



TENNESSEE DEPARTMENT OF HEALTH  
DIVISION OF FAMILY HEALTH AND WELLNESS  
WIC VENDOR AGREEMENT  
FOR 2014 - 2016

TENNESSEE DEPARTMENT OF HEALTH

and

\_\_\_\_\_ (vendor name)

for

AUTHORIZATION TO PARTICIPATE IN THE TENNESSEE WIC PROGRAM

WHEREAS, the Tennessee Department of Health and \_\_\_\_\_ (Vendor Name) desire to enter into an agreement beginning on \_\_\_\_\_ (Month, Date, Year) relating to participation in the Tennessee WIC Program.

NOW, THEREFORE, the parties hereby agree as follows:

I. THE TENNESSEE WIC PROGRAM AGREES:

- (1) to reimburse authorized vendors for Food Instruments (FIs) and Cash Value Vouchers (CVVs) properly negotiated according to this agreement and the WIC Vendor Handbook with the exception that Automated Clearing House (ACH) payments will be paid up to the allowed maximum dollar amount for FIs and CVVs transacted above that amount;
- (2) to provide annual training and updated materials to at least one representative of the vendor to support their proper participation in the WIC Program;
- (3) to supply WIC Program changes to the vendor in writing; and
- (4) to use the same standards for vendor participation in the WIC Program for everyone regardless of race, color, national origin, age, disability, sex, gender identity, religion and reprisal..

II. THE VENDOR AGREES:

- (1a) to stock sufficient quantities of approved foods which are not all displayed separately from other staple foods and as defined by the mandatory minimum stock requirement, as presented in the WIC Vendor Handbook, that are within the manufacturer's product eligibility dates and visibly priced as defined in clause (3a) of this section at the time FIs and CVVs are transacted. When multiple sizes of the same food category are allowed, an attempt is to be made to stock at least one product of the maximum allowed size;
- (1b) to purchase infant formula by selecting from a list of wholesalers, distributors, and retailers licensed in the State and formula manufacturers registered with the Food and Drug Administration (FDA), as clarified in the WIC Vendor Handbook and to provide proof upon request;
- (2a) to provide only approved foods as specified on the FIs and CVVs except as pertaining to clause (15a) of this section; presented only by program participants; only at the time of the transaction at the vendor's authorized location, and not to provide cash or credit (including rain checks) in exchange for FIs and CVVs;

- (2b) to not allow refunds or exchanges for approved foods provided, except exchanges for food items that are defective, spoiled, or exceed their sell/use by date and only for the exact same brand, type and size approved food item obtained and returned;
- (3a) to charge the WIC Program for approved foods at the current price or less than the current price charged to all other customers, except that sales tax shall not be charged for approved foods. Current prices shall be marked on the item or shelf or in a clearly visible location;
- (3b) to not charge the WIC Program for approved foods not received by program participants.
- (4) to have prices competitive with and not exceed the average shelf price of other vendors in the same peer group and market area by more than fifteen percent (15%);
- (5) to properly transact and complete FIs and CVVs on the vendor's premises during their valid month, to submit FIs and CVVs for redemption within thirty (30) days from the last day valid, to abide by procedures of the WIC Program and WIC Vendor Handbook, in order not to abuse, misuse, or defraud the WIC Program;
- (6) to properly train and inform store employees of the firm's obligations to the WIC Program, to be accountable for the actions of owners, officers, managers, agents, and employees, and to have in place an effective policy and program to prevent trafficking, which is the exchange of FIs and CVVs for cash, and, in addition, the vendor agrees to accept training offered by the WIC Program;
- (7) to allow any authorized WIC Program representative to inspect FIs, CVVs and all program related records on hand at any reasonable time and place at the discretion of the WIC Program and to withhold deposit of FIs and CVVs for a period not to exceed seven (7) days upon request of an authorized WIC Program representative;
- (8a) to produce, upon request of an authorized WIC Program representative, bills of lading or invoices for a period not to exceed the previous ninety (90) days and/or pertinent inventory records used for federal tax reporting purposes, as proof of purchase of merchandise represented as being provided to program participants by redeemed FIs and CVVs. These records shall be original on commercially printed invoice and/or receipt paper, readable and presented in a logical way;
- (8b) to produce upon request of an authorized WIC Program representative, annual food sales information based on sales of all the USDA Supplemental Nutrition Assistance Program (SNAP) eligible foods as clarified in the WIC Vendor Handbook;
- (9) to accurately complete and return the WIC Grocer Price Report by the fifth day of the reporting period, and to update price changes, both increases and decreases, as necessary;
- (10) to have available the current WIC Food List at all registers, and to post other applicable materials at the request of an authorized WIC Program representative;
- (11a) to participate in USDA SNAP and acknowledge that the WIC Program shall disqualify a vendor who has been disqualified from USDA SNAP, and there shall be a Civil Money Penalty (CMP) imposed in lieu of disqualification due to inadequate participant access when solely determined by the WIC Program; voluntary withdrawal from USDA SNAP shall result in termination of the WIC Vendor Agreement;
- (11b) to acknowledge that a CMP imposed by USDA SNAP in lieu of disqualification due to inadequate participant access may result in disqualification from the WIC Program;
- (11c) to acknowledge that disqualification from the WIC Program may result in disqualification as a retailer in USDA SNAP, and such disqualification may not be subject to administrative or judicial review under USDA SNAP;
- (12a) to acknowledge that the WIC Program shall permanently disqualify a vendor convicted of trafficking in FIs and CVVs or selling firearms, ammunition, explosives, or controlled substances, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802), in exchange for FIs and CVVs, and that a vendor shall not be entitled to receive any compensation for revenues lost as a result of such violations;
- (12b) to acknowledge that, upon one incidence of investigative finding of trafficking, the WIC Program shall disqualify a vendor for trafficking in FIs and CVVs or selling firearms, ammunition, explosives, or controlled substances, as defined in (12a) above;
- (12c) to acknowledge that, upon one incidence of investigative finding of illegal sales, the WIC Program shall disqualify a vendor for conducting illegal sales, which is the exchange of FIs and CVVs for alcohol, alcoholic beverages, or tobacco products;

- (13) to not charge Program participants or attempt to seek reimbursement from Program participants for FIs and CVVs not paid or partially paid by the WIC Program;
- (14) to acknowledge that Program participants may not be discriminated against based on race, color, national origin, sex, age, or disability;
- (15a) to provide suitable hours, visibly posted and adhered to, and environment for participant access, and to offer Program participants any courtesies offered other customers, including, but not limited to: bonus cards, cents off coupons, multiplying of coupon values, and additional products for free;
- (15b) that vendors deriving more than fifty (50) percent of their annual food revenue from WIC FIs are prohibited from offering incentive items to WIC participants and if found violating this provision shall not receive payment from the WIC Program, as clarified in the WIC Vendor Handbook;
- (16) to serve as or to designate a responsible contact(s) person for this establishment's WIC Program procedures and to inform the WIC Program of management changes;
- (17) to authorize the Tennessee Department of Revenue to disclose the vendor's revenue figures, as applicable to the collection of sales tax, to the WIC Program for the purpose of administering the WIC Program;
- (18) to grant the WIC Program the right to collect any claims (due to overcharges), as assessed in the negotiation of a FI or CVV due to error, negligence, or fraud;
- (19) to declare that all of the statements in this agreement are true and correct, and to not intentionally provide false information on the WIC Grocer Price Report;
- (20) to notify an authorized WIC Program representative of changes of name, location, ownership, management, and business structure or ending of operations;
- (21a) to acknowledge that patterns of non-compliance with clauses (2a), (2b), (3a), (3b), and (18) of this section of this agreement shall result in disqualification from the WIC Program. (The vendor shall be warned following the first act of non-compliance, unless such notification would compromise an investigation or as further clarified in the WIC Vendor Handbook);
- (21b) to acknowledge that non-compliance with clauses (1a), (4) through (8b), (13) through (15b) and (19) of this section of this agreement may result in disqualification from the WIC Program. (The vendor shall be warned following the first act of non-compliance that could result in a pattern of non-compliance, unless such notification would compromise an investigation or as further clarified in the WIC Vendor Handbook.);
- (22) to comply with this agreement and federal and state statutes, regulations, policies, and procedures governing the WIC Program, including changes made during the agreement period;
- (23) to comply with the vendor selection criteria throughout the agreement period, including any changes. Using current criteria, the WIC Program may reassess the vendor at any time during the agreement period and terminate the agreement if the vendor fails to meet the current criteria; and
- (24) to acknowledge that decisions regarding sanctions resulting from violations of the WIC Program are based on the Vendor Sanction Procedures as presented in the WIC Vendor Handbook.

### III. BOTH PARTIES AGREE AS FOLLOWS:

- (1) This agreement shall be terminated, if ownership of the vendor's business changes, if the WIC Program identifies a conflict of interest as defined by applicable state laws, regulations, and policies, between the vendor and any WIC Program staff, or may be terminated by either party for negligence, fraud, abuse, violation of the agreement, or for any other reason after providing not less than fifteen (15) days advance notice, unless otherwise stated within the WIC Vendor Handbook.
- (2) This agreement shall be immediately terminated, if it is determined that the vendor has provided false information on the Vendor Application for Authorization to Participate in the Tennessee WIC Program.
- (3) The vendor agreement does not constitute a license or a property interest as clarified in the WIC Vendor Handbook.
- (4) A vendor who commits fraud or abuse of the Program is liable to prosecution under applicable Federal, State or local laws. Under Section 246.12 of the federal regulations, those who have willfully misapplied, stolen or fraudulently obtained WIC Program funds shall be subject to a fine of not more than \$25,000 or imprisonment for not more than five (5) years or both.

- (5) The WIC Program has the sole right to determine if inadequate participant access exists and impose a Civil Money Penalty (CMP) in lieu of disqualification regarding clauses (12a), (12b), (12c), and (21a) of "THE VENDOR AGREES" section, except where sanctions are issued for the third or greater time.
- (6) The WIC Program has the sole right to determine if inadequate participant access exists and impose a CMP in lieu of disqualification regarding clause (21b) of "THE VENDOR AGREES" section.
- (7) There shall be a CMP imposed in lieu of disqualification regarding clause (12a) of "THE VENDOR AGREES" section, when the vendor had an effective policy and program to prevent trafficking at the time of the violation and the vendor must also not have been aware of, did not approve of, and were not involved in the conduct of the violation.
- (8) The WIC Program shall ensure the vendor the right to request a hearing or administrative review from the State on actions they disagree with affecting their ability to participate in the WIC Program, except for expiration of this agreement, disqualification as a result of USDA SNAP disqualification, and WIC Program decisions regarding participant access.
- (9) The WIC Program shall undertake appropriate monitoring, auditing, and review of the vendor at least twice a year.
- (10) The WIC Vendor Handbook is part of this agreement and is incorporated by reference.
- (11) This agreement shall be considered amended upon notice from the WIC Program, should federal or state laws or regulations require or permit amendments.

NOW, THEREFORE, I have read and do understand and agree to the above terms and conditions. The undersigned represents that he/she is either the sole proprietor of the firm or is legally authorized to enter in this agreement on behalf of the ownership of the firm.

Signature of WIC Vendor or Designee	Title	Date
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Signature of Regional Office Designee	Title	Date
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THIS AGREEMENT STARTS \_\_\_\_\_ AND ENDS SEPTEMBER 30, 2016.  
Date

Owner	Manager	WIC Contact Person
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Street Address	City	State	Zip Code
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Phone Number	VENDOR STAMP:
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