DEFINITIONS

"Administrative Appeal" means a formal proceeding where a vendor who has received a notice of adverse action from the Department has the opportunity to present his or her case in an impartial setting and be heard by the Department.

"**Annual Training Requirements**" means the document published by Department describing the annual training requirements for authorized vendors and their employees. The document is available on the Department website at http://www.doh.wa.gov and upon request from the Department.

"Approved Product List (APL)" means the electronic list identifying the food items approved by the Washington WIC Program for purchase with WIC benefits. Each approved food item is identified in the APL by food category, food subcategory, and either a UPC or PLU.

"Automated Clearing House (ACH)" means the nationwide electronic network for financial transactions. It includes credit and debit transactions as well as direct deposit of payroll and payments to vendors.

"CFR" means Code of Federal Regulations.

"Cash Value Voucher" or **"CVV",** also known as **"Cash Value Benefit"** or **"CVB",** means a WIC food instrument used by a participant to obtain fresh or frozen fruits and vegetables.

"Civil Monetary Penalty" or **"CMP"** means a monetary fine the Department may levy in lieu of disqualification for noncompliance with program requirements.

"Compliance Buy" means a covert, onsite investigation in which a representative of the Department poses as a participant, parent, or caretaker of an infant or child participant, conducts one or more WIC Card transactions, and does not reveal during the visit that he or she is a program representative.

"Confidential Information" means information that must be kept confidential per 7 CFR 246.21 and 7 CFR 246.26, or is exempt from disclosure per chapter 42.56 RCW and other state or federal statutes and regulations.

Contract" means this agreement, which, once completed and signed by both parties, is the written legal document binding a vendor and the Department to designated terms and conditions and authorizes the WIC vendor to accept WIC transactions.

"Contracting Officer" means the Department's Contract Administrator and his/her delegates authorized to execute this agreement on behalf of the Department.

"Contractor" means the WIC vendor, sole proprietorship, partnership, cooperative association, corporation, firm, organization, individual or other entity party to this contract. The term includes any store location, employee, agent, or any person acting under the authority of the Contractor as permitted under the terms of this agreement.

"Current Shelf Life" or "Pull Date" or "Use By Date" means a date and code printed on an item that indicates its best quality. This date shows when a product must be either sold by or pulled from a store shelf.

"Department" means the Washington State Department of Health (DOH).

"Disqualification" means the act of revoking the authorization and terminating the contract of an authorized vendor for a specific period of time or permanently for noncompliance with WIC program requirements.

"Electronic Benefit Transfer (EBT)" means a system that permits electronic access to WIC approved food benefits using a card approved by the WIC Program.

"eWIC" means WIC EBT.

"WIC Card" means a payment instrument with a magnetic stripe used to perform a series of real time transactions between the POS device at the WIC Vendor site and the card issuer processor to approve the WIC transaction.

"eWIC Capable" means the vendor can demonstrate their capability through either their own multi-functional equipment or through use of single-function equipment, also known as a stand-beside system, to:

- accurately and securely obtain and provide to the WIC participant information on any food balances associated with an WIC Card;
- successfully obtain and regularly maintain the WA WIC APL;
- successfully complete WIC Card purchases; and
- successfully transmit claim files to the eWIC processor.

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"WIC Cardholder" means a person authorized to use a WIC Card to purchase food and infant formula prescribed to one or more WIC participants in their household.

"eWIC Certification" means the process of verifying a vendor's POS system is eWIC capable. There are three levels of certification: Pre-Certification testing, Commercial or Retailer Specific certification, and Test Buy certification. The program conducts the Test Buy certifications.

"WIC Card Transaction" means an on-line, real time payment method by which WIC authorized vendors receive payment electronically for food items or infant formula purchased by a WIC Cardholder.

"GTIN" means Global Trade Item Number. It is a globally used identifier for trade items. These barcodes operate the same as a UPC.

"Interchange Fee" means the fees vendors pay to banks or with credit card processing companies for credit and debit transactions.

"Inventory Audit" means the examination of food invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of supplemental foods to provide participants the quantities specified on WIC Cards redeemed by the vendor during a given period of time.

"**Minimum Inventory Requirements**" means the required amount of WIC approved foods that the vendor must have available on premise for purchase **at all times**. The Department publishes the Minimum Inventory Requirements in a document which is available on the Department website at http://www.doh.wa.gov and upon request from the Department.

"Monitoring" means overt, onsite review of a vendor during which Department representatives identify themselves to vendor personnel.

"Multi-Function Equipment" means Point of Sale equipment used by an authorized WIC vendor that supports WIC Card transactions and other payment tender types.

"Notice of Adverse Action" means a written document in which the Department notifies the vendor that the Department is taking action such as termination of the contract or disqualification for the vendor's noncompliance with program requirements, federal WIC regulations, chapter 246-790 WAC, or this Contract.

"Notice of Violation" means a written document given to a vendor when the Department determines the vendor has not complied with program requirements, federal WIC regulations, chapter 246-790 WAC, or this Contract. A Notice of Violation does not impose an action adverse to the vendor and is not subject to administrative appeal.

"Not to Exceed Amount (NTE)" means the maximum dollar amount for each item the program will pay the WIC Vendor.

"Participant" means a woman, infant or child receiving WIC benefits. For the purpose of this Contract, participant includes parents or caretakers of infant or child participants, and alternate endorsers.

"Participant Access" means the ability of WIC participants to purchase authorized WIC foods, with considerations made to factors including, but not limited to, geography, population density and participant dietary needs, as determined by the Department.

"Pattern" for compliance buys means three or more findings of the same rule violation that occurs within a single investigation or over the course of one or more routine monitoring(s). Pattern for inventory audits is established when a vendor claims reimbursement for two or more food items that cannot be supported by invoices. The Department only needs to conduct one inventory audit to establish a pattern of noncompliance.

"Peer Group" means a group of authorized vendors which share certain characteristics and can be expected to have similar business practices and prices. Peer group criteria and assignments are determined by the Department. Vendors in the same peer group are subject to the same WIC not to exceed amounts. Peer group criteria include, but are not limited to, characteristics such as geography or size.

"Personal Identification Number (PIN)" means a number set by the cardholder to maintain secure access to buy WIC food items using the WIC Card."

"Point of Sale (POS) System" means the technology such as a cash register or electronic system used to transact a customer purchase.

"Produce Mapping" means the process of mapping fresh and frozen fruits and vegetables to a product look-up (PLU) number to be recognized as a WIC-approved food when using a WIC Card.

"Product Look-Up (PLU)" means the unique product identifier used to identify fresh fruits and vegetables to make grocery checkout and inventory control easier and more accurate. The list is maintained and administered by the International Federation of Produce Standards (IFPS).

"Redeeming WIC Cards Outside of Authorized Channels" means not following the requirements regarding who can accept WIC Cards. Examples include, but may not be limited to:

1. A vendor accepting WIC Cards without having a signed contract with the Department;
2. A vendor using WIC Cards to repay debt at a different authorized vendor; or
3. A vendor who accepts WIC Cards from an unauthorized source.

"Single-Function Equipment" means Point of Sale hardware used by an authorized WIC vendor solely for the purpose of processing WIC Card transactions. This is also known as a stand-beside system.

"SNAP" means the federal Supplemental Nutrition Assistance Program. This is the current name for the Food Stamp Program**.**

"Split Tender" means using one or more methods of payment in addition to the WIC Card for transacting purchases.

"Store and Forward" means a WIC Card transaction that can take place when the EBT system cannot be accessed for any reason. In a Store and Forward transaction, the vendor forwards the transaction to the EBT host within 24 hours of when the EBT system once again becomes available.

"Suspension" means the immediate stoppage in WIC payments to a vendor as a result of ongoing compliance activities or lack of federal funding.

"Trafficking" means buying or selling WIC Cards for cash or cash-like instruments, such as stored value payment cards or phone cards.

"Transaction Processor Agreement" means the contract between the eWIC processing services company under contract with the Department and each of the WIC authorized vendors. The agreement allows the eWIC processor to pay vendors for WIC Card transactions. WIC authorized vendors must enter into this agreement in addition to the Contract with the WIC Program.

"Universal Product Code (UPC)" means the number and barcode that is used to identify products sold by the vendor.

"Vendor Selection Criteria" means, for the purposes of this Contract, the federally approved criteria in WAC 246-790-077 established by the Department to select individual vendors for authorization consistent with the requirements of 7 CFR 246.12.

"WAC" means Washington Administrative Code.

"**Washington WIC Approved Infant Formula Suppliers**" means the list of WIC approved suppliers and manufacturers of infant formula. The document is available on the Department website at http://www.doh.wa.gov and upon request from the Department.

"WIC", "WIC Nutrition Program", "WIC Program", or "Program" means the federally funded Special Supplemental Nutrition Program for Women, Infants and Children as described in 7 CFR 246.

"WIC Program Requirements" or "Program Requirements" mean the requirements that all contractors, including the individual vendors, must meet in order to participate in the WIC Program.

"**WIC Shopping Guide**" means the lists of WIC approved foods and information for participants and vendors. The document is available on the Department website at http://www.doh.wa.gov and upon request from the Department.

"WIC Vendor" means the store location operated by a Contractor authorized by the Department to provide WIC approved foods to WIC participants.

"X9 Number" means the unique identifier for each vendor location and business entity which the Department's eWIC processing services uses for correctly routing WIC transaction payments.

TERMS AND CONDITIONS

1. PROGRAM REQUIREMENTS

1.1. The Contractor shall comply fully with this Contract and the federal and state statutes, regulations, policies, and procedures governing the WIC Program including, but not limitedto:

Any future amendments to the Contract Provisions of 7 CFR 246 applicable to vendors, including, but not limited to, 7 CFR 246.2, .12, .18, .21, .23, and .26; WIC EBT Operating Rules; WIC EBT Technical Implementation Guide; Chapter 246-790 WAC; Vendor Selection Criteria; WIC Minimum Inventory Requirements; Washington WIC Approved Infant Formula Suppliers; federal, state, county, and city required licenses; Approved Product List (APL); and Annual Training Requirements.

1.2. The Contractor shall comply with any changes made to federal and state statutes, regulations, policies, and procedures governing the Program (including the Vendor Selection Criteria) made during the contract period. If the Contractor is unable or unwilling to comply with such changes, the Department will terminate the Contract as provided in Paragraph 23, Expiration or Termination.

1.3. The regulations, rules, and documents specified in 1.1 above are incorporated into and made a part of this Contract.

2. CONTRACTOR'S GENERAL DUTIES

2.1. The Contractor shall:

2.1.1. Be accountable for its owner, officers, managers, agents, and employees who commit contract violations or violate federal regulations governing the WIC Program.

2.1.2. Offer WIC participants the same courtesies offered to othercustomers.

2.1.3. Not offer free items or other discounts exclusively to WIC participants as an incentive to redeem WIC benefits.

2.1.4. Notify the Department at least 30 days before any changes to contact information, including changes to email address and phone numbers.

2.1.5. Provide written notice of any change in ownership, change in management, change in corporate officers, change in store location, change in organization structure, change in legal status, or cessation of operations at least 30 days before the effective date of the change. If the Contractor fails to provide notice, the Contractor shall pay all costs incurred by the Department as a result of the lack of notice.

2.1.6. Not ask a WIC participant directly or indirectly to pay for payments the Department denied, partially paid, or reclaimed.

2.1.7. Not seek restitution through a collection agency for WIC Card transactions not paid by the bank in full or in part.

2.1.8. Only purchase WIC approved infant formula directly from a Washington WIC Approved Infant Formula Supplier.

3. CONTRACTOR eWIC RESPONSIBILITIES

3.1. The Contractor shall:

3.1.1. Provide a telephone line or DSL access, power to operate eWIC capable equipment, and eWIC capable POS terminals.

3.1.2. At a minimum, either install or integrate eWIC capable POS terminals using the federal minimum lane coverage formula:
  3.1.2.1. Vendors with annual food sales over $2 million will install or integrate one POS terminal for every $11,000 in WIC redemptions up to four POS terminals, or the number of terminals in the vendor location, whichever is less.
  3.1.2.2. All other vendors will install or integrate one POS terminal for every $8,000 in WIC redemptions up to four POS terminals, or the number of terminals in the vendor location, whichever is less.
3.1.3. Modify check stands to accommodate eWIC equipment.
3.1.4. Demonstrate each vendor location is eWIC capable.
3.1.5. Provide documentation of the vendor's full eWIC certification status to the WIC Program on request.
3.1.6. Ensure each vendor location POS terminal remains eWIC certified by:
  3.1.6.1. Verifying that new software versions or new hardware are eWIC certified prior to installing the new hardware or software.
  3.1.6.2. Informing the Department of changes to software versions or hardware upgrades with sufficient notification so the Department has reasonable time to perform any necessary certifications.
  3.1.6.3. Working with the Department to obtain certification if the software or hardware upgrade has not already been certified.
3.1.7. Enter into and comply with the terms of the Washington WIC Program's eWIC processing services company's Transaction Processor Agreement.
3.1.8. Begin to accept the WIC Card when their system is certified if operating an integrated cash register system. If the Contractor operates a single-function (stand-beside) system, the Contractor shall begin to accept the WIC Card when the equipment is installed and certified.
3.1.9. Ensure the most current APL is installed in the vendor's POS system and is used to process WIC Card transactions.
3.1.10. Ensure each vendor location's POS equipment and softwarecan:
  3.1.10.1. Provide balance inquiry function for WIC participants to check the WIC food balance on their WICCards.
  3.1.10.2. Provide benefit expiration date and time on WIC purchase receipt and balance inquiry.
  3.1.10.3. Accurately scan UPC and PLUcodes.
  3.1.10.4. Accept manually entered UPC/PLU.
  3.1.10.5. Map the UPCs, PLUs and GTINs for eligible fresh and frozen fruit and vegetables to the appropriate PLU codes on the APL files provided by the Department.
  3.1.10.6. Deny UPC/PLU not found on theAPL.
  3.1.10.7. Partially or completely reverse a WIC Card transaction and add the benefits back to the WIC participant's benefit balance if a transaction cannot be processed.
  3.1.10.8. Calculate the amount of thetransaction.
  3.1.10.9. Determine if the WIC food balance on the WIC Card is sufficient for the participant to complete the purchase.
  3.1.10.10. Transmit files to the eWICprocessor.
  3.1.10.11. Maintain information from WIC Card transactions for a minimum of 120 days from the date of a WIC Card transaction and transmission of the file.
  3.1.10.12. Not charge the Department for any interchange fees on WIC Card transactions.

4. TRANSACTION PROCEDURES

4.1. The Contractor shall:

- 4.1.1. Accept food instruments in the form of a WIC EBT card from WIC participant or proxies. In EBT systems, a Personal Identification Number (PIN) may be used in lieu of a signature.
- 4.1.2. Manually enter the Primary Account Number (PAN) from the WIC Card if the WIC Card cannot be read.
- 4.1.3. Allow the WIC participant to check their food benefit balance without having to make a purchase.
- 4.1.4. Not ask for or enter the WIC participant's WIC Card PIN.
- 4.1.5. Not confiscate a WIC participant's WIC Card.
- 4.1.6. Scan WIC-eligible items individually; except that checkers may use the quantity key when scanning more than one identical UPC.
- 4.1.7. Provide the food item corresponding specifically to the UPC code scanned by the checker to the WIC participant.
- 4.1.8. Sell only the WIC approved foods identified on the WIC participant's benefit list.
- 4.1.9. Sell only WIC approved foods on the Washington WIC APL.
- 4.1.10. Process the CVB, if using single-function equipment, by selecting the CVB button and entering the dollar value of each fruit and vegetable item.
- 4.1.11. Accept transactions of a WIC EBT card only within its benefit period specified on WIC EBT card balance.

4.2. Allow the participant to use Split Tender for CVBpurchases.

- 4.2.1. Not charge the WIC participant any fee associated with operating, maintaining, or processing WIC Card transactions.
- 4.2.2. Not charge the Department for third party processing costs, interchange fees, or operating costs for eWIC equipment or systems.
- 4.2.3. Give the WIC participant a receipt for each WIC Card purchase that shows, at a minimum:
  - 4.2.3.1. The last four digits of the Primary Account Number(PAN);
  - 4.2.3.2. The vendor name andaddress;
  - 4.2.3.3. The date and time of thetransaction;
  - 4.2.3.4. The items purchased including item identifier, item quantity, description, unit of measure, unit cost, and total purchaseamount;
  - 4.2.3.5. The remaining available benefits balance, including benefit description, quantity, and unit of measure; and
  - 4.2.3.6. A unique transaction identifier.

4.3. The Contractor shall:

- 4.3.1. Provide infant formula obtained only from sources on the Washington WIC Approved Infant Formula Suppliers list.
- 4.3.2. Accept WIC Cards as payment for WIC foods.
- 4.3.3. Not charge or collect sales tax.
- 4.3.4. Not add a fee or surcharge to the purchase amount charged to the Department. Military commissaries are exempt from this provision.
- 4.3.5. Not charge WIC participants for authorized supplemental foods obtained with WIC Cards, except that the Contractor may allow the WIC participant to pay the difference when the purchase cost of authorized fruits and vegetables exceeds the value of the WIC CVB for fruits and vegetables.

4.3.6. Charge the WIC Program for only those items actually purchased and received by the WIC participant.

4.3.7. Not charge WIC participants the difference between the amount billed to and amount reimbursed by the Department for WIC approved foods.

5. WIC CARD REDEMPTION PROCEDURES

5.1. The Contractor shall:

5.1.1. Process all transaction types required by the WICProgram.

5.1.2. If conducting Store and Forward transactions when the EBT host is unavailable, ensure any Store and Forward transaction is forwarded to the EBT host within 24 hours of the system being available again.

5.1.3. Acknowledge that settlement for a Store and Forward transaction may be delayed or denied depending on the availability of benefits onthe participant's WIC Card.

5.1.4. Accept liability for redemption of WIC Card benefits using Store and Forward transactions if the Contractor has not received approval from the WIC Program. The Contractor shall holdthe Department harmless for any financial loss incurred if the participants' benefits are not available when the system is restored.

5.2. The Contractor shall:

5.2.1. Accept liability for the incorrect redemption of WIC Cardbenefits.

5.2.2. Apply coupon discounts or loyalty card price reductions to the total transaction.

5.2.3. Accept as payment in full for each WIC approved food purchase either the presented amount or the NTE amount for that product within the vendor's assigned peer group.

6. EXCHANGES OF WIC APPROVED FOODS OR WIC CARDS

6.1. The Contractor shall:

6.1.1. Not provide refunds or permit exchanges for authorized supplemental foods obtained with WIC Cards; except that the Contractor must allow exchanges of an identical approved food obtained with WIC Cards when the original approved food item is defective, spoiled, or has exceeded its "sell by," "best if used by," or other date limiting the sale or use of the food item. An identical approved food item means the exact brand and size as the original approved food item obtained and returned by the WIC participant.

6.1.2. Not provide credit (including rain checks), cash, gift cards, or coupons in exchange for WIC Cards or for the return of spoiled or defective food and not use a WIC Card as payment on a creditaccount.

7. RECORDKEEPING

7.1. In addition to complying with the recordkeeping requirements set forth in the Vendor Selection Criteria, the Contractor shall:

7.1.1. Maintain all records related to the WIC Program in a retrievable and readable format for a period of six years following the date of contract expiration or termination (See section 10.1.6 relating to WIC training record requirement). Such records include, but are not limited to: this Contract and any amendments, all invoices for purchase of WIC inventory, documents kept for compliance with WAC 458-20-254, individual transaction records, accounting, sales, and tax records, bills of sales, real property agreements such as purchase or lease agreements, insurance records, affiliate agreements, third party management agreements, business ownership or organization documents such as Articles of Incorporation, bylaws and the like, and banking and financial records including bank statements and credit card statements.

7.1.2. Secure and preserve original invoices or other types of receipts for all purchase of WIC inventory. Invoices must clearly show the seller's business name and address; Contractor's name and store identification; food product name; brand name, if applicable; container or unit size; quantity sold; price of each item; and the date of sale. Receipts must show the seller's business name and address, the UPC code of the food product, and the identification of the credit or debit card used for the purchase. Original invoices marked by seller as "paid" or a copy of the seller's paid invoice records are acceptable substitutes for receipts if the invoice or record has all the information otherwise required on a receipt. Handwritten invoices or receipts are not acceptable.

7.1.3. Upon request, submit records related to the WIC Program as described in Paragraph 7.1.2.

7.1.4. Within 15 days of Department's notice of an inventory audit, submit inventory invoices to the Department proving Contractor purchased inventory in compliance with WAC 246-790- 077(1) and (2). Submit the invoices in an organized, legible format and comply with any other directives in this notice. All invoices must comply with Paragraph 7.1.3. Any invoices or receipts that don't meet these requirements will not be accepted. Upon request, submit to the Department annual sales information including gross sales and tax-exempt food sales by payment type, including cash, SNAP EBT, WIC and credit or debit.

7.1.5. Upon request, submit to the Department shelf price and stock level information.

7.1.6. Upon request, make all records related to the WIC Program available for inspection and audit by the Department, USDA Food and Nutrition Services, and the Comptroller General of the United States at any reasonable time and place.

8. INVENTORY MANAGEMENT

8.1. In addition to complying with the procedures for inventory set forth in the Vendor Selection Criteria, the Contractor shall:

8.1.1. Maintain in-store sufficient quantities and varieties of WIC approved foods, including infant formula, as required to assure the vendor will meet the Minimum Inventory Requirements **at all times.** Expired, recalled, defective, and spoiled foods do not count as inventory.

8.1.2. Ensure that WIC approved foods have a current shelf life and are not defective, recalled, spoiled, or kept on the store shelves past their "sell by" date or "best if used by" date.

9. FOOD PRICING

9.1. In addition to complying with procedures for food pricing set forth in the Vendor Selection Criteria, the Contractor shall sell WIC approved foods to WIC participants at the same price charged to other customers.

10. CONTRACTOR TRAINING

10.1. The Contractor shall:

- 10.1.1. Participate in annual training on program requirements by reading and distributing to employees all training materials provided by the Department.
- 10.1.2. Ensure all checkers are trained in the proper processing of WIC Card transactions.
- 10.1.3. Ensure a representative from each authorized vendor participates in interactive training sessions designed, conducted, or approved by the Department at least once during each contract period. Store representatives who attend training in-person must sign an attendance roster and indicate which store they represent.
- 10.1.4. Attend or ensure a representative from each authorized store attends any training identified by the Department as mandatory.
- 10.1.5. Train checkers, customer service specialists, front end supervisors, managers, bookkeepers, and inventory control employees who do not attend a training conducted by Department representatives on program requirements and on the consequences of failing to follow those requirements.
- 10.1.6. Maintain records identifying when training took place, and which staff were trained, for staff trained by storerepresentatives for the duration of the contract period.

11. COOPERATION WITH COMPLIANCE ACTIVITIES

11.1. The Contractor shall cooperate with the Department's compliance activities described in Paragraph 19 Compliance Activities.

11.2. The Contractor shall:

- 11.2.1. Allow right of access to the store, at all reasonable times, to the Department, any of its officers or other authorized agents or officials of the State of Washington or the federal government, in order to monitor and evaluate performance, compliance, and quality assurance with program requirements.
- 11.2.2. Submit all documentation required for an inventory audit within 15 days of Department request.
- 11.2.3. Comply with all corrective actions required by the Department by the requested date, even if the action is subject toappeal.
- 11.2.4. Provide documentation of corrective action implemented when required by the Department.

12. CLAIMS

12.1. As provided in Paragraph 21 Establishment of Claims, the Department will deny paymentor establish a claim for reimbursement for overcharges, improperly handled WIC Card transactions, and any vendor violation of this Contract or federal regulations that affects payment to the Contractor.

- 12.1.1. The Contractor will have the opportunity to justify or correct an overcharge or error.

12.2. The Contractor shall:
- 12.2.1. Reimburse the Department for payments made on overcharges and improperly handled WIC Card transactions.
- 12.2.2. Reimburse the Department for inventory audit findings when there is a negative difference between foods sold to participants using WIC Cards and the store's invoices showing what was available for sale.
- 12.2.3. Pay any claim assessed by the Department, if unable to justify an overcharge, error, or inventory audit results.
- 12.2.4. Reimburse the Department for any investment made by the WIC Program to assist with purchase of eWIC single-function equipment if the vendor location is terminated for any reason within three (3) years of the funding investment.

13. APPEALS

13.1. The Contractor has the right to an administrative appeal for certain actions taken by the Department. Actions that cannot be appealed are listed in WAC 246-790-125(1).
13.2. If seeking an administrative appeal, the Contractor must file as specified in WAC 246-790-125(3).
13.3. If the Contractor files a timely appeal of a Contract termination, the Contract is suspended as of the termination date set forth in the notice of termination and the Contractor shall comply with the procedures in Paragraph 26 Procedures upon Expiration, Suspension, or Termination of the Contract. The Contract will remain suspended until the administrative appeals process is complete.

14. USE OF WIC IDENTITY

14.1. The Contractor shall:
- 14.1.1. Not imply the business is owned or operated by the WIC Program.
- 14.1.2. Not identify a particular food as “WIC approved” by attaching or affixing those words to a food item container.
- 14.1.3. Use the WIC acronym and logo to identify the Contractor as an authorized WIC vendor only with Department permission.

14.2. In a vendor location where not all checkout lanes are WIC Card capable, the Contractor shall ensure WIC participants are directed to WIC Card capable lanes without designating these checkout lanes as usable by only WIC participants.

15. DEPARTMENT’S GENERAL DUTIES

15.1. The Department shall:
- 15.1.1. Comply with the Contract and the federal and state statutes, regulations, policies, and procedures governing the WIC Program.
- 15.1.2. Modify program requirements at any time to meet new federal or staterequirements.
- 15.1.3. Notify the Contractor of changes to federal or state statutes, regulations, policies, or procedures governing the WIC Nutrition Program before the changes are implemented.
- 15.1.4. Notify the Contractor in writing at least fifteen (15) days in advance of contract expiration.

15.2. The Department may, at its discretion, reassess and modify the Vendor Selection Criteria during the contract period.

16. DEPARTMENT eWIC RESPONSIBILITIES

16.1. The Department shall:

16.1.1. Not provide or share WIC EBT ongoing maintenance and operational costs. The state agency shall not pay for ongoing maintenance, processing fees or operational costs for vendor systems and equipment used to support WIC EBT after the state agency has implemented WIC EBT statewide, unless the equipment is used solely for the WIC Program, or the s-State agency determines the vendor using multi-function equipment is necessary for participant access. This provision also applies to authorized farmers and farmers' markets. Costs shared by a WIC state agency will be proportional to the usage for the WIC Program.

16.1.2. Update the FIS system promptly to ensure the APL available for download from the eWIC processor is the most current one available.

16.1.3. Encourage the Contractor to integrate WIC Card transactions into each authorized vendor location's checkout lanes.

16.1.4. Compile and maintain a list of certified eWIC capable systems that vendors can consider for use and post the list on the Department's public website.

16.1.5. Provide information to the Contractor how to contact the eWIC processor for technical assistance on WIC Card transactions and problem solving.

16.2. The Department shall:

16.2.1. Assign each authorized vendor to a peer group.

16.2.2. Notify each authorized vendor of its peer group assignment at least once each contract period.

16.2.3. Calculate Not to Exceed (NTE) amount for each authorized vendor's peer group based on current redemption data and adjust NTE regularly to reflect market conditions.

16.2.4. Periodically recalculate NTE amounts to reflect current WIC Card redemption data.

16.2.5. Pay the Contractor the amount of the purchase price on the face of valid and properly transacted WIC Card transactions, except that the Department shall pay no more than the NTE amount for specific foodspurchased.

16.2.6. Deny requests for payment of Contractor bank charges incurred because of improperly transacted WIC Cards.

16.2.7. Deny requests for payment or reimbursement of Contractor interchange fees on WIC Card transactions.

16.2.8. Deny payment on WIC Card transactions by other state agency WIC Programs.

17. TRAINING PROVIDED BY THE DEPARTMENT

17.1. The Department shall:

17.1.1. Provide annual vendor training, which may be in a variety of formats, including electronic and printed materials.

17.1.2. Provide technical assistance on programrequirements.

17.1.3. Advertise and conduct interactive training on an ongoing basis at locations statewide or online. The Department has sole discretion to designate the date, time, and location of all interactive training, but will provide the Contractor at least one alternative date fortraining.

17.1.4. Maintain documentation of Contractor's training, including when and where the training took place, and the content of thetraining.

18. PROGRAM MATERIALS

18.1. The Department shall provide WIC approved food identification materials or tools, shelf tags, and "WIC Accepted Here" door signs, to each authorizedvendor.
18.2. The Department will provide the Contractor additional materials onrequest.

19. COMPLIANCE ACTIVITIES

19.1. In conformance with 7 CFR 246.12(j), the Department shall monitor the Contractor for compliance, including, but not limited to, the following activities:
  19.1.1. Follow-up on complaints.
  19.1.2. Regular review of the Contractor's compliance with program requirements and the Vendor Selection Criteria.
  19.1.3. Conducting on-site routine monitoring, including education buys.
  19.1.4. Reviewing WIC Card transactions submitted for payment to ensure compliance with redemption procedures and to detect errors orovercharges.
  19.1.5. Examining WIC Card transactions and shelf prices to detectovercharges.
  19.1.6. Conducting compliance investigations including random compliance buys and compliance buys for cause.
  19.1.7. Conducting random inventory audits and inventory audits forcause.
  19.1.8. Referring complaints and incidences of civil rights violations to the USDA Director and Office of Adjudication.
19.2. In response to Contractor noncompliance, the Department shall take the following enforcement action depending on the severity and frequency ofthe noncompliant activity:
  19.2.1. Verbal or written technicalassistance.
  19.2.2. Written Notice of Violation.
  19.2.3. Written Notice of Adverse Action.
  19.2.4. Establishing a claim as provided in Paragraph 21 Establishment of Claims.
  19.2.5. Suspending the Contract as provided in Paragraph 22 Suspension.
  19.2.6. Terminating the Contract as provided in Paragraph 23 Expiration or Termination.
  19.2.7. Disqualifying the Contractor as provided in Paragraph 24Disqualification.

20. NOTICE OF ADVERSEACTION

20.1. In the case of adverse action, the Department shall give the Contractor written notice at least fifteen (15) days prior to the effective date of any adverse action, except for the following where the effective date is the date the Contractor receives the notice:
  20.1.1. The Contractor provides false information in connection with its WIC application.
  20.1.2. The Contractor commits a violation under 7 CFR 246.12(l)(1)(i) that results in permanent disqualification.
  20.1.3. The Department suspends the Contract as provided in Paragraph 22 Suspension, unless the Department provides otherwise in its suspensionnotice.
20.2. The notice of adverse action must explain what action the Department is taking, the effective date of the action, and the procedure for requesting an administrative appeal, if the action being taken is one that can beappealed.
20.3. Upon receiving the notice of adverse action, the Contractor shall comply timely with the Department's directives even if the Contractor intends to appeal the Department's decision.

21. ESTABLISHMENT OF CLAIMS

21.1. In conformance with 7 CFR 246.12(k), the Department shall:

21.1.1. Establish a claim for reimbursement or delay payment to the Contractor for overcharges, payments made on improperly handled WIC Card transactions, or any other vendor violation that affects payment to the Contractor. The claim may be for the full purchase price of each WIC Card transaction containing an error or reflecting a violation.

21.1.2. 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 Cards and the store's invoices showing what was purchased forsale.

21.1.3. Provide the Contractor the opportunity to justify or correct overcharges orerrors.

21.1.4. Pay the Contractor when presented with satisfactory justification for anerror.

21.2. Any claim or delay of payment established by the Department is in addition to any suspension, termination, or disqualification provided for under Paragraphs 22 Suspension, 23 Expiration or Termination, or 24 Disqualification.

21.3. The Department may offset the claim against amounts to be paid to the Contractor.

22. SUSPENSION

22.1. Either party may suspend performance of the Contract in lieu of termination unless WIC Program regulations require the Department to terminate the Contract.

22.2. The Department must immediately suspend the Contract if the Department determines during the course of an inventory audit that the Contractor cannot prove the purchase of sufficient quantities of WIC foods to provide the quantities specified on WIC Card transactions redeemed by the Contractor during a specific period of time and the value of the difference between the actual inventory and the amount claimed to have been sold to WIC participants is greater than one thousand dollars ($1,000). If the Department determines that disqualification of the vendor would result in inadequate participant access, the Department may waive suspension under this section.

22.3. If funds for the Program from any source are withdrawn, reduced, or limited in any way during the term of this Contract, the Department may suspend performance of the Contract as an alternative to termination by giving notice of suspension and its effective date to the Contractor. If the Department determines funding is sufficient to resume the Contract, the Department shall provide notice to the Contractor that the suspension has ended. The Contractor shall resume WIC transactions in conformance with the Contract.

22.4. The period of suspension does not change the expiration date of the Contract.

22.5. The Department may deliver notices of suspension by electronic communication, fax, hand delivery, or by US Postal Service.

23. EXPIRATION OR TERMINATION

23.1. Either the Contractor or the Department may terminate the Contract at will with 30 days' advance notice. The Contractor's termination upon unwillingness or inability to comply with changes as provided for in Paragraph 1 is considered an at will termination.

23.2. Either the Contractor or the Department may terminate the Contract for cause with 15 days' advance notice.

23.3. The Department will terminate the Contract upon a change in ownership, a change in store location, or cessation of operations. However, the Department, at its discretion, may permit vendors to move short distances without terminating the agreement.

23.4. The Department may terminate the Contract for the Contractor's failure to remain price competitive even if payments oftheWIC Card benefits are within the NTE.

23.5. The Department must terminate the Contract if it determines the Contractor has:

23.5.1. Been identified as receiving more than 50-percent of their total food sales from WIC redemptions.

23.5.2. Provided false information in connection with the application for authorization or at any time during the contract period.

23.5.3. Failed to comply with the Vendor Selection Criteria at any time during the contract period.

23.5.4. Failed to comply with corrective action requirements in a timely manner.

23.5.5. A conflict of interest as defined in Paragraph 32 Conflict of Interest.

23.6. The Department must terminate the Contract if the Contractor is disqualified as a vendor in the WIC Program. The Contractor will have to reapply after the disqualification period is over and be subject to the Vendor Selection Criteria in effect at the time of application.

23.7. Neither the Department nor the Contractor is obligated to renew the contract. When the contract expires or is terminated, the Contractor must reapply to be considered for a new contract. The Contractor's new application is subject to the Vendor Selection Criteria and any other criteria in effect at the time of thereapplication.

24. DISQUALIFICATION

24.1. For violations specified in 7 CFR 246.12(l), the Department must disqualify the vendor for the federally specified period. All federal sanctions are mandatory as shown in the Federal Sanction Table in Attachment A.

24.2. Federally required disqualifications are mandatory regardless of whether the Contractor pays the claim, if any, arising from the incident leading to thedisqualification.

24.3. For violations not specified in 7 CFR 246.12(l), the Department may disqualify the vendor in conformance with the State Sanction Table in Attachment A. If a violation listed in the State Sanction Table requires a Pattern, the Department may take adverse action upon the showing of a Pattern. The Department shall notify the Contractor in writing when an investigation reveals an initial violation for which a pattern of incidences must be established before imposing a penalty, unless the Department determines that notifying the Contractor would compromise the investigation. At the Department's discretion, the Department's actions may include:

24.3.1. Notice of Violation, claim for reimbursement, and offer of technical assistance for the first incident.

24.3.2. Technical assistance or Notice of Violation, claim for reimbursement, fine, and warning of disqualification for the second incident of the same type ofviolation.

24.3.3. One-year disqualification, fine, and claim for reimbursement for the third incident of the same type of violation in acontract period.

24.4. Disqualification from the WIC Program may result in disqualification from the Supplemental Nutrition Assistance Program (SNAP). Any vendor disqualified from SNAP as the result of disqualification from the WIC Program may have no right to administrative or judicial appeal for the SNAP disqualification.

24.5. The Department may disqualify a vendor that has received a Civil Monetary Penalty (CMP) instead of a disqualification from SNAP.

24.6. The Department may disqualify a vendor that has been disqualified from the WIC Nutrition Program in another state.
24.7. Individual stores covered under this Contract may be disqualified without affecting the other stores covered under the Contract.
24.8. In conformance with 7 CFR 246.12(l)(1)(ix) (federal sanctions), and 7 CFR 246.12(l)(2) (state sanctions), the Department may offer the Contractor a civil monetary penalty in lieu of disqualification if the Department determines the Contractor's vendor location is necessary to assure adequate participant access.

25. FRAUD OR ABUSE IN THEPROGRAM

25.1. If the Department discovers evidence of the Contractor committing criminal fraud or abuse in the WIC Program, the Department must provide such evidence to appropriate law enforcement authorities.
25.2. A vendor who commits fraud or abuse in the WIC Program isliable to prosecution under the applicable federal, state, or local laws. Those who have willfully misapplied, stolen, or fraudulently obtained program funds are subject to a fine of not more than $25,000 or imprisonment for not more than five years or both if the value of the funds is $100 or more. If the value is less than $100, the penalties are a fine of not more than $1,000 or imprisonment for not more than one year or both.

26. PROCEDURES UPON EXPIRATION, SUSPENSION, OR TERMINATION OF THECONTRACT

26.1. Upon receiving the notice of suspension or termination from the Department, the Contractor shall:
  26.1.1. Stop accepting WIC Card transactions on the date and time specified in the notice.
  26.1.2. If the Department suspends the Contract, the Contractor shall not accept WIC Card transactions at any time during the suspension period unless otherwise directed by the Department. If a period of suspension ends without termination of the Contract, the Contractor may resume accepting WIC Card transactions on the date directed by the Department.
  26.1.3. Comply with any other directives in the Department's notice.
26.2. The Contractor shall comply with the above procedures if the Contract expires without the Contractor entering into a new agreement with theDepartment.
26.3. The Contractor is solely responsible for any fees or costs the Contractor incurs for failure to comply with the procedures set forth in thisparagraph.

27. NOT A LICENSE OR PROPERTYINTEREST

27.1. The parties have freely entered into this Contract.
27.2. This Contract is not a license or property interest.

28. AMENDMENTS

28.1. This Contract may be amended by mutual written agreement of the parties. Such bilateral amendments must be signed by personnel authorized to bind each of the parties.

28.2. The Department may unilaterally amend the Contract in writing to comply with any changes made to federal and state statutes, regulations, and policies and procedures governing the Program (including Vendor Selection Criteria). Such unilateral amendments require only the signature of the Department's designated contracting officer.

29. ATTORNEYS' FEES

29.1. In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney's fees and costs.

30. COMPLETE AGREEMENT

30.1. The Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract are deemed to exist or to bind any of the parties to this Contract.

31. CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

31.1. Certain information about the Contractor is confidential under 7 CFR 246.26(e). 32.2. All information about WIC participants is confidential under 7 CFR 246.26(d).

31.2. The use or disclosure by any party, either verbally or in writing, of any confidential information shall be subject to applicable provisions of 7 CFR 246.26 and Chapter 42.56 RCW, as well as other applicable federal and state laws and administrative rules governing confidentiality.

31.3. Specifically, all parties agree 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 to do the work.

31.4. The obligations set forth in this clause shall survive completion, cancellation, expiration, or termination of this Contract.

32. CONFLICT OF INTEREST

32.1. Notwithstanding any determination by the Executive Ethics Board or other tribunal, the Department may, in its sole discretion, by written notice to the Contractor, terminate this Contract in accordance with 7 CFR 246.12(h)(3)(xx) if it is found, after due notice and examination by the Department or its agent that there is a violation of the Ethics in Public Service Act, chapter 42.52 RCW, or any similar statute involving the Contractor in the procurement of, or performance of this Contract.

32.2. In the event this Contract is terminated as provided above, the Department shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the Contract by the Contractor. The rights and remedies of the Department provided for in this section shall not be exclusive and are in addition to any other rights and remedies provided by law.

32.3. In addition, the Department must terminate the Contract if the Department identifies a conflict of interest between the Contractor and the Department or between the Contractor and a local WIC agency.

33. DEBARMENT

33.1. The Contractor, by signature to this contract, certifies that the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded in any federal department or agency from participating in transactions.
33.2. The Contractor agrees to include the above requirement in all subcontracts into which it enters to complete this contract.

34. EFFECTIVE DATE

34.1. Unless otherwise specified under period of performance, the effective date of this Contract and subsequent amendments, if any, is the date of execution.
34.2. The date of execution is the last date of signature of the parties to the Contract.

35. GOVERNING LAW

35.1. This contract shall be governed by the laws of the State of Washington and applicable federal statutes, regulations, and policies.
35.2. The venue of any legal action or suit concerning this agreement shall be the Thurston County Superior Court and all actions or suits thereon shall be brought therein.

36. INDEMNIFICATION

36.1. To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the State of Washington, the Department, and all officials, agents, and employees of the State, from and against all claims, suits, or actions for injuries and death arising out of or resulting from the Contractor's acts or omissions while performing under the terms of this Contract.
36.2. The Contractor's obligation to indemnify, defend and hold harmless includes any claim by the Contractor's agents, employees, representatives, or any subcontractor or its employees.
36.3. The Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend, and hold harmless State and its agencies, officials, agents, oremployees.

37. THIRD PARTY ASSISTANCE

37.1. If the Contractor secures the services of a third-party agent, consultant, broker, or similar advisor to aid the Contractor in comprehending or complying with the terms of this Contract, the Contractor shall provide the name and contact information of such third-party assistant to the Department. The Contractor is solely responsible for compliance with the terms and conditions of this Contract regardless of whether the Contractor has secured the services of such a third-party assistant.

38. INDEPENDENT CAPACITY OF THE CONTRACTOR

38.1. The parties intend that an independent contractor relationship will be created by this Contract.
38.2. The Contractor and his or her employees or agents performing under the Contract are not employees or agents of the Department.

38.3. The Contractor shall not hold himself/herself out as nor claim to be an officer or employee of the Department or of the State of Washington by reason hereof, nor will the Contractor make any claim of right, privilege or benefit which would accrue to such employee under law.

39. INDUSTRIAL INSURANCE COVERAGE

39.1. The Contractor shall comply with the provisions of Title 51 RCW, Industrial Insurance.

40. INSURANCE

40.1. The Contractor shall maintain insurance coverage in full force and effect during the term of this Contract, as follows:

40.1.1. Commercial General Liability Insurance Policy – Provide a commercial general liability insurance policy in adequate quantity to protect against legal liability arising out of contract activity. The minimum limit for commercial general liability is$1,000,000 per occurrence.

40.1.2. Automobile Liability. In the event services delivered pursuant to this Contract involve the use of vehicles, either owned or not owned by the Contractor, automobile liability insurance shall be required. The minimum limit for automobile liability is $1,000,000 per occurrence, using a combined single limit for bodily injury and property damage.

40.1.3. The insurance required shall be issued by an insurance company authorized to do business within the State of Washington.

40.1.4. Upon request, the Contractor shall submit to the Department a certificate of insurance outlining the coverage and limits defined in this paragraph. If a certificate of insurance is requested, the Contractor shall submit renewal certificates as appropriate during the term of the Contract.

41. LICENSING, ACCREDITATION AND REGISTRATION

41.1. The Contractor shall comply with all applicable local, state, and federal licensing, accreditation, and registration requirements/standards necessary for the performance of this Contract. This includes, but is not limited to, maintaining a valid Food Establishment Permit issued by the local health agency.

42. LIMITATION OF AUTHORITY

42.1. This Contract is subject to the written approval of the Contracting Officer of the Department, or his/her delegate, and is not binding until so approved.

42.2. Only the Contracting Officer or his/her delegate by writing (delegation to be made prior to action) has the expressed, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Contract.

42.3. Furthermore, any alteration, amendment, modification or waiver of any clause or condition of this Contract is not effective or binding unless made in writing and signed by the Contracting Officer or their delegate.

43. NONDISCRIMINATION LAWS NONCOMPLIANCE

43.1. In the event of the Contractor's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy, this Contract may be rescinded, canceled, or terminated in whole or in part, and the Contractor may be declared ineligible for further contracts with the Department.
43.2. The Contractor shall, however, be given a reasonable time in which to cure this noncompliance.

44. ORDER OF PRECEDENCE

44.1. In the event of an inconsistency in this Contract, unless otherwise provided herein, the inconsistency is resolved by giving precedence in the following order:
- 44.1.1. Applicable Federal Statutes and Regulations, including, but not limited to, 7 CFR 246.2, .12,.18, .21, .23, and .26,
- 44.1.2. Applicable State Statutes and Regulations, including, but not limited to, Chapter 246-790 WAC,
- 44.1.3. Terms and Conditions of thisContract,
- 44.1.4. Attachments to this Contract,
- 44.1.5. WIC Minimum Inventory Requirements,
- 44.1.6. Washington WIC Approved Infant FormulaSuppliers,
- 44.1.7. Approved Product List,
- 44.1.8. Annual Training Requirements,
- 44.1.9. Any other provision of the Contract whether incorporated by reference orotherwise.

45. REGISTRATION WITH DEPARTMENT OF REVENUE

45.1. The Contractor shall complete registration with the Washington State Department of Revenue, if applicable, and be responsible for payment of all taxes due on payments made under this Contract.

46. SEVERABILITY

46.1. If any provision of this Contract or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Contract which can be given effect without the invalid provision, and to this end the provisions of this Contract are declared to be severable.

47. SUBCONTRACTING

47.1. The Contractor shall not enter into subcontracts for any of the Contractor's duties under this Contract. In no event shall the existence of the subcontract operate to release or reduce the liability of the Contractor to the Department for any breach in the performance of the Contractor's duties.

48. TAXES

48.1. All payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the Contractor or its staff shall be the sole responsibility of the Contractor.

49. WAIVER OF DEFAULT

49.1. Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Department's designated contracting officer.

The period of performance under this Contract is from **Date of Execution through September 30, 2026,** unless ended sooner.

IN WITNESS WHEREOF: The Department and the Contractor have signed this Contract.

Contractor	**Department of Health**
Name of Business	WIC Nutrition Program
Signature of Authorized Person	Signature of DOH Designee
Printed name of Authorized Person	Printed Name of DOH Designee Allen Esparza
Title of Authorized Person	Title of DOH Designee Deputy Director, Acting Office of Nutrition Services
Date Signed	Date Signed

Approved as to form.
Sierra McWilliams
Assistant Attorney General

Attachment A

WIC Vendor Contract 2023-2026 Vendor Sanction Table

MANDATORY FEDERAL SANCTIONS	
Violation	**Sanction**
1. Vendor convicted of trafficking WIC Cards 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 WIC Cards.	Termination of contract, permanent disqualification
2. One incidence of selling firearms, ammunition, explosives, or controlled substances [as defined in 21 U.S.C. 802] in exchange for WIC Cards.	Termination of contract, 6 year disqualification
3. One incidence of buying or selling WIC Cards for cash (trafficking).	Termination of contract, 6 year disqualification
4. One incidence of sale of alcohol or alcoholic beverages or tobacco products in exchange for WIC Cards.	Termination of contract, 3 year disqualification.
5. A pattern of providing credit or non-food items, other than alcohol, alcoholic beverages, tobacco products, cash, firearms, ammunition, explosives, or controlled substances as defined in 21 U.S.C. 802, in exchange for WIC Cards.	Termination of contract, 3 year disqualification.
6. A pattern of charging for supplemental food not received by the WIC participant.	Termination of contract, 3 year disqualification.
7. A pattern of receiving, transacting, and/or redeeming WIC Cards outside of authorized channels, including the use of an unauthorized vendor and/or an unauthorized person.	Termination of contract, 3 year disqualification.
8. A pattern of claiming reimbursement for the sale of an amount of a specific supplemental food item which exceeds the store's documented inventory of that supplemental food item for a specific period of time.	Termination of contract, 3 year disqualification.

9. A pattern of vendor overcharges.	Termination of contract, 3 year disqualification.
10. A pattern of providing unauthorized food items in exchange for WIC Cards, including charging for supplemental foods provided in excess of those listed on the WIC Card.	Termination of contract, 1 year disqualification.
11. Vendor who has been disqualified from SNAP.	Termination of contract and disqualification for the same length of time as the SNAP disqualification. No administrative review is allowed.

For all the federal violations listed above: if the Department determines that disqualification of a vendor would result in inadequate participant access, the Department may levy a civil monetary penalty in lieu of disqualification.

Second mandatory sanction:
If a vendor who has been previously assessed a sanction for Violations 2 - 10 on this table, receives another sanction for any of these violations, the Department must double the second sanction. If a civil monetary penalty was assessed in lieu of disqualification, the amount may be doubled up to the limits specified in Federal WIC Regulations at 7 CFR 3.91(b)(3)(v).

Third or subsequent mandatory sanction:
If a vendor, who has previously been assessed two or more sanctions for Violations 2 - 10, receives another sanction for any of these violations, the Department must double the third sanction and all subsequent sanctions. Civil monetary penalties may not be imposed in lieu of disqualification for third or subsequent sanctions.

STATE SANCTIONS			
Violation	**First Instance**	**Second Instance**	**Subsequent Instances**
1. Giving free or discounted items to WIC participants that are not offered to other customers.	Notice of Violation	Notice of Violation and $100 fine	Notice of Violation and $500 fine each subsequent instance
2. Selling or make available for sale WIC approved infant formula and nutritionals when it is spoiled; has exceeded its "sell by," "best if used by," or other date limiting its sale or use; product has been recalled, or container is defective.	Notice of Violation and claim for cost of formula	Notice of Violation, claim for cost of formula, and $100 fine.	Termination of Contract and 1 year Disqualification
3. Failure to keep records or timely submittal of upon request per chapter 246- 790 WAC and vendor contract including, but not limited to training and food inventory records.	Notice of Violation	Notice of Violation and $100 fine	Termination of Contract and 1 year Disqualification
4. Submitting false or misleading documents or information to State WIC staff.	Termination of Contract and 1 year Disqualification		
5. Failure to meet WIC minimum inventory requirements.	Termination of Contract and 6-month Disqualification		
6. Failure to complete vendor interactive training within the contract period.	Termination of Contract and 6-month Disqualification		

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Washington State Department of HEALTH

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