

**VENDOR PARTICIPATION AGREEMENT IN THE
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM
FOR
WOMEN, INFANTS AND CHILDREN**



RHODE ISLAND DEPARTMENT OF HEALTH

**THIS AGREEMENT AND STAMP ISSUED TO ANY ENTITY IS NOT
TRANSFERABLE.**

Period of Performance

Effective: 1 October 2017

Terminating On: 30 September 2019

APPENDIX I
Rhode Island WIC Vendor Agreement

A. A. Specific Terms and Conditions¹.

1. Special Conditions (Applicable on a national basis)

- a. The word Vendor, as used in this Agreement, means and includes the Vendor specified in FORM 31, WIC Vendor Application, or the signature page of this Agreement and/or any person or entity defined in Appendix I, B, Article 2
- b. In entering into this Agreement, the Vendor certifies that it is not presently disqualified from participation in any Food and Nutrition Service (FNS) program, such as SNAP (Formally known as Food Stamps) or WIC, nor is it currently under sentence or sanction such as a civil money penalty in lieu of disqualification, or have a settlement fine for any violation of the rules or regulations of any FNS program. This Agreement shall become null and void if the Vendor signing same is currently disqualified or under sentence or sanction for such violations.
- c. The Rhode Island Department of Health reserves the right to declare this Agreement null and void if it is determined that the Vendor has misrepresented or falsified any information contained in this Agreement or submitted in connection with the WIC Vendor Application (WIC Form 31) for being accepted or authorized for vendor participation in the WIC Program, and/or upon discovery, if the Vendor committed violations of the rules and regulations of any FNS Program prior to the completion of this Agreement.
- d. The Vendor certifies that neither vendor nor any of its principals have been debarred or suspended from participating from any transactions involving federal or state (any state) funds or other assistance with grantees and subgrantees of federal or state funds.
- e. If Vendor is a pharmacy, the Vendor agrees to accept and redeem WIC checks for any exempt formula nutritional product or medical food requested by a WIC shopper and specified on a WIC check in the amount, form, size and type specified on at least two WIC checks, as presented and shall obtain and make available said product(s) within two working days, only at a designated pharmacy redemption point, such as sales register or counter, approved by RIDOH. These specialty products are listed on the WIC Exempt Formula and Medical Food List.
- f. A vendor that is a pharmacy is prohibited from accepting WIC checks for food items or for standard infant formula. Prohibited standard infant formulas include:

Similac Advance 20 cal /oz
Similac Isomil Soy 20 cal/oz
Similac Sensitive 19 cal/oz
Similac For Spit-Up 19 cal/oz
Similac Total Comfort 19 cal/oz

- i. The WIC Office will make every effort to match checks to packing, but where this is not possible Vendor must break package/case to complete the amount specified on the check.
- ii. If Vendor shall have any of the listed products offered for sale in a customer accessible location, Vendor shall display instructions informing WIC participants to redeem WIC checks for said products at the designated pharmacy WIC redemption site. Such instructions shall be legible and prominently displayed at the display location(s) of the product(s).

APPENDIX I

B. General Terms and Conditions

Article 1 - Parties to the Agreement

This Agreement is made by and between the Rhode Island Department of Health (hereinafter RIDOH), which has been authorized by the United States Department of Agriculture to administer the Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program) (hereinafter, WIC or Program) in Rhode Island, and the Vendor specified on the signature page of this Agreement and/or in WIC VENDOR APPLICATION -WIC 31 (hereinafter Vendor).

This Agreement does not constitute a license or a property interest.

Article 2 - Definition of Vendor (also referred to as Applicant or Applicant Vendor)

"Vendor" is defined as the business or any person, firm, corporation. Officer owner or manager or any entity who/which has or has had a controlling or partnership interest in, or managerial control of the business with respect to the business' WIC vendor application or re-application for participation in the Program, and in compliance with any Food and Nutrition Service (FNS) Program's rules, regulations or procedures.

The Vendor must meet the requirements stated in the Rhode Island Department of Health Special Supplemental Nutrition Program Plan of Operation and Administration and State Operations Manual.

Article 3 - Period of Performance

- (a) This Agreement shall be effective when signed by both parties on the date as specified in this Agreement on the front signature page and unless extended by RIDOH, shall expire on the termination date as specified in this Agreement's front signature page. It is understood and agreed by and between the parties that this Agreement covers participation by the Vendor for the period specified in this Agreement on the signature page.
- (b) Neither RIDOH nor the Vendor has an obligation to renew this Agreement. Authorization for any period subsequent to termination of this Agreement may particularly be withheld when the Vendor has failed to comply with the terms of this Agreement or with WIC Program rules and regulations, or procedures; or when there is evidence of violations or sanctions of or from any FNS Program pertaining to the Vendor; or when the Vendor has engaged in dishonest, unfair or deceptive business practices, or when the vendor fails to meet any applicable vendor selection criteria.
- (c) The expiration of authorization of this contract is not subject to appeal.
- (d) The Agreement may be authorized for a two year period or less. Vendor performance shall be the criteria by which the Agreement period shall be determined (See Vendor Policies V-1 & V-2). New Vendors shall receive an Agreement for one year or less to the end of the federal fiscal year (September 30). At RIDOH's sole option, a new Vendor may receive an extension of up to one year from the end of the prior contract period. Some existing vendors may receive a one-time extension of up to one year to expedite processing.

Article 4 - Authority and Severability

The Vendor agrees to abide by all State and Federal laws, rules, and regulations, and shall be subject to the regulatory authority of RIDOH. Nothing in this Agreement is intended to be contrary to State or Federal laws. In the event of conflict between terms of this Agreement and any applicable State or Federal law, that State or Federal law will supersede the terms of this Agreement. In the event of conflict between State and Federal law, Federal law will govern.

If any provision of this Agreement, or of any rules, regulations, policies, procedures or directives made or issued thereunder, shall be held invalid by a court of competent jurisdiction, the remainder of the Agreement and any rules, regulations, policies, procedures or directives issued thereunder shall not be affected thereby.

Article 5 - Nontransferability

This Agreement and the WIC Vendor Stamp is applicable solely to the originally contracted location and owner stated in this Agreement. This Agreement is nontransferable. This Agreement is automatically null and void if there is a modification or change of ownership, change of operations and/or control of the store or the Vendor ceases operations at the stated location. Also, if the ownership is under a "Purchase or Sales" Agreement, a temporary ownership, "trial" ownership, try out, etc. this agreement will become automatically null and void. The Vendor shall notify RIDOH in advance in writing, and return the Vendor Stamp, in the event of any such change. In the event of change of location, and/or no longer in control, this Agreement shall be null and void, unless it is amended by mutual written consent before the event occurs. The Vendor agrees not to accept WIC checks at any location other than that specified in this Agreement. The Vendor shall also notify RIDOH in writing of any change in the business name. If Vendor is a combined Grocery/Pharmacy, Vendor shall notify RIDOH in advance if either the Grocery or the Pharmacy operation ceases, and return the Vendor Stamp. In the event of such cessation of operation, WIC Vendor authorization or the ceased operation is terminated.

Article 6 - Termination of Agreement

- a) Either party may terminate this Agreement without cause upon thirty (30) days written notice. In the event of termination by either party, any property procured under this Agreement will, at the option of RIDOH, become its property. Notwithstanding the above, the Vendor will not be relieved of liability to RIDOH for damages sustained by RIDOH by virtue of any breach of this Agreement by the Vendor and RIDOH may withhold payment to the Vendor for the purpose of set off until such time as the exact amount of damages due to RIDOH from the Vendor is determined.

If the vendor has withheld, misrepresented or falsified any information required by the application process, the application will be denied and/or any subsequent Vendor Agreement relating thereto will be immediately rendered null and void, upon discovery.

If the vendor has participated in any actions which are violations of Program rules or accepted WIC checks prior to authorization, (in accordance with Vendor Compliance, V-4) the application will be denied and/or any subsequent Vendor Agreement relating thereto will be immediately rendered null and void, upon discovery.

The above mentioned thirty (30) day written notice notwithstanding, RIDOH expressly reserves the unilateral right to terminate this Agreement effective immediately upon notice to the Vendor that the funding underlying the participation of RIDOH has been limited or curtailed. Further, the Vendor agrees to hold RIDOH harmless from any and all liability that may arise under this Agreement and shall not be entitled to receive any compensation for revenues lost as a result of any termination.

- (b) The Vendor agrees that continued participation in the WIC Program is dependent upon the Vendor's maintenance of the required minimum inventory and upon the active distribution of WIC Allowed Foods. In the event that the Vendor's inventory and/or active distribution becomes reduced and/or insignificant, as defined by RIDOH, RIDOH reserves the right to review the Vendor's participation and to suspend or disqualify the Vendor from participation in the WIC Program.
- (c) The Vendor agrees that Vendor must be an *active* authorized Supplemental Nutrition Assistance Program (SNAP) vendor and must maintain such active authorization during the entire period of this Agreement, as a condition of WIC Program vendor participation and that if at any time the Vendor is not authorized to accept food benefits in the SNAP, this Agreement shall be null and void and Vendor's participation in the WIC Program shall be terminated effective on the date SNAP authorization stopped/ended and/or is ordered to stop accepting food benefits. Vendor shall remain terminated/disqualified from WIC participation until SNAP active authorization is restored, and Vendor applies for WIC authorization as a new vendor and meets all WIC Program Vendor Selection Criteria and is approved by RIDOH for WIC participation. Vendor agrees to notify the RIDOH WIC Office of any termination, disqualification or other loss of SNAP active authorization no later than the next business day following such end of SNAP authorization. If Vendor accepts WIC checks following end of SNAP active authorization, Vendor shall reimburse to RIDOH the monies received from RIDOH since the time the SNAP active authorization ended.

Vendor understands and agrees that in the event vendor is disqualified and/or remains under charges review from the SNAP, Vendor shall be disqualified from the WIC Program for the same length of time as the SNAP disqualification, and may begin at a later date than the SNAP sanction. This shall not be subject to administrative or judicial review under the WIC Program. If the Vendor is assessed a Civil Money Penalty (CMP) by the SNAP, the Vendor may be disqualified from WIC (See Article 8 below).

Vendor understands and agrees that in the event Vendor is disqualified from the WIC Program for the violations set forth in federal SNAP regulations 278.6,(e)(8) Vendor shall be disqualified from the SNAP for the same period of time as the WIC disqualification. This shall not be subject to administrative or judicial review under the SNAP Program(d). Notwithstanding provisions of this Agreement which require a thirty (30) day notice of termination, RIDOH reserves the right to terminate this Agreement immediately upon substantiation of violations of Program rules, regulations or terms of this Agreement.

- (e) With the exception of the above provision for immediate termination, either RIDOH or the Vendor may terminate this Agreement for cause after providing 15 days advance written notice.
- (f) The Vendor understands and agrees that violations of Program rules and procedures or the terms of this Agreement which demonstrate a management or company policy or pattern of operation or a failure of management by the owner or operator of the vendor which would indicate a potential for risk of vendor noncompliance by company owned or operated stores or other stores with substantial shared ownership (more than ten percent interest by any shared owner, or partner or shared management) may jeopardize the participation of other stores with the same owner(s), operator(s) or manager(s). Such violations shall be grounds for termination and or disqualification of the Agreement(s) or denial of participation of such other stores for the same length of time.
- (g) The Vendor understands and agrees that in the event Vendor becomes an Above 50% vendor (A50%V), according to vendor policy, the Vendor will be terminated from WIC program.

Article 7 - Suspension or Disqualification

RIDOH may suspend or disqualify the Vendor's participation for Program abuse or violations of Program rules, regulations and/or the terms of this Agreement, in accordance with the provisions of federal regulations set forth in 7 CFR 246.12 (k) and/or RIDOH WIC Program policies and procedures V-1 and V-4. Vendor shall reimburse to RIDOH the monies received from RIDOH since the time the violation started. A vendor shall not be entitled to receive any compensation for revenues lost as a result of disqualification.

In the event that the Vendor is sanctioned for abuse or violations, RIDOH will notify USDA of such sanction. Disqualification for WIC Program abuse as defined in Section 278.6(e)(8) of the SNAP Regulations shall result in withdrawal of SNAP authorization.

RIDOH may also notify the Rhode Island Lottery Commission of such sanction. The Lottery Commission may review the circumstances and determine if it should terminate authorization as a Lottery agent.

Article 8 - Vendor Integrity

Any disqualification, sentence, civil money penalty, settlement fine or other penalty or sanction existing, or imposed on or agreed to by the Vendor for the violation of the rules of any other USDA program will be grounds for appropriate sanction. Disqualification, under charges review, notice to stop accepting food benefits, removal or deletion from any USDA program, shall be grounds for termination of this Agreement. In the event Vendor receives a money penalty or probation RIDOH shall terminate this Agreement unless it determines that such termination is not in the interest of the effective and efficient administration of the Program.

If the Vendor is sanctioned by any local, state or federal authority for any violation of business or food delivery or government ethics laws, rules or regulations; or for violation of any law where the unlawful conduct of the vendor relates to the business, the operation thereof or the use of the business premises or poses a risk of harm to RIDOH, safety or welfare of any WIC enrollee, the Vendor shall be disqualified from WIC for at least the term of the sanction or sentence from such other authority. Where no sanction term is set for such violation, the Program may review the Vendor's participation, and terminate such participation if the violation is such that the Vendor would no longer be a benefit to the Program.

If evidence exists that the Vendor has committed acts which may be detrimental or pose a risk of harm to RIDOH, safety or welfare of any WIC enrollee (e.g. Sale of alcoholic beverages in exchange for WIC checks, illicit drug sale, presence of illicit drugs on premises, possession or use of dangerous weapons, threat of or committing physical violence against a customer or any WIC Program or RIDOH staff or official, etc.), or which compromises or attempts to compromise the ethical conduct of persons engaged in State Business, the Vendor's participation in the Program may be suspended pending a hearing on the case, based upon the evidence.

The Vendor shall not knowingly participate, directly or indirectly, in any scheme or design developed to circumvent or violate Program rules, regulations or the terms of this Agreement.

The Vendor agrees to correct any violation or abuse of the Program to the satisfaction of RIDOH. The Vendor shall notify RIDOH if any officer, owner, partner or manager, or the business, is sanctioned in any manner as described above or convicted of any felony in any jurisdiction.

Article 9 - Hearing

In the event of suspension, disqualification, or termination of the Vendor's participation under this Agreement, or denial of application to participate, the Vendor may request an administrative appeal to present information on its behalf. A RIDOH Hearing Officer in accordance with relevant provisions of Rhode Island General Laws, and applicable state and federal rules and regulations shall conduct said appeal. If the Vendor is not authorized to accept food benefits and/or participate in the SNAP, RIDOH shall disqualify Vendor from participation in the WIC Program. This shall not be subject to administrative or judicial review under the WIC Program

Article 10 - WIC Checks

RIDOH agrees to permit the Vendor to process WIC Checks, which have been accepted by the Vendor in accordance with the terms of this Agreement, and any directives of RIDOH. The Vendor agrees to deposit all WIC checks accepted only in the Vendor's account at the bank or similar financial institution of which the vendor has notified RIDOH and not to otherwise sell or transfer said checks.

RIDOH, however, reserves the right to direct the Vendor orally or in writing, by any RIDOH WIC Program employee or agent, to surrender any WIC checks in the Vendor's possession or control directly to RIDOH according to the time, place and manner determined by RIDOH, or its agent as needed for the effective and efficient administration of the Program, vendor monitoring, claims recovery or check review.

Article 11 - Allowable Costs

In executing this Agreement, the Vendor is serving as an independent contractor under a Federal contract between the Federal Government and RIDOH. The Vendor specifically agrees to abide by all applicable Federal requirements for vendors and independent contractors receiving Federal funds, including, but not limited to, those requirements set forth or referenced in the master grant or contract relating to this Agreement and in the following documents which are incorporated by reference hereto: 45 CFR Part 74, Administration of Grants; and OMB Circular 102, Uniform Administration Requirements for Grants-In-Aid to State and Local Governments; and 7 CFR Part 246, Special Supplemental Nutrition Program for Women, Infants, and Children, and the State Plan for the WIC Program.

State or local taxes on items purchased with WIC checks are not allowable costs.

Article 12 - Payments

All payments are provisional pending final audit by appropriate State or Federal officials. The Vendor agrees to be liable for audit exceptions that may arise from examination of expenditures or redemptions claimed by the vendor.

Article 13 - WIC Vendor Stamp

- (a) RIDOH shall furnish the Vendor with one (1) WIC Vendor Stamp for each vendor class covered under this Agreement which shall contain the Vendor's assigned number for each class and shall be used to validate WIC Checks. The WIC Vendor Stamp(s) shall remain the property of RIDOH.
- (b) RIDOH agrees to notify its bank that the Vendor's assigned number(s) is valid in order that checks submitted by the Vendor may be processed for payment. The Vendor agrees to use the WIC Vendor Stamp only for checks accepted by Vendor during the period of performance stipulated on the Signature page of this Agreement.
- (c) The Vendor agrees to use any WIC Vendor Stamp in compliance with relevant provisions of this Agreement. No use of any stamp other than that referred to herein, will be permitted.
- (d) The Vendor agrees to notify RIDOH immediately if a stamp is lost or stolen.
- (d) The Vendor agrees to surrender any WIC Vendor Stamp to RIDOH on demand, and shall deliver or arrange for

delivery of the stamp to RIDOH office, at the Vendor's expense, in accordance with the instructions of RIDOH. Notwithstanding any other provisions of this Agreement, refusal to surrender any WIC Vendor Stamp will be grounds for immediate termination of this Agreement. The Vendor also agrees to so surrender any stamp upon termination of this Agreement, as instructed by RIDOH.

- (e) Any duplication, sale, loan, transfer, sale agreement or allowed use of the WIC Vendor Stamp, or its assigned number, or any facsimile thereof by any party other than the original Vendor to whom the stamp and number are assigned shall be grounds for immediate termination of this Agreement. Any checks accepted during this period of time will be denied payment and/or will be subject to claim reimbursement.
- (f) The Vendor agrees that any use of the stamp or number assigned to the original contracted Vendor, accepted at any location other than the Vendor location as specified on this Agreement signature page shall be grounds for immediate termination of this Agreement.
- (g) The Vendor agrees that any use of any WIC vendor stamp duplication or facsimile or number not assigned to this vendor to process WIC checks shall be grounds for immediate termination of this Agreement.
- (h) If Vendor is a combined Grocery/Pharmacy, Vendor shall stamp any and all WIC checks redeemed at the Pharmacy checkouts with the designated Pharmacy WIC Vendor Stamp.

Article 14 - Interest of Vendor

- (a) The Vendor covenants that it presently has no pecuniary interest and will not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The Vendor further covenants that, in the performance of this Agreement, no person having any such interest will be employed.
- (b) The Vendor agrees that the Vendor, or any employee or whole or partial owner thereof, shall not perform as the authorized alternate shopper or proxy for any WIC participant.
- (c) The Vendor is not owned, in whole or substantial part, or controlled by a State or local agency official employed in or administering the WIC Program, in whose service area the Vendor is located.
- (d) Vendor shall never advertise WIC retail food or pharmacy operations/services on the property of or sidewalk bounding a local WIC Program, clinic or site.
- (e) Vendor shall never advertise, promote, or identify retail food or pharmacy operations/services to the WIC Program or, a local WIC Program clinic or site or, except for simple statements of WIC authorization and WIC check acceptance, to WIC clients or the public.
- (f) Vendor shall respond to the application offer for re- authorization in the WIC Program for the following fiscal year, within the allowed period time specified on the application package in order to be considered to be re-authorized.

Article 15 - Copyright

No reports or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Vendor.

Article 16 - Publicity

The Vendor shall give due credit to RIDOH and appropriate Federal or State agencies. RIDOH shall be credited on all media announcements, billboards, and materials produced or developed under the scope of this Agreement.

Article 17 - Civil Rights and Non Discrimination

- (a) The Vendor agrees to abide by applicable provisions of Title VI of the Civil Rights Act of 1964, as amended, and all requirements imposed by the regulations of USDA (7 CFR Part. 15, et seq.); Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975 (P.L. 94-135, Title III); all other applicable Federal and State Laws and Executive Orders relating to equal employment opportunities; and the WIC State Plan of Operation and Administration.
- (b) The Vendor asserts that no person shall on the grounds of race, color, ancestry, national origin, religion, sex,

age, or handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activities undertaken on behalf of this Agreement. In addition, the Vendor agrees to establish a procedure for complaint from any person who believes that such discrimination is being practiced relating to this Agreement.

Article 18 - Federal Funding

Other conditions of this Agreement notwithstanding, it is understood and agreed by the Vendor that funds payable to the Vendor under this Agreement are derived from Federal sources. The master grant made to RIDOH by the Federal Government governing activities under this Agreement is, therefore, made a part of this Agreement.

Article 19 - Modification of Agreement

The Vendor agrees to adhere to any and all such provisions, requirements or obligations as may subsequently be imposed by statute or regulation or by the appropriate State or Federal authority, and any such provision, requirement or obligation is made a part hereof as amendment(s).

This Agreement may also be amended by mutual written consent.

Article 20 - Penalties for Fraud or Abuse

A vendor who commits fraud or abuse of the program is liable to prosecution under applicable Federal, State or local laws. Under 246.18 of the regulations, those who have willfully misapplied, stolen or fraudulently obtained WIC funds of over \$100 shall be subject to a fine of not more than \$11,000 or imprisonment for not more than 5 years or both, if the value of the funds is \$100 or more. If the value is less than \$100, then the penalties are a fine of not more than \$1,000 or imprisonment for not more than 1 year or both.

Article 21 - Confidentiality

The vendor agrees not to disclose information about Program participants except to persons directly connected with the administration or enforcement of the Program.

APPENDIX II

Work Program Specifications

A. Functions and Responsibilities of the Vendor

Article 1 - Inventory

- (a) RIDOH reserves the right to review the Vendor's inventory and pricing of WIC foods to determine:
 - 1) the Vendor's eligibility to participate in the WIC Program and to enter into this Agreement and
 - 2) the continued participation of the Vendor in the WIC Program.
- (b) The Vendor agrees to provide the required WIC foods as stipulated in Federal and State regulations and directives and to maintain the inventory of foods for purchase by recipients in accordance with the most current WIC Allowed Foods list and WIC Vendor Minimum Inventory Requirements in effect.

Article 2 - Training and Vendor Responsibility for Employees

- (a) The Vendor agrees that the Vendor, the manager of the store, store staff and/or an authorized representative approved by RIDOH, shall participate in WIC training programs, as directed by RIDOH, and shall not have more than two (2) opportunities per request, as scheduled by RIDOH. A Vendor designated by RIDOH as either high volume or at potential for risk shall participate in additional training programs. Failure to participate in such training shall be grounds for termination of this Agreement. Active WIC vendors shall have up to two times to comply with WIC's training request.
- (b) The Vendor shall inform, train and monitor Vendor staff on Program requirements and the Vendor shall be accountable for actions of any persons engaged in the redemption, handling and processing of WIC checks or provision of supplemental foods on behalf of the Vendor.
- (c) The Vendor shall designate a person on site at all times to cooperate, provide information, records, and WIC checks and to participate in vendor monitoring related on site training.

Article 3 - Check Redemption Terms

The Vendor agrees to redeem and process WIC checks only in accordance with the following terms:

- (a) The Vendor shall not give cash or credit or rain check type privilege for WIC checks; nor shall the Vendor exchange for cash or credit or rain check type privilege any items purchased with WIC checks.
- (b) WIC checks may not be accepted before the first date to use date printed on the face of the check. WIC Checks may not be accepted after the last day to use date printed on the check.

All checks must be deposited on or after said first day to use date and prior to sixty (60) days from said date.

- (c) The Vendor must honor any WIC check, which specifies foods the Vendor is required to stock by the Vendor Minimum Inventory Requirements policy for the food quantities specified. Vendor may not provide less food than specified unless the WIC shopper so chooses freely and voluntarily.

The Pharmacy Vendor must only honor WIC checks with items from the WIC Exempt Formula and Medical Food List.

- (d) Only the WIC Allowed or Current Contract Brand Foods and amounts as authorized by RIDOH and specified on the face of the WIC check may be provided. The vendor must honor any WIC check, which specifies any WIC Allowed Food available in the store, as chosen by the participant. Retail grocers, however, may not accept WIC checks, which specify Special Infant Formula without express written authorization from RIDOH. Quart containers of milk may only be sold if required by the amounts specified on a check.
- (e) All recipients and authorized shoppers must be required to present a valid current WIC identification card or check folder. The Vendor agrees to only accept a WIC check from the named recipient (payee) or alternate shopper as listed on the WIC identification card or check folder.
- (f) The Vendor agrees not to accept checks which have been signed before the Vendor enters the price, or checks altered in any way, nor to alter a check in any way, except as set forth below.

- (g) The total shelf price, or less, of WIC foods actually purchased must be entered in the presence of the recipient, and prior to requiring the recipient to sign the WIC Check.
- (h) The recipient or alternate shopper shall be required to sign the WIC Check in the presence of the store clerk at the time of purchase, and the Vendor shall verify the validity of the signature.
- (i) RIDOH WIC Program will establish a Maximum Allowable Price (MAP) for each WIC approved item for each peer group, which the vendor may not exceed.
- (j) WIC Allowed Foods may only be exchanged for the same type, brand, and package size of WIC Allowed Foods (ex. spoiled product). If it is the policy of the Vendor is to require a receipt for exchange of any purchases from the Vendor, the Vendor agrees to give the WIC recipient a register receipt or other receipt on which food items purchased with WIC Checks are clearly identified and to require presentation of said receipt for any attempted exchange. The receipt shall bear the date of purchase.

The Vendor shall ensure that food items from WIC transactions are not accepted for return for cash, credit or other merchandise.

- (k) The Vendor shall enter the WIC authorization stamp in the block provided on the face of each WIC Check with black ink, before depositing checks for payment. The entry shall be legible in the judgement of the WIC checking account bank.
- (l) The Vendor shall not accept any WIC Checks during any period of suspension or disqualification and/or after termination of this Agreement. RIDOH may refuse to honor or reimburse any WIC Check accepted during any such period.
- (m) The Vendor understands and agrees that, in the event of the Vendor's suspension, disqualification or termination from the WIC Program, or in the event that Federal funds are withdrawn or reduced, or if in the determination of RIDOH it becomes necessary for the proper management of the WIC Program, RIDOH may require the Vendor to deposit any and all WIC Checks in the Vendor's possession for payment within a five (5) day period. RIDOH shall give written notification of such requirement to the Vendor.
- (n) The Vendor shall make no alteration of a check, which leads, or could lead, to an improper redemption, nor enter a signature in lieu of the recipient. Price changes to a higher amount are allowed only when done in accordance with Program instructions and signed by the WIC participant.
- (o) The Vendor shall notify RIDOH of any irregularities in the use of WIC checks by recipients.
- (p) The Vendor can combine only "Fruits and Vegetables" checks as one transaction and WIC participants can pay the difference if the value of purchased fruits/vegetables is more than the value of checks. The Vendor, however, cannot pay cash back on any WIC transactions.

Article 4 - Fiscal Terms

- (a) The Vendor shall charge only for WIC Allowed Foods received by the recipient only, and for the types and up to the quantities specified on the check, except as noted in (c) and (e) below.
- (b) The Vendor shall not require recipients to pay in cash for any WIC purchases or portion thereof nor seek restitution from participants for WIC checks not paid or partially paid by RIDOH or its fiscal contracted bank of issuance. The Vendor shall make no transfer of cash, goods or credit in the form of change from the WIC check.

Only for "Fruits and Vegetable" checks, recipient may pay the difference in excess of the value of the check. Only "Fruits and Vegetable" checks can be combined into one transaction.

- (c) The Vendor agrees to provide supplemental foods at the current price or at less than the current price charged to other customers. The Vendor further agrees not to charge more than the "shelf" or "sale" price for the WIC Allowed or Contract Brand foods, whichever is less; nor charge more than the said current price for the Allowed or Contract Brand food and quantity listed on the check and provided to the recipient. The value of coupons and discounts shall be deducted from the price entered on the check.

Free bonuses - Should a Vendor and/or a manufacturer offer a "buy one/get one free", "buy one, get something

else free or an amount of money off something else”, the store shall honor the WIC check in the “buy” portion of the offer. Whatever other items, products, discount on other items or products, extra quantities, or other promotions are being given is a manufacturer, chain, or store cost and is not considered as part of the participant’s WIC transaction with the Vendor. This applies even if the free item exceeds the quantity on the check or if it is a non-WIC item. If the vendor uses store cards for special prices, offers or discounts, the vendor MUST KEEP an extra card available at the register to use for purchases of WIC shoppers who does not have a card. The Vendor shall honor the coupon or offer as described above. This shall be consistent with (c) above and Article 5(e) below.

- (d) The Vendor agrees that charges for WIC foods shall not be excessive, as compared with those charged by all other Rhode Island WIC vendors. Vendor further agrees that, except for infant formula, the Vendor shall not exceed the lesser of 15% above the average price charged by all other vendors or 10% above the average price charged by vendors in the same vendor peer group (regardless of type, brand or weight or volume per item provided) for any WIC food, food group or combination of foods on any WIC food package(s) or check type(s), as disclosed by WIC Program redemption or vendor price records.

In addition to the above, the vendor agrees not to charge more for infant formula than the lesser of the above or 115% of the manufacturer's 75 case wholesale price. The Vendor agrees to reduce prices for WIC food sales, which exceed these standards when, directed to do so by RIDOH.

The Vendor is solely responsible for the business operation function of determining competitive prices, which are not excessive, in relation to other food retailers, for WIC foods. It is not the responsibility of RIDOH to provide information about prices charged by other vendors.

- (e) The Vendor agrees to maintain the selling price to cost price ratio (i.e., "mark-up" amount added to cost price to determine the selling price) for WIC Allowed or Contract Brand food items at a level equal to or less than the ratio (i.e., "mark-up") for similar non WIC Allowed or Non Contract Brand food items (Example: A Non Contract brand of infant formula is considered similar to the Contract brand of the same approximate container size, base ingredient (milk or soy) and form (powder, concentrate etc).

Exceptions to this article and (c) above shall be allowed only for manufacturer or producer required or subsidized special promotions for manufacturer or producer specified items and/or period of time.

- (f) Subject to the notice, review and appeal provisions of WIC Vendor Policies V-4, Vendor Compliance, and V-11, Vendor Reimbursement For Checks Not Processed, the Vendor agrees to refund to RIDOH any amount determined by RIDOH to be an improper charge with respect to the Program's rules, regulations, or operating procedures. RIDOH may deny payment to the Vendor for improper food instruments or may demand refunds for payments already made on improper food instruments or may offset future payments to the Vendor for the amount of the claim or may enact an Automated Clearing House (ACH) debit against the Vendor's bank account. The Vendor shall submit any WIC checks requested by RIDOH for prepayment review or adjustment for purposes of offset. An adjusted ACH Reimbursement or Payment Credit to the vendor's depository bank will be initiated if a WIC check is submitted for payment above the current MAP for that check based on the vendor's peer group minus any related fees incurred by the WIC Program.

If the price, in the judgment of the WIC Program, is correct, proper and reasonable, reimbursement of the amount deemed proper will be made. WIC will also determine if five dollars (\$5.00) will be deducted from the value of each reimbursement based on appropriateness of vendor's redemption procedures.

- (g) Subject to said WIC Vendor Policies, the Vendor shall reimburse RIDOH, or RIDOH may enter an ACH debit, for all bank fees and charges and such other reasonable costs incurred by RIDOH stemming from improper check redemption and/or deposit practice.
- (h) The Vendor shall not knowingly accept or process a WIC check from any party other than an authorized WIC payee or alternate shopper entitled to the check, and who presents the check at the location specified on the signature page of this Agreement.
- (i) The retail price charged to the general public and any lower price charged the WIC Program must be displayed on each item or in a location in clear view of customers.
- (j) The Vendor shall be responsible for reviewing WIC checks which have been accepted to make certain that the total cost on any check does not exceed the lesser of the posted shelf, or "sale" prices of the prices charged to non-WIC customers.

Article 5 - General Provisions

- (a) The vendor shall maintain full and complete records related to the vendor's participation in the WIC Program. Such records shall include, but are not limited to, price, inventory, delivery, cost or payment related records for WIC allowed foods and similar non WIC allowed food items and monthly and annual total food sales. Such records shall be retained for a minimum of three years following the date of submission of any WIC check to which the records pertain. If any litigation, claim, negotiation, audit or other action involving the records has been started before the end of the three year period, the records shall be kept until all issues are resolved, or until the end of the regular three year period, whichever is later.
- (b) The Vendor shall provide to RIDOH and WIC Program officials access to any and all records described above. Inventory invoices must be maintained for all WIC food purchases and include at a minimum the date of purchase, the seller, the WIC vendor who made the purchase, the quantity and type of WIC food purchased, unit price, net price, and any discount, credit or additional charges.
- (c) The Vendor must make available to the WIC Program any WIC checks in its possession or control, and any information related thereto or authorize any bank in which the Vendor has deposited them to provide inspection and/or copying thereof, and any information related to WIC check deposits, returns or other WIC related account activity.
- (d) The Vendor shall make available for inspection a current health inspection report or, if a pharmacy, a Pharmacy License, issued by RIDOH.
- (e) The Vendor shall offer WIC participants the same courtesies as offered to other customers. This shall include, but not be limited to, honoring manufacturer or store coupons or free offers as long as a WIC item and quantity is part of the purchase. (See Articles 4 & 6 above.)

Article 6 - Inspection

- (a) The Vendor agrees to cooperate with Program officials in all matters related to monitoring the Vendor's compliance with Program rules or regulations or the terms of this Agreement or to Program vendor management activity.
- (b) The Vendor agrees to allow on-site inspections and monitoring at any and all times by Rhode Island Department of Health personnel, its designate(s), and Federal officials and to provide access to any information, WIC checks and records related to the vendor's participation in the WIC Program and to permit the copying of any such records.
- (c) The Vendor agrees to maintain and have available for inspection a copy of this Agreement and notices, procedures, and letters pertaining to the WIC Program, at the location specified on this Agreement signature page.
- (d) Neither the Vendor nor any employee, staff or agent shall misrepresent, falsify, or withhold any information, WIC checks or records needed by RIDOH to assess, review, or monitor the Vendor's participation or operations with respect to the WIC Program.

B. Functions and Responsibilities of RIDOH

Article 1 - Policy

RIDOH shall provide Vendors with information pertaining to Vendor related requirements, responsibilities, policies, procedures, and changes thereof.

Article 2 - Technical Assistance

RIDOH shall, at its option, or upon request of the Vendor as determined appropriate by RIDOH, send RIDOH staff to provide technical assistance to the Vendor.

Article 3 - Fiscal Responsibility

RIDOH shall ensure that WIC checks, properly completed by the Vendor, will be processed for payment through the banking system, or RIDOH may enter an ACH credit to Vendor's bank account for the proper value of any WIC check; RIDOH shall validate the Vendor's assigned number and WIC Vendor Stamp.

Article 4 - State - Federal Cooperation

In compliance with Federal and State laws and regulations, RIDOH shall make effort to ensure that the Vendor complies with all FNS or WIC Program rules, regulations and policies and RIDOH shall, upon discovery of irregularities or determination of abuse, notify appropriate State and Federal agencies of the facts, when RIDOH deems it appropriate. In the event of prosecution of the Vendor by the State and/or Federal officials, RIDOH shall make any relevant files, records etc. available to prosecutors.

Other Documents and materials

The following documents were communicated to vendors and are available at our Website: <http://www.health.state.ri.us/programs/wic/vendor/> and therefore, is part of this Agreement:

1. WIC PROGRAM Vendor Application for the period of this Agreement.
2. Any WIC PROGRAM Vendor Price List submitted in connection with this Agreement or in applying for this Agreement; prior to or during this Agreement.
3. WIC PROGRAM Vendor Application/Reapplication Instructions issued by RIDOH in connection with applying for this Agreement.
4. WIC PROGRAM Vendor Policies:
5. Bulletins & Forms
 - ✓ Bulletin 2017-1 Infant Food Contract – Beech-Nut
 - ✓ Bulletin 2017-2 Above 50% Vendor no longer authorized
 - ✓ Bulletin 2017-3 Vendors offering Incentive Items
 - ✓ Bulletin 2017-4 Submitted Prices
 - ✓ Bulletin 2017-5 WIC Antifraud Law
 - ✓ Bulletin 2017-6 Manufacturer/store coupon/Loyalty Cards
 - ✓ Bulletin 2017-7 Least Expensive Brands
 - ✓ Bulletin 2017-8 Competitive Prices
 - ✓ Bulletin 2017-9 WIC Secret Shopper
 - ✓ Bulletin 2017-10 Rejected Check Submissions Instructions
 - ✓ Bulletin 2017-11 Regular Formula & WIC Exempt Formula and Medical Food
 - ✓ Bulletin 2017-12 Illegible Vendor Stamp – Return reason
 - ✓ Bulletin 2017-13 SNAP Reciprocal Disqualifications
 - ✓ Bulletin 2017-14 Farmers Mkt Cks-Not to accept
 - ✓ Minimum Inventory Requirements
 - ✓ Rhode Island WIC Approve Food Guide
 - ✓ Insert for updates to RI WIC Approve Food Guide