contract shall not be eligible for termination due to voluntary withdrawal if it is determined by the Department that such termination is for the purpose of circumventing a sanction.

XIX. ASSURANCES

Assurance is hereby given to the Department that in accordance with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et. seq.), Section 504 of the Rehabilitation Act of 1973 (29 USC 706), the Regulations issued thereunder by the U.S. Department of Health and Human Services (45 CFR Parts 80, 84, 86 and 91), the Age Discrimination Act of 1975 (42 USC 6101 et. seq.), the Michigan Handicapper's Civil Rights Act (1976 PA 220), the Elliott-Larson Civil Rights Act (1976 PA 453), the United States Department of Agriculture regulations regarding nondiscrimination at 7 CFR Parts 15, 15a and 15b, assure that no individual shall be excluded from participation, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity provided by this vendor. on the basis of race, age, color, national origin, sex, age or disability.

Assurance is hereby given to the Department that the Vendor will comply with Federal Regulation 45 CFR Part 76 regarding debarment and suspension and certifies to the best of its knowledge and belief that the Vendor:

1. Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Agency or Contractor.
2. Within a three-year period preceding this contract, has not been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or Local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property
3. Is not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or Local) with commission of any offenses.
4. Within a three-year period preceding this contract, has not had one or more public transactions (Federal, State or Local) terminated for cause or default.

XX. PREVIOUS CONTRACT VIOLATIONS – CARRY-OVER

Violations of the WIC Program, which occurred during the previous contract period, if any, may be carried over and used as a basis for termination and/or disqualification or other sanctions under any subsequent contracts, in accordance with the most recent WIC Vendor Sanction Policy.

XXI. SPECIAL CERTIFICATION

The vendor, through signature of the owner or an authorized representative accepts all terms of this contract. The individuals signing this contract certify that they are authorized to sign the contract on behalf of the vendor and the Department, respectively, and that all information provided on the vendor application is true, accurate and complete. This contract becomes valid only upon signature by an authorized representative of the Department and receipt by the vendor of an executed copy along with a vendor number for each store.

VENDOR – Please complete all 4 areas below marked with an X:

X _____ X _____
Print Your Name (NOT the store name) Print Your Title

X _____ X _____
Signature Date

***** WIC OFFICE USE ONLY *****

DO NOT WRITE IN THIS BOX

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES:

Recommended By:

Name Title

Signature Date

WIC Vendor Management & Operations Approval By:

Signature Date