



MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

WIC ONLINE VENDOR CONTRACT

Vendor Number
Peer Group

Owner's Name: (Owning entity name only):

Vendor Name: (Name of store as it appears online):

Contact Name and Number:

Vendor Email Address:

This contract by and between the Michigan Department of Health and Human Services (Department), on behalf of the Michigan Women, Infants, and Children Program, having a mailing address of 235 South Grand Avenue, Lansing, MI 48933 and [owning entity legal name] (Vendor) is effective and ends, subject to any amendments prescribed by the Department or until terminated by either party according to Section XVII of this contract. The approval of this contract is subject to the availability of funds.

I. DEFINITIONS

Cash means currency, digital currency, debit cards (pre-paid or not), checks, money orders, phone cards, gas cards, gift cards, and the like.

WIC Online Vendor is a retail food entity that operates an online storefront and is authorized to redeem WIC benefits through an online ordering and/or delivery system.

WIC benefits mean electronic benefits that can be used to purchase WIC-approved food items, including cash value benefits for WIC-approved fruits and vegetables, from authorized WIC Vendors using a WIC electronic benefits transfer (EBT) card.

Infant formula means a food that meets the definition of an infant formula in section 201(z) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(z)) and that meets the requirements for an infant formula under section 412 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 350a) and the regulations at 21 CFR parts 106 and 107.

WIC nutritionals means authorized medical foods that are specifically formulated to provide nutritional support for individuals with a qualifying condition. For the purposes of this document, both infant formulas and nutritionals will be referred to as WIC-approved formulas.

WIC-accepted supplier means a supplier of WIC-approved foods and/or formulas that is:

- 1. A Michigan based wholesaler, distributor, or retailer that is licensed to distribute food by the Michigan Department of Agriculture and Rural Development (MDARD);
2. A non-Michigan based wholesaler, distributor, or retailer that is licensed to distribute food by the MDARD equivalent in the jurisdiction in which it is located;
3. A Michigan based pharmacy that is licensed by the Michigan Department of Licensing and Regulatory Affairs (LARA);

4. A non-Michigan based pharmacy that is licensed by the LARA equivalent in the jurisdiction in which it is located; or
5. A manufacturer that is registered with the Food and Drug Administration (FDA).

A regularly updated list of MDARD-licensed sources can be found on the WIC Vendor website at Michigan.gov/WICVendor. Please contact the Michigan WIC program if you have questions about whether a supplier is *WIC-accepted*.

WIC participants mean eligible pregnant, post-partum and breastfeeding people, infants and children up to five years of age actively receiving benefits and services from Michigan WIC.

II. PURPOSE

This document, upon signature by the Vendor and the Department, is a contract for the purpose of providing an authorized source from which WIC participants 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 Department.

III. ONLINE RETAIL PURCHASE FOOD DELIVERY SYSTEM

The Michigan WIC program operates an "Online Retail Purchase Food Delivery System." This enables WIC participants to obtain supplemental WIC food in exchange for WIC benefits via curbside pickup and/or delivery after placing an order online. A single online shopping Vendor may operate multiple purchase platforms (i.e., web domains and mobile applications) as long as it maintains a singular login credential system across platforms.

IV. RESPONSIBILITIES – VENDOR

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

- Federal and State statutes, rules, regulations, policies, and procedures, including USDA regulations at 7 CFR 246.1 *et seq.*
- MI-WIC Vendor Policy, including any subsequent changes made during the contract period and hereby made a part of this contract.
- Any amendments or changes to the WIC Online Vendor Contract by the Department.

THE VENDOR AGREES TO:

1. Keep a valid email address, phone number and mailing address on file with the Department to receive communications from the Department. Vendor may update its contact information at any time by providing written notice to the Department.

Accept service of all communications from the Department by email, personal delivery, certified mail (return receipt requested, postage prepaid) or overnight courier.

Comply with program policies, requirements, and demands sent to the email address provided to the Department.

Respond to communications from the Department within the timeframe specified by the Department.

2. Receive training on WIC Program regulations, policies and procedures. **Annual training** may be provided by the Department via newsletters, videos, letters, interactive training or other

formats. Training may involve the owner, compliance coordinator, authorized representative, customer service leads or other personnel.

Specifically, at least once every three years, the Vendor must assign a representative to a group or **interactive training** scheduled by the Department. The attendee of the mandatory training must be an authorized representative of the store who is routinely involved in the administration of the WIC Program on the online platform.

If the Vendor representative that received the Department's group or interactive training is no longer affiliated with the store, the Vendor must assign a new representative to attend a WIC-sponsored training as soon as possible. Training opportunities are posted on the WIC Vendor website at Michigan.gov/WICvendor.

3. Inform, train and update all staff on WIC Program requirements and ensure that all staff are knowledgeable regarding procedures set forth in the most recent publications of the Michigan WIC Vendor Handbook and MI-WIC Vendor Policy, hereby made a part of this contract, including any revisions or supplements (including the quarterly Vendor Newsletters) issued by the Department.

For store staff that receive training, the Vendor must maintain records for three (3) years identifying when such trainings were held, which staff were trained, and who performed each training. Upon the Department's request, the Vendor agrees to supply records of Vendor-provided internal trainings.

4. Be accountable for its owners, officers, managers, agents, and employees who commit WIC Program violations.
5. Provide only currently approved WIC foods in exchange for valid WIC benefits issued by any authorized Local or State Agency as designated by the Department, according to Federal and State requirements as follows:
 - A. The Vendor, during hours of operation, must ensure that all required minimum stock items (as listed in MI-WIC Vendor Policy 2.02A–WIC Vendor Minimum Stock Requirements) are available for online purchase. In its sole discretion, the Department may issue revisions to the mandatory Minimum Stock Requirements.
 - B. Provide only WIC-approved foods and formulas from a *WIC-accepted supplier* to WIC participants in exchange for WIC benefits.
 - C. Ensure that WIC-approved foods fulfilled by online orders are not recalled, spoiled, expired or past the date listed on the item or package.
 - D. Offer WIC participants the same courtesies offered to other customers.
 - E. Ensure that WIC EBT is operable at all times the platform is open for online purchases. Vendors shall notify the state when unable to perform online WIC transactions.
 - F. Ensure all allowed incentives are offered to both WIC participants and non-WIC customers.
 - i. The Vendor may not offer any incentives for the sole purpose of attracting WIC participants. Incentives offered to WIC participants must be the same as offered to all customers. Incentives include, but are not limited to, in-store credit, loyalty programs, manufacturers' coupons, Buy One, Get One (BOGO), reduced prices, and bonus sized items.

- ii. The Vendor is prohibited from offering cash, alcohol, tobacco, or lottery to WIC participants as an incentive, even if these items are being offered to non-WIC customers.
 - iii. Exceptions may be made, at the Department's discretion, if cash offers are part of a Vendor's loyalty program.
- G. Never give WIC participants cash in exchange for redeeming their food benefits.
- H. Never require that WIC participants purchase a specified quantity or the full quantity of WIC foods on their WIC EBT shopping list; or require other cash or minimum purchases as a condition to redeem their food benefits.
- I. Allow up to the full quantity of WIC-approved foods to be redeemed as specified on the WIC EBT shopping list. This includes splitting cases when requested.
- J. Never limit WIC participants in their choices of WIC-approved foods (e.g., never require purchase of a particular brand).
- K. Never provide credit, 'rain checks,' due bills or other similar receipts for WIC-approved foods not obtained at the time of the transaction.
- L. All substitutions for out-of-stock items must be in accordance with the following:
- i. Participants must opt in to allowing substitutions and have the ability to select alternate WIC-approved items, as checked against the Michigan WIC's approved product list (APL) and the participant's benefit balance.
 - ii. Substitutions may only be made for items within the same category and subcategory as defined by Michigan WIC's APL.
 - iii. When requested items are not able to be fulfilled (i.e., are out-of-stock), the benefits will be returned to the participant's benefit balance.
- M. Never provide a non-WIC food item as a replacement for the redemption of a benefit for a WIC-approved food item.
- N. Never allow the return of food purchased with WIC benefits in exchange for cash.
- O. Never allow the return or exchange of WIC-approved foods, subject to the following exceptions:
- i. The Vendor must allow exchanges when the original WIC-approved food item is defective, spoiled when it was purchased, exceeded its "sell by," "best if used by" or other date limiting the sale or use of the food item when it was purchased, or if the item is part of a recall.

Exchanges for this reason may only be made for the exact WIC food item or for the same category and size of WIC food item originally obtained and returned by the participant. For example, a one-gallon container of X brand of whole milk that was spoiled at the time of purchase may be exchanged for a one-gallon container of X brand of whole milk OR for any one-gallon container of WIC-approved brand of whole milk). The exception being recalled items where the WIC participant may choose a similar WIC-approved product allowed under their benefit package.

- ii. The Vendor must allow exchanges when the original food item received by a participant in an online order is not the product originally requested or is outside of the participant's food benefit criteria.

Exchanges for this reason may allow for the participant to receive any product(s) with equivalent exchange quantity to the benefits transacted.

- P. Assure that only WIC-approved fruits and vegetables are sold in exchange for the cash value benefits (CVB) amount listed on the WIC participant's benefit balance.
 - Q. Allow the WIC participant, authorized representative, or proxy to pay the difference when a fruit and vegetable purchase exceeds the value of the CVBs (also known as a split tender transaction).
 - R. Never buy or sell WIC EBT WIC benefits for cash.
 - S. Never allow the sale of non-food items (e.g., alcohol, tobacco, lottery, firearms, ammunition, explosives, or controlled substances) in exchange for WIC benefits.
6. Clearly display the price of WIC-approved foods on the product page in a manner that reasonably informs the WIC participant of the price of the item and is in compliance with all Federal and State laws regarding the pricing of food items.
7. Accept and redeem WIC food benefits in accordance with the procedures as set forth in the most recent publications of the Operating Rules for WIC EBT, WIC EBT Technical Implementation Guide, WIC Online Ordering and Transactions Rule, and MI-WIC Vendor Policy; and in compliance with State and Federal Regulations, including any revisions or supplements issued by the Department; and as set forth below:
- A. The Vendor must ensure that a secure method of WIC EBT authorization is used at the time of purchase. Any method employed must include safeguards to protect the cardholder's account information.
 - B. An authentication method (such as a password, two factor authentication, or the entering of PIN) must be used to ensure the cardholder's protected access to their WIC benefits.
 - C. Allow for participants to associate their WIC EBT card with their online account and be able to display a participant's available WIC food benefits and benefit expiration date, if applicable.
 - D. The Vendor must allow redemption of WIC benefits for only those food items specifically listed on the participant's WIC EBT shopping list.
 - E. The Vendor must ensure that the UPC code submitted during the online transaction corresponds to the actual item being shipped or picked up by the WIC participant. The use of alternate UPC codes that are not directly tied to the specific product being provided is prohibited.
 - F. The Vendor must ensure that the price charged for each product in the online platform does not exceed the price publicly displayed on the product page. Sale prices, promotions, and discounts available to all customers must also be reflected in the WIC pricing. Additionally, the Vendor must ensure pricing consistency to all customers regardless of what tender is associated with their account or purchase.
 - G. The online platform must only display dates available for curbside pickup and/or delivery

- within the WIC participant's current benefit period.
- H. In mixed basket purchases (i.e., those with WIC and non-WIC items), benefits and funds shall be applied in order of the most restrictive benefit account to the least restrictive benefit account or payment type.
 - I. The Vendor must ensure that the delivery location and time frame matches the details indicated by the participant.
 - J. The Vendor must give the cardholder an electronic or printed receipt that reflects: the date, time and fulfillment location, of purchase, the quantities of foods purchased with WIC benefits, the corresponding sales prices and any discounts applied, and a list of the WIC participant's remaining benefits.
 - K. The Vendor is prohibited from using the Product Look Up (PLU) codes for fresh fruits and vegetables for the purchase of any item other than WIC-approved fresh fruits and vegetables.
 - L. Inform the State of any changes to their online platform and allow for testing and revalidation, if necessary.
- 8. Maintain prices for WIC foods that are competitive, as determined by the Department, for Vendors within a peer group.
 - 9. Provide each WIC food item at or below the product listing price charged to other customers and charge the WIC Program for only those food items received by the participant. The current product listing price (UPC based) is the price displayed on the product's page at the time of purchase, including any sales or promotions available to customers.
 - 10. When applicable, order WIC-approved formulas for WIC participants if the Vendor's online platform allows for pharmacy orders (Pharmacy Vendors; Grocers with Pharmacy).
 - A. The WIC-approved formula must be ordered at the time of or within 24 hours of the request by a WIC participant or WIC staff member.
 - B. The WIC-approved formula may be fulfilled separately from the rest of the order, but must be available for delivery or pick-up by the participant within 2 business days of the order.
 - C. If the Vendor encounters challenges in sourcing a WIC-approved formula, the Vendor must contact the Michigan WIC State Office at 517-335-8937 during normal business hours for assistance.
 - 11. Use the official WIC logo or acronym only in accordance with the following terms.
 - A. Always include the WIC logo or acronym on an online product listing to indicate that a food item is WIC-approved in Michigan.
 - B. Never include the WIC logo or acronym on an online product listing to indicate or suggest that a food item is WIC-approved in Michigan, when it is not.
 - C. Without prior approval from the Department, never use the WIC acronym or logo in Vendor's name, in advertising, or in promotional literature other than to inform the public that the Vendor is WIC-authorized.

- D. Never use the WIC acronym or logo in the Vendor's advertising in any manner likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of the Vendor with the WIC Program, or as to the sponsorship or approval of the Vendor's goods, services, advertising, or commercial activities, including nutritional message(s), by the WIC Program or USDA.
12. Always display to the public that the Vendor is authorized to participate in the WIC Program and accept WIC benefits. The Vendor also agrees to cease advertising participation in the WIC Program when the store ceases participation in the WIC Program.
 13. Respond to any and all surveys as requested by the Department.
 14. Ensure that no conflict of interest exists between the Vendor, or its owners, officers, managers and other employees, and the Department or its Local Agencies as defined by applicable State laws, regulations, and policies.
 15. Notify the Department in writing prior to a change in the Vendor's Federal Identification Number, name of the store, or ownership, including the exchange of shares, change in ownership structure, or change to the name of the owning entity. Notification of change in ownership must include relevant documentation, including a Bill of Sale and/or purchase agreement. This contract does not automatically transfer upon change in ownership.
 16. Notify the Department in writing immediately if the Vendor ceases business operation or is unable to transact WIC for any reason. This includes notifying the Department of a change in normal business hours as reported on the WIC Vendor Application.
 17. Never charge the WIC program for transaction fees, delivery fees, or sales tax on WIC purchases. However, online vendors are allowed to charge delivery and associated fees to WIC participants.
 18. Never allow total sales from WIC transactions during any 12-month period to be greater than 50% of the store's annual gross food sales during that same period. The Vendor must notify the Department in writing immediately if annual sales from WIC are greater than 50% of the annual gross food sales from that same period.
 19. Never contact or seek restitution from participants for foods not paid by the Department or charge WIC participants for foods obtained with WIC benefits.
 20. 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 WIC benefits and program related records, including electronic records.
 21. 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 and compliance with all terms of the WIC Vendor Contract. All such representatives must be treated with respect.
 22. 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 an on-site or virtual monitoring visit by an authorized State, local agency, or Federal Agency representative.
 23. Conduct WIC business in a way that promotes the health, welfare, and safety of WIC participants.

- A. Maintain clean and safe shopping, delivery, and pick-up conditions.
 - B. Assure that WIC participants are not discriminated against on the basis of race, color, national origin, religion, sex (including gender identity and sexual orientation), age, disability, citizenship, veteran status, height, weight, marital status, or genetic information.
24. Use a point-of-sale (POS) system currently validated by the Michigan WIC program to process WIC EBT transactions.
 25. Not charge to the State agency any third-party commercial processing costs and fees incurred by the Vendor from operating EBT transactions online.
 26. Pay for commercial transaction processing costs and interchange fees related to WIC EBT transactions.
 27. Be responsible for ongoing maintenance, processing fees and operational costs for Vendor systems and equipment used to support WIC EBT.
 28. Register with the State's payment system, SIGMA Vendor Self Service, for the purpose of receiving payments.
 29. Comply with federal and state EBT operating rules, standards and technical requirements.
 30. Be licensed as a Retail Food Establishment and be in good standing with the Michigan Department of Agriculture and Rural Development (MDARD).
 31. Have approval to redeem Supplemental Nutrition Assistance Program (SNAP) benefits and be in good standing with the USDA Food and Nutrition Service.

V. PURCHASE AND INVENTORY RECORD REQUIREMENTS

The Vendor must maintain required records for three (3) years for WIC foods purchased exclusively from WIC-accepted suppliers after final payment is received or after all pending matters are resolved, whichever time period is greater. This includes all WIC benefits and program related records, including electronic records, as well as the Vendor's purchase and inventory records for WIC-approved food items for which the Vendor has claimed reimbursement from the WIC Program.

The Vendor must maintain purchase and inventory records and make records available to the Department upon request. Purchase and inventory records include invoices, receipts and any other documents that record a sale of goods or services in exchange for payment.

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

1. Sales receipts for all WIC-approved foods purchased (for resale by the Vendor) must include the name and address of the purchase/fulfillment site, the date of purchase, description of the exact items purchased (e.g., 12 oz. Total cereal), the unit price of the items, the total quantity purchased, and the form of payment. The Vendor must submit the entire sales receipt for the purchase to be counted towards the Vendor's inventory. Invoices from wholesalers must also include the invoice numbers.
2. Purchase records must include a description of the exact items purchased including, size, stock number, UPC code (if available), quantity and unit price. Receipts that do not completely describe the actual item must have computer codes that can be verified by contacting the store at which the merchandise was purchased.

3. All receipts from purchases at retail establishments must be machine dated by the establishment. Hand-written purchase records will not be accepted.
4. Affidavits, statements of fact and oral statements will not be accepted as evidence of inventory. Only purchase invoices or retail receipts as described in this section will be accepted and constitute evidence of inventory.

VI. PAYMENTS TO VENDOR AND CLAIMS AGAINST VENDOR

The Department, subject to the terms of this contract, will provide payment to Vendor through the State's payment system, SIGMA Vendor Self Service. The Department may deny payment for WIC benefits, including WIC EBT card benefits, not completed, transacted, or redeemed in accordance with Department policies and procedures outlined in this agreement, including any revisions or supplements issued by the Department.

The Department will determine the Not to Exceed (NTE) price, i.e., the maximum allowable price for each food item based on the Vendor peer group as described in MI-WIC Vendor Policy 2.03. If Vendor's requested price exceeds the NTE, the Vendor will be paid the NTE for that item.

When the Department determines the Vendor has committed a Vendor violation that affects the payment to the Vendor, the Department will delay payment or establish a claim. The Department may delay payment or establish a claim in the amount of the full purchase price of each WIC benefit or cash-value voucher that contained the Vendor overcharge or other error. The Department will provide the Vendor with an opportunity to justify or correct a Vendor overcharge or other error. The Vendor must pay any claim assessed by the Department. In collecting a claim, the Department may offset the claim against current and subsequent amounts to be paid to the Vendor. In addition to denying payment or assessing a claim, the Department may sanction the Vendor for multiple violations in accordance with the WIC Vendor Sanction Schedule (Exhibit 6.01A).

The Department may establish a claim, in addition to a mandatory disqualification, if the result of an inventory audit shows a negative difference between foods sold to participants using WIC benefits and the store's purchase and inventory records showing what was purchased for sale.

The Department may immediately suspend the Contract during the course of an inventory audit if:

- The Vendor cannot prove the purchase of sufficient quantities of WIC foods to provide the quantities specified on the WIC benefits redeemed by the Vendor during a specific time period; and
- The value of the difference between the Vendor's inventory records and the amount claimed to have been sold to WIC participants is greater than one thousand dollars (\$1000).

VII. INDEPENDENT CONTRACTOR

The Vendor is an independent contractor and not an employee or agent of the Department in carrying out the terms of this contract. No partnership or joint venture relationship is created by virtue of this contract.

VIII. 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 the Vendor is disqualified, the Department will terminate this contract and the Vendor must then reapply 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.

IX. COMPLIANCE WITH VENDOR SELECTION CRITERIA

The Vendor must comply with the Vendor Selection Criteria (MI-WIC Vendor Policy 2.02) throughout the contract period, including any changes to the criteria. The Department may reassess the Vendor at any time during the contract period using the Vendor Selection Criteria in effect at the time. The Department may terminate a WIC Vendor Contract, disqualify the Vendor, or deny an application for reauthorization, per the WIC Vendor Sanction Schedule (Exhibit 6.01A), if the Vendor fails to meet the current Vendor Selection Criteria.

X. RESPONSIBILITIES – DEPARTMENT

THE DEPARTMENT MUST:

1. Provide the Vendor with a unique Vendor Number. The Vendor Number is necessary for Point-of-Sale (POS) systems to process WIC transactions and receive payments via electronic benefits transfer (EBT).
2. Issue WIC benefits and WIC EBT cards to WIC participants.
3. Provide Vendor with resources regarding WIC Program requirements and regulations.
4. Provide interactive training at least once during each contract period for the Vendor to obtain information on WIC Program policies, procedures, and updates.
5. Process payments to the Vendor in accordance with the food benefit redemption procedures set forth in Section V of this contract and the EBT Operating Rules, the WIC Online Ordering and Transactions Rule and subsequent revisions.

XI. REAUTHORIZATION

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. The Vendor must file a new application with the Department before the end of the current contract period to be considered for reauthorization and to continue accepting WIC benefits. Expiration of this contract is not subject to appeal.

XII. NON-TRANSFERABILITY

This contract is between the Department and the Vendor, named herein, and is not transferable between owners or establishments. This contract is null and void upon change of ownership. A new application and WIC Vendor Contract must be completed and approved by the Department before the new owner is authorized to participate in the WIC Program.

The Vendor must notify the Department in writing prior to a change in Vendor ownership or cessation of operations. Change of ownership is defined as a change in business structure that requires a change in Federal Identification Number (FIN). The Department, in its sole discretion, may determine whether a change in business structure constitutes a change in ownership.

XIII. FULFILLMENT CENTERS

An online Vendor may utilize multiple physical store locations for order fulfillment and/or pickup, provided each location is owned and operated by the owning entity on page 1 of this contract. Only those fulfillment locations specified on attachments to this contract will be authorized to fulfill online

orders. The Vendor must notify the Department if there is a change in the number or location of fulfillment centers. If the listed locations are retail grocery stores, they must also hold a valid WIC Vendor Contract with the Department.

XIV. VENDOR SANCTION SCHEDULE

Violations of the terms and conditions of the WIC Vendor Contract will be enforced in accordance with the WIC Vendor Sanction Schedule (Exhibit 6.01A), which is hereby made a part of this contract. The Vendor acknowledges receipt of a copy of the most recent WIC Vendor Sanction Schedule. In its sole discretion, the Department may issue revisions to the WIC Vendor Sanction Schedule as determined necessary.

XV. EXPIRATION AND TERMINATION OF CONTRACT

This contract will expire and cease to be effective if the end date as specified in the contract has been reached. This is not subject to appeal.

Either party may terminate this contract for convenience by providing written notice at least 21 calendar days in advance of the effective date of the action.

The Department may immediately terminate this contract if:

1. A Vendor fails to comply with conditions and responsibilities set forth in this contract and subsequent revisions to these documents.
2. Funding under this contract is no longer available.
3. It is determined that the Vendor provided false information in connection with its application for authorization, and the false information was material to the Department's decision to authorize the Vendor.

XVI. APPEALS

The Vendor has the right to an Administrative Hearing or an Administrative Review of certain eligible adverse actions by the Department, as defined in Federal Regulations and MI-WIC Vendor Policy 7.02 Adverse Actions Subject to Appeal. Policy 7.02 establishes those adverse actions which:

1. May be appealed through administrative review;
2. May be appealed through administrative hearing; or
3. Are not appealable.

MI-WIC Vendor Policies 7.03 Administrative Review and 7.04 Administrative Hearings establish a process by which a Vendor may request an appeal.

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 are 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.

If the Department discovers evidence of a Vendor committing criminal fraud or abuse in the WIC Program, the Department must provide such evidence to appropriate law enforcement authorities.

XVIII. SNAP RECIPROCAL DISQUALIFICATIONS

The Department will disqualify a Vendor if the Vendor has been disqualified from SNAP. The disqualification must be for the same length of time as the SNAP disqualification, may begin at a later date than the SNAP disqualification, and is not subject to an administrative hearing or review under the WIC Program.

XIX. SEVERABILITY AND WAIVER

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 will not affect other provisions of this agreement. Failure to enforce any provision of this Contract will not constitute a waiver.

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 instances of temporary closure, the Vendor will be temporarily disabled, for a period of up to 12 months, and unable to transact until written notice requesting re-enablement is received by the Department without affecting the status of the WIC Vendor Contract. In accordance with Federal Regulations, this contract will 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 (7 CFR 246.12(l)(1)(viii)).

XX. ASSURANCES

In accordance with federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form which can be obtained online at: <https://www.usda.gov/sites/default/files/documents/USDA-OASCR%20P-Complaint-Form-0508-0002-508-11-28-17Fax2Mail.pdf>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. **mail:** U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or
2. **fax:** (833) 256-1665 or (202) 690-7442; or
3. **email:** program.intake@usda.gov

Assurance is hereby given to the Department that the Vendor will comply with 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.

XXI. PREVIOUS CONTRACT VIOLATIONS – CARRY-OVER

Any administrative violation points as defined in Section I of the WIC Vendor Sanction Schedule, and any documented incidences of sanctions as defined in Sections II and III of the WIC Vendor Sanction Schedule which occurred during the previous contract period may be carried over and used as a basis for termination and/or disqualification or other sanctions under this or any subsequent contracts, in accordance with the most recent WIC Vendor Sanction Schedule.

Further, any administrative violation points as defined in Section I of the WIC Vendor Sanction Schedule, and any documented incidences of sanctions as defined in Sections II and III of the WIC Vendor Sanction Schedule which occur during this contract period may be carried forward into a future contract and used as a basis for termination and disqualification or other sanctions under any subsequent contracts, in accordance with the most recent WIC Vendor Sanction Schedule.

XXII. CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

1. Vendor may not disclose, either orally or in writing, any confidential information subject to applicable provisions of 7 CFR 246.26 and other federal and state laws and administrative rules governing confidentiality.
2. Vendor agrees to limit access to confidential information to the minimum amount of information necessary, to the fewest number of people, for the least amount of time required.
3. The obligations set forth in this clause survive completion, cancellation, expiration, or termination of this Contract.

XXIII. COMPLIANCE WITH AI AND PRIVACY LAWS

Vendor represents, warrants and covenants that it will comply with all applicable artificial intelligence (AI) and privacy laws, rules, regulations, and guidance regarding the collection, use, disclosure, processing and security of training data, production data or output data. Vendor further represents, warrants, and covenants that it will not use data in violation of 7 CFR Part 26.

Applicable AI and Privacy Laws means all applicable legislation, laws, rules, and regulations relating to the AI, machine learning, privacy, confidentiality, security and protection of Personal Information

(including laws regulating the use of cookies and other tracking means as well as unsolicited e-mail communications) together with any amendment, rules, and regulations promulgated pursuant to any of the foregoing.

Personal Information means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household, or as otherwise specified in Applicable AI and Privacy Laws.

Sensitive Information shall have the meaning as set forth in the Applicable AI and Privacy Laws and may include social security numbers; non-publicly available government issued identifiers; financial account information; information, including inferences, about an individual's health or medical conditions or diagnoses; biometric information; ethnicity or race, religion, or philosophical beliefs; and sexual orientation or preferences.

XXIV. 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's application is true, accurate and complete. This contract becomes valid only upon signature by an authorized representative of the Department.

XXV. EFFECTIVE DATE

Unless otherwise specified under period of performance, the effective date of this Contract and subsequent amendments, if any, is the date of execution. The date of execution is the date of signature by an authorized representative of the Department.

XXVI. ENTIRE AGREEMENT

This contract, with amendments, embodies the whole contract of the parties and contains all the terms and conditions agreed upon by the parties. It supersedes all previous communications, representations, or agreements, either oral or written.

VENDOR – Please complete all 4 areas below marked with an X. The person signing this contract should be an authorized representative of the owning entity.

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

**Bureau of Grants and Purchasing
Approval By:
Jeanette Hensler
Director, Grants Division, Bureau of Grants and Purchasing**

Signature Date

This institution is an equal opportunity provider.