

VENDOR AGREEMENT

Vendor Contract Identification Number _____

Vendor Authorization Number _____

This Vendor Agreement, hereinafter “Agreement,” is made between the California Department of Public Health, Special Supplemental Nutrition Program for Women, Infants, and Children, hereinafter the “Department,” and the combination of the owner and the individual store location named below or on Exhibit A, hereinafter “Vendor.” Collectively, the Department and Vendor are referred to as the “Parties.” By entering into this Agreement, the individual(s) or business entity named below as the owner certifies that the owner has legal authority to individually or jointly represent Vendor.

Vendor Store Name	
Street Address	
City, State ,CA	Zip Code
Mailing Address (if different from business address)	
Owner (Sole Owner Name, Partners’ Names, Limited Liability Company Name, or Corporation Name)	

This Agreement is a standard vendor agreement used statewide for all vendors authorized to participate in the California Special Supplemental Nutrition Program for Women, Infants, and Children, hereinafter “WIC,” “WIC Program,” or “Program.” Pursuant to 7 Code of Federal Regulations part 246.12(h)(2), the Department must use a standard vendor agreement; therefore, the terms of this Agreement are not subject to negotiation. The Department will not provide legal advice regarding this Vendor Agreement.

WHEREAS, the Department has entered into an agreement with the United States Department of Agriculture (USDA) for the administration of the WIC Program within California,

WHEREAS, the purpose of the WIC Program is to provide supplemental foods and nutrition education to pregnant, postpartum, and breastfeeding women, infants, and young children who are low-income and at nutritional risk,

WHEREAS, the Department seeks to enter into agreements with retail stores that meet the Department's vendor authorization criteria for the provision of authorized supplemental foods to WIC participants,

WHEREAS, the Department must ensure that retail stores authorized to provide supplemental foods to WIC participants meet Federal and State program requirements,

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I: MASTER VENDOR AGREEMENTS

1. Use of Master Vendor Agreements. The Department may authorize more than one (1) store location belonging to an individual or business entity, hereinafter an "ownership"; when this Agreement covers multiple store locations belonging to an ownership, this Agreement will be considered a Master Vendor Agreement. Each store location listed in a Master Vendor Agreement represents a separate vendor.

2. Responsibilities of Vendors Covered by a Master Vendor Agreement. A Master Vendor Agreement is offered to an ownership as a convenience. Under any Master Vendor Agreement:

(a) The responsibilities of each vendor under this Agreement, as well as compliance with Federal and State statutes, regulations, and requirements governing the WIC Program, including, but not limited to, the vendor authorization criteria set forth in Article 4 of the California WIC Program Bulletin Regulations (W.B.R.), must not be combined or distributed among vendors covered by a Master Vendor Agreement.

(b) A vendor's compliance with the requirements of this Agreement will not be substituted or imputed to another vendor.

(c) Each vendor, including each vendor listed in a Master Vendor Agreement, is authorized separately from any other vendor operated under an ownership and must maintain separate inventory purchase records for audits as specified in Article III, Section 1(k).

(d) Each vendor must complete its own application for authorization.

3. Addenda to a Master Vendor Agreement.

(a) A Master Vendor Agreement will list all authorized vendors covered by the Master Vendor Agreement on Exhibit A thereto.

(b) Following the execution of a Master Vendor Agreement, the Department may add additional vendors to Exhibit A upon execution of an Addendum to this Agreement. The Addendum must be in a form prescribed by the Department and must be signed by both Parties.

(c) Except as specified in Article V, Section 2(b), when the Department adds or removes an individual vendor from a Master Vendor Agreement, the addition or deletion of that vendor will be independent of the remaining vendor(s) on the Master Vendor Agreement and will not affect the remaining vendor(s) listed in the Master Vendor Agreement.

4. Department Monitoring of Vendors Covered by a Master Vendor Agreement. The Department will separately monitor each vendor listed in a Master Vendor Agreement for compliance with this Agreement through activities including, but not limited to, compliance investigations, routine monitoring visits, on-site inspections, and audits.

ARTICLE II: TERM

1. Term. This Agreement remains in effect twenty-four months from _____ unless terminated earlier by Vendor or the Department for cause pursuant to Article V. This Agreement terminates and supersedes all prior Vendor Agreements between the Parties.

ARTICLE III: VENDOR RESPONSIBILITIES

1. Vendor Compliance with Program Requirements. As an authorized vendor in the WIC Program, and in exchange for reimbursement as described in Article IV, Vendor agrees to all of the following:

(a) Vendor agrees to all of the terms of this Agreement and to comply with and be subject to the following legal requirements:

(1) The statutory requirements for the Special Supplemental Nutrition Program for Women, Infants, and Children in Section 17 of the Child Nutrition Act of 1966 as amended (42 U.S.C. § 1786);

(2) 7 Code of Federal Regulations part 246;

(3) California Health and Safety Code, sections 123275 et seq.;

(4) California Code of Regulations, title 22, section 40601 et seq., including the vendor sanction provisions in California Code of Regulations, title 22, sections 40740 and 40741, and the administrative appeal provisions in California Code of Regulations, title 22, sections 40751 and 40752;

(5) California WIC Program Bulletin Regulations (W.B.R.);

(6) Operating rules, standards, and technical requirements for Electronic Benefits Transfer (EBT) systems, including all requirements for vendors and point of sale systems in “United States Department of Agriculture Operating Rules Women, Infants and Children (WIC) Electronic Benefit Transfer (EBT)”; “United States Department of Agriculture WIC EBT Technical Implementation Guide”; and “United States Department of Agriculture WIC EBT Retail Certification Procedures and Test Scripts,” except those requirements relating to offline smart cards; and

(7) Any other applicable Federal and State laws, regulations, rules, memoranda, instructions, guidance, vendor alerts, and vendor bulletins governing the WIC Program.

(b) For purposes of this Agreement, the term “participants” includes women, infants, and children who are receiving supplemental foods, food instruments, cash-value vouchers, or cash-value benefits under the WIC Program, parents or caretakers of infant and child participants, and proxies as defined in 7 Code of Federal Regulations part 246.2.

(c) Vendor must have a fixed location from which food instruments are transacted and authorized foods provided to participants. As specified in Article V, Section 2(h), any changes to Vendor’s ownership or store location will terminate this Agreement and Vendor’s authorization.

(d) Vendor’s store hours must comply with the requirements set forth in W.B.R. § 71500.

(e) Vendor must maintain a valid permit to operate a retail food facility, as required by the California Retail Food Code (Health and Safety Code section 114381) and required by W.B.R. § 70200.

(1) Upon request, Vendor must provide proof of the permit to the Department.

(2) Vendor must notify the Department, in writing, of any suspension or revocation of the permit within ten (10) business days.

(f) Vendor must be authorized to participate in the California Supplemental Nutrition Assistance Program (SNAP/CalFresh), formerly known as the Food Stamp Program, and must provide the Department with the store’s SNAP/CalFresh Program Number. Vendor must maintain SNAP/CalFresh authorization during the term of this Agreement as required in W.B.R. §§ 71600 and 71700.

(g) Vendor accepts and agrees that:

(1) The Federal WIC logo and the WIC acronym are registered service marks of the USDA;

(2) The Federal WIC logo and the California WIC logo are the property of the Federal and State Governments, respectively;

(3) Except as permitted by W.B.R. § 71400, Vendor may use the WIC acronym or logo only with the prior written consent of the Department.

(h) Vendor or Vendor’s designated representative must attend all mandatory trainings and comply with applicable testing or certification requirements as specified in California Code of Regulations, title 22, section 40733 and W.B.R. § 71800.

(1) Vendor is responsible for training all employees who participate in WIC Program transactions or handle WIC food instruments on the information contained in the interactive and annual trainings required pursuant to California Code of Regulations, title 22, section 40733 and W.B.R. § 71800.

(i) Vendor must, at all times, maintain on the premises the WIC authorized supplemental foods listed in W.B.R. § 71100 in the amounts specified therein.

(1) Inventory counted for purposes of W.B.R. § 71100 must be stocked on store shelves in the public area of Vendor’s store where merchandise is available for purchase unless quantities of stock allowed in storage on the premises of that store location are specified in W.B.R. § 71100.

(2) Inventory counted for purposes of W.B.R. § 71100 must be quality food items as defined in W.B.R. § 70750.

(j) Vendor must purchase authorized infant formula provided to participants only from authorized suppliers as specified in W.B.R. § 70900.

(1) At the time of authorization and upon request from the Department, Vendor must provide to the Department information regarding the supplier(s) of all infant formula stocked by Vendor, as specified below:

(A) For a supplier that is a manufacturer of infant formula registered with the U.S. Food and Drug Administration, the name and address of that manufacturer.

(B) For a supplier that is a wholesaler, distributor, or retailer within California, the name and address of that wholesaler, distributor, or retailer and its corresponding California seller's permit number.

(C) For a supplier that is a wholesaler, distributor, or retailer outside of California, the name and address of that wholesaler, distributor, or retailer and correspondence from the applicable state WIC agency confirming that the supplier is included on that state WIC agency's list of authorized suppliers of infant formula.

(2) Vendor must maintain purchase records of all infant formula purchases in accordance with W.B.R. § 71000. For each invoice containing a purchase of infant formula, Vendor must retain a record that documents that the purchase of infant formula was from an authorized supplier as specified in Article III, Section 1(j)(1) above. An invoice for purchase of infant formula that is not from an authorized supplier will not be considered an adequate record of inventory for purposes of W.B.R. § 71000.

(3) Upon request, Vendor must provide to agents of the State, the Department, and the Comptroller General of the United States invoices for all purchases of infant formula and records that document that the infant formula purchase was from an authorized supplier.

(k) Vendor must maintain adequate inventory purchase records, as specified in W.B.R. § 71000, including adequate transfer records if inventory is moved from Vendor's store location to another store location. If Vendor's ownership owns more than one (1) store location, including multiple store locations under a Master Vendor Agreement, separate inventory purchase records, including transfer records, must be maintained for each store location.

(1) If Vendor's ownership owns more than one (1) store location, including multiple store locations under a Master Vendor Agreement, the ownership understands and agrees that the Department will monitor each vendor on the Master Vendor Agreement, separately from all other vendors, for compliance with WIC Program requirements, including for purposes of audits and the establishment of vendor claims.

(2) Upon request, Vendor must provide to agents of the State, the Department, and the Comptroller General of the United States all WIC program related records necessary for determination of compliance with Program requirements.

(l) Vendor must post prices of all WIC authorized supplemental foods so that the prices are visible to customers, as specified in W.B.R. § 71900.

(m) Vendor must meet competitive price criteria as specified in W.B.R. § 70600 at all times throughout the term of this Agreement.

(1) Vendor must submit shelf prices to the Department as required in W.B.R. § 70600.

(n) Vendor must offer WIC participants the same courtesies offered to non-WIC customers.

(o) Vendor must comply with:

(1) The provisions of Title VI of the Civil Rights Act of 1964, which provides for equal treatment of all persons, and the Federal regulations set forth in 7 Code of Federal Regulations parts 15, 15a, and 15b governing discrimination; and

(2) California Government Code section 12990, subdivision (a) and California Code of Regulations, title 2, sections 11103 and 11105, which, among other things, prohibit discrimination against any person because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status.

(p) Vendor must not influence or attempt to influence participants' store selection through solicitation on or in the vicinity of a WIC local agency clinic site.

(q) Vendor must report any participants attempting to violate WIC Program rules when using food instruments. Vendor must report such activities to the Department on the online form available at <https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/ReportWICFraud.aspx>.

(r) If offering incentive items to customers, Vendor must comply with the incentive item requirements set forth in W.B.R. § 70800.

(1) An above-50-percent vendor who wishes to provide allowable incentive items must obtain written approval from the Department prior to offering any incentive items to customers.

(2) Vendor requests for approval of allowable incentive items must be submitted to the Department at WICVENDORINFO@cdph.ca.gov and must include an email with the subject line "Incentives Approval" that states the vendor ownership name, the contract ID number, a description of the incentive offer, a description of the allowable incentive item to be offered, and the purchase invoice showing the cost of the allowable incentive item.

(s) Vendor agrees to follow and adhere to the Department's administrative appeals provisions when appealing an adverse action. These provisions can be found in California Code of Regulations, title 22, sections 40751 and 40752, and are available in Title 22, Division 2, Subdivision 6, Chapter 6, Article 7 at <https://govt.westlaw.com/calregs/Search/Index>.

(1) Unless Vendor indicates an alternative preference by initialing subsection (2) below, Vendor agrees that all administrative hearings will be conducted in Sacramento, CA.

(2) By initialing this subsection, Vendor does not agree to have all administrative hearings in Sacramento, and instead agrees that all administrative hearings will be held at the facility that is closest to the location where the vendor violation(s) occurred. _____ Initials

(t) Vendor must keep the identities of participants confidential.

(1) Any information about a WIC participant, whether obtained from the participant or another source, that identifies a WIC participant individually or anyone authorized to act on behalf of a WIC participant, is confidential regardless of its original source.

(2) Such confidential information must not be made available to the public or any person who does not have a direct relationship to the administration or enforcement the WIC Program.

(3) The use and disclosure of confidential participant information is restricted to persons directly connected with the administration or enforcement of the WIC Program, including WIC Program personnel within the Department, persons under contract with the Department or Vendor to process EBT food instrument transactions, and persons investigating or prosecuting WIC Program violations under Federal, State, or local law.

(u) Vendor accepts full responsibility for any intentional or unintentional actions of Vendor's owners, officers, agents, managers, or employees who violate this Agreement or Federal or State statutes, regulations, policies, or procedures governing the Program.

(v) If incorporated or organized, Vendor or Vendor's ownership must maintain their business entity in good standing with the jurisdiction of incorporation or organization. The business entity must not be suspended, canceled, dissolved, or under any other status that renders the business entity unable to legally operate or otherwise engage in business transactions.

(w) Vendor must ensure the Department is provided with written notice of any change in Vendor's mailing address (when different from the address for the store location) within five (5) business days of the change in address. Written notice should be directed to the Department at the address specified in Article VIII.

(x) Vendor must repay all vendor claims, as defined in California Code of Regulations, title 22, section 40661, that are assessed by the Department. As specified in California Code of Regulations, title 22, section 40747, a vendor claim will be either the full amount of an audit finding determined during an audit of Vendor or the amount of the full purchase price of any food instrument transacted in violation of California Code of Regulations, Title 22, Division 2, Subdivision 6, Chapter 6.

(1) For paper food instrument transactions, the amount of the full purchase price of any food instrument means the amount submitted by the vendor for reimbursement and paid by the Department.

(2) For EBT food instrument transactions, the amount of the full purchase price of any food instrument means the actual selling price of the food item(s) transacted in violation of California Code of Regulations, Title 22, Division 2, Subdivision 6, Chapter 6.

(A) For purposes of this Agreement, under an EBT food instrument system, the actual selling price is the amount charged by Vendor for the authorized supplemental food item(s) provided to the participant, including all store, coupon, advertised, or other discounts applied to the sale.

(3) Vendor agrees that in collecting a final vendor claim, the Department may offset the amount of any unpaid, final vendor claim against any current or subsequent amounts to be paid to Vendor for EBT food instruments.

(y) Vendor agrees that in order for the Department to promote the goals of the WIC Program, Vendor must provide the Department with such information and data in both the form and manner prescribed by the Department as the Department may request.

2. Equipment and Technology Requirements. As an authorized vendor in the WIC Program, Vendor agrees to the following:

(a) Vendor is responsible for ensuring the security of the information provided to Vendor by the Department, including, but not limited to, user identification numbers, passwords, and access codes. Vendor agrees to hold the Department and the State harmless for any harm or loss to Vendor arising from any breach of the security of this information.

(b) Vendor must have access to a computer or other electronic device that has the ability to access the internet, receive and send emails, use web-based applications, and apply an electronic signature to official documents as required by W.B.R. § 71200.

(c) Vendor must use and maintain a cash register system that complies with W.B.R. § 70300.

(d) Vendor must use and maintain an EBT Capable point of sale system, whether single-function or multi-function, to securely and accurately conduct all WIC EBT food instrument transactions, hereinafter referred to as “EBT food instrument transactions” or “California WIC Card transactions.” For purposes of this Agreement, an EBT Capable point of sale system is a point of sale system that has been certified or re-certified by the Department or the Department’s agent that is authorized to conduct certification testing of EBT point of sale systems, hereinafter “Certifying Entity.”

(1) Vendor agrees to maintain its point of sale system in such a manner to ensure system availability for WIC EBT redemptions and claims processing during all hours that Vendor is open for business.

(2) Vendor agrees to immediately request that the Department or the Department’s Certifying Entity re-certify Vendor’s point of sale system if Vendor or a third party intentionally or unintentionally alters, modifies, or reconfigures the point of sale system in any manner that impacts WIC EBT redemptions or claims processing.

(A) Vendor understands and agrees that Vendor is liable for all costs of re-certification.

(B) Vendor understands and agrees that if Vendor’s point of sale system is altered, modified, or reconfigured in such a way that the point of sale system no longer exhibits the system accuracy, integrity, or performance requirements under which the point of sale system was certified, Vendor will incur all financial liability for any disputed transactions until the point of sale system is re-certified by the Department or the Department’s Certifying Entity.

(e) Vendor must deploy point of sale terminals in accordance with the Department’s minimum lane coverage requirements.

(f) Vendor must establish telecommunications connections necessary for the use of EBT Capable point of sale systems including, but not limited to, the routing of WIC EBT transactions and the exchange of files that contain the Department’s electronic list of authorized food products known as the Authorized Product List, hereinafter “APL.”

(g) Vendor agrees to the following requirements regarding the APL:

(1) Vendor's point of sale system must retrieve the APL on each day that Vendor processes WIC EBT transactions, excluding official holidays, Saturdays, and Sundays; and

(2) Vendor must apply the APL to Vendor's point of sale system when retrieved and no later than within forty-eight (48) hours of the APL's file creation date and time.

(A) Vendor understands and agrees that Vendor will incur all financial liability for any transactions rejected or disputed as a result of Vendor's failure to apply a new APL within forty-eight (48) hours of the APL file's creation date and time.

(h) Vendor understands and agrees that Vendor is responsible for maintaining its point of sale system in a manner that ensures the accuracy of all Universal Product Codes (UPCs), Product Look-up (PLU) codes, pricing information, and other information necessary to accurately process WIC EBT transactions.

(i) Vendor must not charge the Department any interchange fees or third party processing costs or fees related to WIC EBT transactions.

(j) If Vendor elects to use a multi-function point of sale system for WIC EBT transactions, Vendor agrees to bear all costs of using the multi-function equipment including, but not limited to, any third-party commercial processing costs and fees, maintenance fees, and operational or other costs.

(k) Vendor understands and agrees that after the Department has implemented EBT statewide, any newly authorized vendor that elects to use a single-function point of sale system must bear all maintenance fees and operational costs for the single-function equipment unless the Department determines that the vendor is necessary for participant access as specified in California Code of Regulations, title 22, section 40740, subdivision (h).

3. Vendor Acceptance of Food Instruments. As an authorized vendor in the WIC Program, Vendor agrees to accept all food instruments in accordance with Program regulations and the terms of this Agreement. When accepting and processing food instruments, Vendor agrees to comply with all of the following:

(a) Vendor must accept food instruments for the duration of this Agreement.

(b) Vendor must accept food instruments only at the time of the actual purchase of the authorized supplemental foods.

(c) Vendor must accept food instruments only at the store location authorized by this Agreement.

(d) Vendor must not accept the return of foods purchased with food instruments; foods may only be exchanged in accordance with subsection (2) below.

(1) Foods purchased with food instruments may not be returned for cash or credit or be exchanged for unauthorized foods.

(2) Foods purchased with food instruments may be exchanged for an identical food item only when the original food item is defective, spoiled, or has exceeded a date limiting the sale or

use of the food item, such as the “Use By” date affixed to a package or container of infant formula.

(A) An identical food item must be the exact brand, type, size, and UPC or PLU code of the original supplemental food item obtained and exchanged by the participant. For example, a dozen Brand X eggs that were spoiled at the time of purchase may only be exchanged for a dozen Brand X eggs.

(e) Vendors must not charge any fees or other costs for participants to use or redeem food instruments.

(f) Vendor must not charge sales tax on any WIC authorized supplemental foods purchased by participants with food instruments.

(1) Vendor is responsible for collecting any applicable sales tax on foods purchased by participants using funds other than food instruments.

(g) Vendor may not give change on any food instrument when the actual selling price of the food item(s) is less than the Maximum Allowable Department Reimbursement (MADR) rate.

(h) Vendor must provide the same discount opportunities to WIC participants as to non-WIC customers.

(i) Acceptance of Paper Food Instruments and Cash-Value Vouchers (CVVs). Vendor agrees to accept and process all paper food instruments and CVVs in accordance with the following:

(1) Vendor may accept paper food instruments and CVVs only if the words “WIC AUTHORIZED VENDOR” have been entered on the “Pay to the Order of” line on the face of the food instrument.

(2) Vendor must accept paper food instruments and CVVs only from participants who provide proper WIC identification. Proper WIC identification for paper food instruments and CVVs consists of the WIC Identification/Authorization Folder.

(3) For purposes of paper food instrument transactions and CVV transactions, Vendor must provide participants with only those authorized supplemental foods designated in the WIC Authorized Food List (W.B.R. § 82000 et seq.). Vendor may not provide participants with substitutions for food items purchased with paper food instruments or CVVs, including brands or items other than those included on the WIC Authorized Food List. Vendor must not provide participants with unauthorized food items, non-food items, cash, or credit, including rain checks, in exchange for paper food instruments or CVVs.

(4) Vendor must allow participants to redeem paper food instruments for only those food items and quantities printed on the food instrument.

(5) Vendor may accept paper food instruments and CVVs only on or between the “first day to use” and the “last day to use” printed on the face of the food instrument. Vendor agrees not to accept any paper food instruments or CVVs before the “first day to use” or after the “last day to use” dates.

(6) When accepting paper food instruments or CVVs, Vendor must ensure that the participant signs the food instrument or CVV in the presence of Vendor's cashier. Vendor must not accept pre-signed food instruments without requiring the participant to re-sign the food instrument.

(7) When accepting paper food instruments or CVVs, Vendor's cashier must compare the signature on each food instrument with the signature on the participant's WIC Identification/Authorization Folder in the presence of the participant. Vendor's cashier must ensure that the participant's signature appears on the WIC Identification/Authorization Folder.

(8) Vendor may not require participants to provide any personal information or identification other than the participant's WIC Identification/Authorization Folder in the process of exchanging paper food instruments or CVVs for authorized supplemental food items.

(9) When accepting paper food instruments, Vendor must enter the actual selling price for the quantity of foods selected by the participant. The actual selling price entered by Vendor must include only the WIC authorized supplemental food item(s) actually provided to the participant.

(10) When accepting CVVs for fruits and vegetables:

(A) Vendor must enter the actual selling price of the fruits and vegetables when the cost of the quantity purchased by the participant is less than the MADR rate for the CVV.

(B) Vendor must enter the MADR rate for the CVV when the cost of the quantity of fruits and vegetables purchased by the participant equals or exceeds the MADR rate for the CVV.

(i) If the actual selling price of the fruits and vegetables selected exceeds the MADR rate and the participant wishes to purchase the full quantity that he or she selected, Vendor must accept and collect payment from the participant for the amount exceeding the MADR rate. Vendor may not refuse to accept the additional payment from the participant for the purchase of fruits and vegetables exceeding the MADR rate for the CVV.

(C) The actual selling price or MADR rate entered by Vendor must include only the WIC authorized supplemental food item(s) actually provided to the participant.

(11) Vendor must enter the actual selling price for the quantity of supplemental foods on each paper food instrument at the time of purchase and before the participant signs each food instrument.

(12) Vendor may not allow the participant to purchase additional authorized supplemental foods in excess of the quantity printed on the paper food instrument when the actual selling price of the specified supplemental foods is less than the MADR rate for that food instrument.

(13) Upon request, Vendor must provide agents of the State, the Department, and the Comptroller of the United States access to all food instruments and CVVs in Vendor's possession, including, but not limited to, food instruments negotiated but not yet deposited, for review.

(j) Acceptance of EBT Food Instruments and Cash-Value Benefits (CVBs). Vendor agrees to accept and process all California WIC Card transactions and CVBs in accordance with the following:

- (1) Vendor must accept California WIC Cards only from participants who have proper WIC identification. Proper WIC identification for California WIC Card transactions consists of the successful entry of the individual personal identification number (PIN) by the participant.
- (2) Vendor may process California WIC Card transactions only when a participant presents the California WIC Card at the time of purchase.
- (3) California WIC Cards must be swiped to process a California WIC Card transaction.
 - (A) California WIC Card numbers may only be key-entered after a magnetic swipe read has failed.
- (4) Vendor must ensure that Vendor's in-store California WIC Card transaction process allows a reasonable degree of security to protect the PINs used by WIC participants. Only the WIC participant may enter the PIN. Vendor or Vendor's representative must not ask for a participant's PIN or enter a PIN for the participant.
- (5) Except when swiping a California WIC Card to process a California WIC Card transaction, Vendor may not ask for a participant's card.
- (6) When processing California WIC Card transactions, Vendor must scan the UPC that is affixed to the actual food item, unless the item being purchased is a fresh fruit or vegetable. Vendor must not scan codes from UPC codebooks, other products, or reference sheets. If a food item's UPC will not scan, Vendor may manually enter the UPC or scan an identical food item. An identical food item is an item of the exact brand, type, size, and UPC as the original supplemental food item selected by the participant.
- (7) When processing fresh fruit or vegetable transactions with the California WIC Card, Vendor must enter a PLU code or scan a UPC as set forth in Article III, Section 2(j)(6) above.
- (8) If Vendor uses a stand-beside point of sale system from Fidelity Information Services, LLC (FIS), instead of entering a PLU or scanning a UPC, Vendor must use the stand-beside point of sale system's CVB function for all fruit and vegetable transactions.
- (9) For purposes of California WIC Card transactions, Vendor agrees to provide participants with only those authorized supplemental foods designated in W.B.R. § 82000 et seq. which appear on the APL. Vendor may not provide participants with substitutions for food items purchased with California WIC Cards, including brands or items other than those which appear on the APL. Vendor must not provide participants with unauthorized food items, non-food items, cash, or credit, including rain checks, in exchange for EBT food instruments.
- (10) Vendor must allow participants to use their California WIC Cards to redeem only those food items and quantities included in their electronic benefit balance.
- (11) Vendor may not require participants to purchase all items on their electronic benefit balance in order to use their California WIC Card.
- (12) Vendor must not require participants to provide any personal information or identification, other than entry of the participant's PIN in order to process California WIC Card transactions.
- (13) Vendor must transmit the actual selling price, as defined in Article III, Section 1(x)(2)(A), for the food item(s) selected by the participant through Vendor's point of sale system.

(14) When accepting CVBs for fruits and vegetables:

(A) Vendor must enter and transmit the actual selling price of the fruits and vegetables when the cost of the quantity purchased by the participant is less than the MADR rate for the CVB.

(B) If the actual selling price of the fruits and vegetables selected exceeds the MADR rate and the participant wishes to purchase the full quantity that he or she selected, Vendor must accept and collect payment from the participant for the amount exceeding the MADR rate. Vendor may not refuse to accept additional payment from participants for the purchase of fruits and vegetables exceeding the MADR rate for the CVB.

(15) When processing California WIC Card and CVB transactions, the actual selling price entered by Vendor must include only the food item(s) actually provided to the participant.

(16) Upon request, Vendor must provide participants with a printed copy of their Balance Inquiry Receipt, also known as the "WIC Food Balance," without requiring participants to make a purchase.

(17) Vendor must not require WIC participants to use specific checkout lines except when use of a specific checkout line is necessary to process California WIC Card transactions using an EBT Capable point of sale system.

(18) If a participant's California WIC Card is found in Vendor's store, Vendor must return the card to the Department at the address on the back of the card within seven (7) days.

4. Vendor Redemption of Food Instruments.

(a) Vendor is responsible for ensuring the proper training of any staff to whom Vendor delegates the processing and completion of Vendor's food instrument redemption procedures.

(b) Vendor accepts all financial responsibility for all account costs, including returned check charges, incurred by Vendor in the food instrument redemption process.

(c) Vendor must accept the lesser of Vendor's posted price, the actual selling price, or the MADR rate as reimbursement in full for the supplemental foods purchased by the participant and included on the participant's paper food instrument(s) or electronic benefits.

(d) Vendor may not seek restitution from participants for food instruments not paid or partially paid by the Department.

(e) Vendor Redemption of Paper Food Instruments and CVVs. As an authorized vendor in the California WIC Program, Vendor agrees to redeem all paper food instruments and CVVs in accordance with Program regulations and the terms of this Agreement. When redeeming paper food instruments, Vendor agrees to comply with the following:

(1) When redeeming paper food instruments or CVVs for reimbursement, Vendor must associate the serial number of each paper food instrument with the vendor authorization number of the vendor store that accepted the paper food instrument or CVV. If an ownership owns more than one (1) store location, including multiple stores under a Master Vendor Agreement, Vendor may not associate paper food instruments or CVVs accepted at one (1) store location with a different store location's vendor authorization number.

(2) Prior to depositing paper food instruments in Vendor's bank account, Vendor must associate the serial number of a paper food instrument or CVV with Vendor's store location by transmitting the serial numbers of all paper food instruments and CVVs to the Department through one (1) of the submission options described below:

(A) Vendor may use a computer equipped with web browser software and an internet connection to access the Department's website at vwix.ca.gov and follow the menu of instructions provided on the website; or

(B) Vendor may acquire technology that will scan the Magnetic Ink Character Recognition (MICR) line imprinted on each food instrument, collect each serial number, and prepare an electronic file format that can be submitted to the Department through vwix.ca.gov or through File Transfer Protocol (FTP) software.

(i) If Vendor elects to associate the serial numbers of paper food instruments or CVVs using technology that will scan the MICR line on a paper food instrument, Vendor assumes all responsibility for acquisition of the technology to ensure successful transmission of paper food instrument or CVV serial numbers to the Department.

(3) Vendor is responsible for ensuring successful transmission of all paper food instrument or CVV serial numbers it redeems to the Department through any and all submission options.

(4) In order to receive reimbursement, after the paper food instrument or CVV has been associated with the vendor authorization number of Vendor's store location, Vendor must deposit the paper food instrument or CVV into Vendor's bank account. All paper food instruments or CVVs must be deposited within forty-five (45) days of the "first day to use" date printed on the food instrument.

(5) Vendor must not redeem a paper food instrument or CVV outside of authorized channels. An authorized channel is defined as a vendor accepting a food instrument or CVV at a vendor store authorized by its vendor agreement and associating the serial number of the food instrument or CVV with that vendor store's vendor authorization number and then depositing the food instrument or CVV into that vendor's bank account. Food instruments and CVVs may not be used in the repayment of debts to other parties.

(6) Failure by Vendor to meet the requirements for submitting paper food instrument or CVV serial numbers may result in the delay or denial of reimbursement for each paper food instrument or CVV not redeemed as specified in Article III, Section 4(e).

(7) To ensure compliance with price limitations applicable to Vendor's peer group, Vendor must accept the Department's adjustments to the purchase price for the food instruments or CVVs submitted by the Vendor for redemption or rejection and non-payment of food instruments or CVVs submitted by the Vendor for redemption.

(f) Redemption of EBT Food Instruments and CVBs. As an authorized vendor in the California WIC Program, Vendor agrees to redeem all EBT food instruments and CVBs in accordance with Program regulations and the terms of this Agreement. When redeeming EBT food instruments, Vendor agrees to comply with the following:

(1) Vendor must process and redeem all California WIC Card transactions in accordance with the rules for Online EBT in the WIC Operating Rules and WIC EBT Technical Implementation Guide.

(2) Vendor is responsible for ensuring the successful transmission, including through selection of Vendor's third party processor(s) and point of sale system(s), of all California WIC Card transactions for which Vendor seeks reimbursement from the Department.

(3) Vendor must provide participants with the opportunity to confirm the amount of a transaction, including that the amount deducted from participant's electronic benefits, is correct prior to transmitting a California WIC Card transaction for redemption.

(4) Vendor must apply all discounts and coupons to California WIC Card transactions prior to transmission for redemption.

(A) Vendor may reflect the value of a discount or coupon as either an amount netted from the cost of the food item or a separate total discount from the total purchase amount.

(B) If the total dollar amount of a WIC purchase results in a zero amount due because of the application of coupons or discounts, the California WIC Card transaction may not be submitted to the Department.

(5) Vendors using multi-function point of sale systems may use mixed basket processing. A Vendor who elects to use mixed basket processing must, at minimum:

(A) Allow the participant to confirm WIC purchase quantities and amounts prior to the selection of additional methods of payment needed to complete a transaction.

(B) Allow the participant to remove food items from being paid with WIC benefits that are identified as part of the WIC purchase confirmation.

5. Criminal Penalties. Any vendor who has willfully misapplied, stolen, or fraudulently obtained WIC Program funds is liable to prosecution under applicable Federal, State, or local laws. If the value of such funds is \$100 or more, then the vendor will be subject to a fine of not more than \$25,000 or imprisonment for no more than five (5) years, or both. If the value of such funds is less than \$100, then the penalties will be a fine of not more than \$1,000, or imprisonment for no more than one (1) year, or both. In addition, the vendor must make full restitution to the State for the value of all food instruments transacted in violation of the terms of this Agreement.

ARTICLE IV: DEPARTMENT RESPONSIBILITIES

1. Department Reimbursement of Vendors. The Department will reimburse Vendor for food instruments submitted and accepted for reimbursement in compliance with this Agreement and WIC Program rules and regulations.

(a) The Department will provide Vendor access to information and instructions for using the paper food instrument serial number submission options specified in Article III, Section 4(e)(2). The Department will provide Vendor with the opportunity to confirm transmission of paper food instrument or CVV serial numbers to the WIC Program for each submission option.

(b) The Department will establish a MADR rate for each peer group as payment in full for the supplemental food(s) on a food instrument.

(c) The Department will reimburse Vendor for fruit and vegetable CVVs/CVBs as follows:

(1) The Department will reimburse Vendor for the actual selling price of the fruits and vegetables when the cost of the quantity purchased by the participant is less than the MADR rate for the CVV/CVB.

(2) The Department will reimburse Vendor the MADR rate for the CVV/CVB when the actual selling price of the quantity of fruits and vegetables purchased by the participant equals or exceeds the MADR rate.

(d) The Department will reimburse Vendor for paper food instruments other than CVVs as follows:

(1) The Department will reimburse Vendor the lesser of Vendor's posted price, the actual selling price, or the MADR rate for the supplemental foods purchased by the participant and included on the paper food instrument.

(2) If Vendor submits a paper food instrument for payment in an amount that exceeds the MADR rate, that paper food instrument will be rejected and returned to Vendor by the Department or its agent. When a paper food instrument is rejected, Vendor must reduce the amount requested for reimbursement on the paper food instrument so that it does not exceed the MADR rate and re-submit the paper food instrument.

(A) When Vendor's posted price or the actual selling price for supplemental foods purchased exceeds the MADR rate for the paper food instrument, Vendor may not seek or accept payment from the participant for any difference between Vendor's posted price or the actual selling price and the MADR rate.

(e) The Department will reimburse Vendor for EBT food instruments other than CVBs as follows:

(1) The Department will reimburse Vendor the lesser of Vendor's posted price, the actual selling price, or the MADR rate for each supplemental food item purchased by the participant and included in the participant's electronic benefits.

(2) If the actual selling price transmitted by Vendor exceeds the MADR rate for a supplemental food item, the Department will pay Vendor the MADR rate in effect at the time of the transaction.

(f) The Department will not reimburse Vendor for counterfeit or stolen food instruments.

2. Assignment of Vendor to a Peer Group. Upon authorization, the Department will assign Vendor to a peer group. The Department may assess and re-assign Vendor to a peer group at any time during the term of this Agreement based on changes to Vendor's business or changes to the peer group criteria. As part of the Department's peer group assessment, the Department will assess and designate Vendor as an above-50-percent vendor or a non-above-50-percent vendor.

3. Provision of Vendor Training. The Department will provide Vendor with interactive training once every three (3) years as specified in 7 Code of Federal Regulations part 246.12(i) and California Code of Regulations, title 22, section 40733. The Department will designate the date, time, and location of all interactive training for vendors. The Department will provide vendors with at least one (1) alternative date to attend such training.

4. Payment of Costs for Single-Function Equipment. The Department will pay ongoing maintenance, processing, operational, and equipment fees for single-function equipment for a vendor who is provided the equipment prior to statewide implementation of EBT, or who the Department determines

is necessary for participant access, as specified in California Code of Regulations, title 22, section 40740, subdivision (h).

(a) If the Department determines a vendor is no longer necessary for participant access, as specified in California Code of Regulations, title 22, section 40740, subdivision (h), the Department will provide vendor with thirty (30) days' written notice prior to discontinuing payment of ongoing maintenance, processing, operational, and equipment fees for a vendor who was not provided single-function equipment prior to statewide implementation of EBT.

5. Certification of Point of Sale Systems. The Department or the Department's Certifying Entity will certify point of sale systems as EBT Capable in accordance with the Department's EBT Capability standards.

(a) The Department or the Department's Certifying Entity will notify Vendor if, during the term of this Agreement, Vendor's point of sale system is no longer capable of securely or accurately transmitting EBT food instrument transactions in accordance with Federal standards.

6. Provision of Program Materials. The Department will provide Vendor access to program materials as follows:

(a) The Department will provide Vendor access to materials produced by the WIC Program, such as posters, decals, and stickers containing the WIC acronym and/or California WIC logo, for use in compliance with W.B.R. § 71400. The Department will review and may provide written approval of printed materials produced by Vendor which meet the requirements of W.B.R. § 71400.

(b) The Department will post the current WIC Authorized Food List and associated regulation on the WIC Program's laws and regulations webpage at <https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/LawsandRegulations.aspx>.

(c) The Department will make the APL available for retrieval by vendors' point of sale systems on a daily basis.

7. Monitoring and Compliance. The Department may monitor Vendor for compliance with this Agreement through activities such as compliance investigations, routine monitoring visits, on-site inspections, and audits.

(a) The Department may audit Vendor's records and books of account to determine if violations of this Agreement have occurred and to identify amounts due the State for improperly transacted food instruments, including food reimbursement amounts paid to Vendor which cannot be substantiated by the inventory records required pursuant to Article III, Section 1(k), including infant formula which cannot be substantiated as infant formula that Vendor purchased from an authorized supplier as required in Article III, Section 1(j).

(b) The Department will provide Vendor with specific instructions regarding administrative appeal rights at the time of notification of a sanction imposed by the Department, including disqualification.

(c) If the Department disqualifies Vendor for a violation in 7 Code of Federal Regulations part 246.12(l)(1), the Department will notify Vendor that a disqualification from the WIC Program may result in disqualification from SNAP and such disqualification is not subject to appeal under SNAP.

8. Vendor Claims. The Department will deny payment or establish a claim for each food instrument transacted in violation of any applicable statute, regulation, or the terms of this Agreement.

(a) A claim will either be the full amount of an audit finding determined during an audit of a vendor or the amount of the full purchase price of any food instrument transacted in violation of WIC Program regulations.

(b) The Department will provide an opportunity to justify or correct a vendor claim as specified in Article VII, Section 1(b)(9). In addition to assessing a claim, the Department may sanction Vendor in accordance with California Code of Regulations, title 22, sections 40740 and 40741.

9. Notices. The Department will provide notice to Vendor as follows:

(a) The Department will provide written notice by mail to Vendor of any adverse actions, vendor claims, or amendments to this Agreement. Any written notice provided by mail pursuant to this Section will be deemed to have been received by Vendor as specified in subsections (1)-(3) below:

(1) On the date of the delivery confirmed by the United States Postal Service (USPS) when mailed to Vendor with USPS Tracking to the address indicated on page 1 of this Agreement or at the most recent address specified by written notice given to the Department by Vendor in compliance with Article III, Section 1(w); or

(2) On the date of delivery indicated on the return receipt, when mailed using first class postage prepaid certified mail, return receipt requested, and addressed to Vendor at the address indicated on page 1 of this Agreement or at the most recent address specified by written notice given to the Department by Vendor in compliance with Article III, Section 1(w); or

(3) On the fifth day after mailing to Vendor, when mailed first class postage prepaid and addressed to Vendor at the address indicated on page 1 of this Agreement or at the most recent address specified by written notice given to the Department by Vendor in compliance with Article III, Section 1(w).

(b) The Department will provide Vendor with notice of any changes to California's WIC regulations at <https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/LawsandRegulations.aspx>.

(c) The Department will provide Vendor with notice of other WIC Program actions at <https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/Grocers/AuthorizedVendors/VendorAlerts.aspx>.

10. Administrative Appeals and Dispute Resolution Processes. The Department will provide and administer administrative appeals and dispute resolution processes as specified in Article VII.

ARTICLE V: EXPIRATION AND TERMINATION OF VENDOR AGREEMENT

1. Expiration. Neither the Department nor Vendor has an obligation to renew this Agreement. The expiration of this Agreement is not subject to appeal. If Vendor wishes to continue to be authorized beyond the term of a vendor agreement, Vendor must re-apply for authorization.

2. Termination. Termination of this Agreement in accordance with the terms of this Section will result in the termination of Vendor's authorization.

(a) This Agreement and Vendor's authorization will be terminated if, at any time during the term of this Agreement, Vendor fails to comply with the terms of this Agreement or Federal and State statutes, regulations, policies, and procedures governing the WIC Program, including any changes made during the term of the Agreement.

(b) Either Party may terminate this Agreement for cause. Regardless of which Party initiates the termination of this Agreement, or the reason for termination, including sanctions such as disqualifications, the Department will provide written notice of the termination to Vendor, including notice of the last day Vendor may deposit any food instruments.

(1) Vendor must not accept or transact purchases using paper food instruments or California WIC Cards after the date specified by the Department in accordance with subsection (b) above.

(c) This Agreement will be immediately terminated if the Department determines that Vendor provided false information in connection with its application for authorization and the false information was material to the Department's decision to authorize Vendor as defined in W.B.R. § 70400. If a vendor or ownership provides false information that was material to the Department's decision to reauthorize multiple stores on a master reauthorization application, all vendor stores on the master reauthorization application that were reauthorized using the false information will be terminated. For terminations pursuant to this subsection, notice of termination of the Agreement is not required prior to the actual termination.

(d) Except for an immediate termination specified in Article V, Section 2(c) above and for a disqualification based on California Code of Regulations, title 22, section 40740, subdivision (c), which becomes effective on the date of receipt of the notice of disqualification, the Department must terminate the Agreement with a minimum of fifteen (15) days' written notice.

(e) This Agreement will be terminated and Vendor may be disqualified from the WIC program if Vendor has been disqualified from SNAP or has received a SNAP civil money penalty in lieu of disqualification, unless the Department determines Vendor is necessary for participant access, as specified in California Code of Regulations, title 22, section 40740, subdivision (h).

(f) This Agreement will be terminated and Vendor will be disqualified for a violation listed in 7 Code of Federal Regulations part 246.12(l) or California Code of Regulations, title 22, sections 40740 and 40741.

(1) If Vendor is disqualified, the Department will terminate this Agreement. Vendor may only re-apply for authorization after the disqualification period is over.

(g) This Agreement will be terminated if, at any time during the term of this Agreement, Vendor fails to comply with vendor authorization criteria (W.B.R. § 70000 et seq.), including any changes to the criteria made during the term of this Agreement.

(h) This Agreement and Vendor's authorization will be terminated for any change in ownership, store location, or cessation of operations. Vendor must provide the Department at least fifteen (15) days' advance written notice of any such changes.

(i) This Agreement will be terminated for closure of Vendor's store location due to suspension or revocation of Vendor's permit to operate a retail food facility, or if Vendor fails to notify the Department of suspension or revocation of Vendor's permit pursuant to W.B.R. § 70200.

(j) Pursuant to W.B.R. § 70700, this Agreement and Vendor's authorization will be terminated if the Department determines that Vendor is subject to a ruling by a Federal or State enforcement agency that Vendor, on the grounds of race, color, national origin, age, sex, or handicap, excluded from participation in, denied benefits to, or otherwise subjected to discrimination any Program participant in the process of obtaining Program benefits from Vendor.

(k) This Agreement and Vendor's authorization will be terminated if the Department identifies a conflict of interest, as defined in W.B.R. § 71300 or applicable State laws, regulations, and policies, between Vendor and the Department or the Department's WIC local agencies.

(1) By signing this Agreement, Vendor represents that there is no conflict of interest between Vendor and the Department or any of the Department's WIC local agencies.

(l) This Agreement and Vendor's authorization will be terminated if Vendor fails to complete the annual and interactive training as required by California Code of Regulations, title 22, section 40733 and W.B.R. § 71800.

(m) This Agreement and Vendor's authorization will be terminated if Vendor fails to submit semi-annual price information upon request by the Department as required by W.B.R. § 70600(c).

(n) This Agreement and Vendor's authorization will be terminated if Vendor fails to maintain the required inventory and transfer records, as specified in W.B.R. § 71000 and Article III, Section 1(k), including separate inventory and transfer records for each store location owned by an ownership and included on a Master Vendor Agreement.

(o) This Agreement and Vendor's authorization will be terminated if the Department determines that Vendor is attempting to circumvent a WIC sanction or vendor claim as specified in W.B.R. § 70500.

(p) This Agreement and Vendor's authorization will be terminated if, after written notification from the Department, Vendor fails to repay the Department any money owed as a result of any vendor claim after entering into an installment plan agreement with the Department.

(q) If, at any time following termination of this Agreement, Vendor submits a new application for authorization, Vendor's application will be subject to the authorization criteria in effect at the time of the re-application.

ARTICLE VI: VENDOR SANCTIONS

1. Vendor sanctions include disqualifications and civil money penalties. Pursuant to California Code of Regulations, title 22, section 40625, a disqualification is an action taken by the Department that ends Vendor's participation in the program.

(a) A vendor that has been disqualified may not accept food instruments, including California WIC Cards or paper food instruments.

2. Vendor will be sanctioned and this Agreement will be terminated for vendor violations identified in California Code of Regulations, title 22, sections 40740 and 40741.

3. The Department must notify Vendor in writing when an investigation reveals an initial incident of a violation for which a pattern of violations must be established in order to impose a sanction; such

notification must be provided before another such incident is documented by the Department. Violations not requiring a pattern of violations before imposing a sanction include those specified in California Code of Regulations, title 22, section 40740, subdivisions (c), (d), and (e)(1), and no warning letter will be provided for those violations.

4. Vendor is liable for all vendor violations committed by its owners, officers, managers, agents, and employees.

ARTICLE VII: ADMINISTRATIVE APPEALS AND DISPUTE RESOLUTION PROCESSES

1. Vendor Right to Administrative Review. The Department will provide Vendor administrative review of adverse actions in compliance with 7 Code of Federal Regulations part 246.18(a)(1) and California Code of Regulations, title 22, section 40751.

(a) The Department will provide Vendor with abbreviated administrative review for those adverse actions listed in California Code of Regulations, title 22, section 40752.

(b) Pursuant to 7 Code of Federal Regulations part 246.18(a)(1)(iii), the Department will not provide administrative review of the following:

(1) The validity or appropriateness of the Department's vendor limiting criteria, vendor selection criteria for minimum variety and quantity of supplemental foods, business integrity, and current SNAP disqualification or civil money penalty for hardship.

(2) The validity or appropriateness of the Department's selection criteria for competitive price criteria, including but not limited to vendor peer group criteria and the criteria used to identify vendors that are above-50-percent vendors or comparable to above-50-percent vendors.

(3) The validity or appropriateness of participant access determination criteria or a participant access determination.

(4) The Department's determination to include or exclude an infant formula manufacturer, wholesaler, distributor, or retailer from the Department's authorized list.

(5) The validity or appropriateness of the Department's prohibition of incentive items or the Department's denial of an above-50-percent vendor's request to provide incentive items.

(6) The Department's determination of whether to notify a vendor in writing when an investigation reveals an initial violation for which a pattern of violations must be established in order to impose a sanction.

(7) The Department's determination of whether a vendor had an effective policy and program in effect to prevent trafficking and that the ownership of the vendor was not aware, did not approve of, and was not involved in the conduct of the violation.

(8) The expiration of a vendor agreement.

(9) Disputes regarding food instrument or CVV/CVB payments and vendor claims.

(A) Vendors who dispute vendor claims will be provided an opportunity to justify or correct a vendor overcharge or other error, as permitted by 7 Code of Federal Regulations part 246.12(k)(3) and California Code of Regulations, title 22, section 40747.

(10) The disqualification of a vendor as a result of disqualification from SNAP.

2. Dispute Resolution Processes for EBT Food Instrument Transactions. The following processes apply if Vendor believes a payment error affected Vendor's reimbursement for an EBT food instrument transaction:

(a) Vendor may not dispute the following:

(1) MADR rate adjustments; and

(2) Claims due to cashier errors.

(b) If Vendor uses an integrated point of sale system, Vendor should contact Vendor's third party processor.

(c) If Vendor uses a stand-beside point of sale system, Vendor should contact FIS.

(d) Any vendor dispute with the Department will be processed in accordance with this subsection.

(1) To dispute a payment with the Department, Vendor must submit a written dispute request and supporting evidence that clearly demonstrates that the transaction(s) at issue involved a valid EBT food instrument transaction at Vendor's store location.

(A) The written dispute request must provide an explanation of the event(s) that caused the payment error.

(B) Supporting evidence must include copies of transaction log records, transaction receipts, and any other documentation showing proof of a WIC Program participant presenting a California WIC Card and WIC authorized supplemental foods being provided to the participant.

(C) Vendor must submit any written disputes and related evidence to the Department at WICDisputes@cdph.ca.gov within ten (10) days of the date of the EBT food instrument transaction(s) at issue.

(2) The Department will research and provide a response to Vendor's written dispute request within ten (10) days of the date the Department receives the request.

(3) Vendor must fully cooperate in the resolution of any payment dispute, including by providing additional documentation upon request by the Department.

(A) All requests for additional documentation made by the Department will be in writing.

(4) All payment disputes must be resolved within forty-five (45) days of the date the Department receives Vendor's written dispute request.

(A) The Department is the sole arbiter of disputes submitted under this subsection (d).

(B) The Department's resolution of a dispute completed within the forty-five (45) day dispute timeframe is final.

(5) If a dispute is not resolved within forty-five (45) days, the party raising the dispute will be deemed entitled to the claim and the disputed item will be settled in their favor.

(e) Neither resolution nor settlement of a payment dispute pursuant to this Section will be subject to reconsideration or appeal.

(f) Vendor understands and agrees that the resolution or settlement of a payment dispute pursuant to this Section will not have any precedential effect, or be given any evidentiary weight, in an adverse action brought against Vendor by the Department, including, but not limited to, sanctions for overcharging or supplemental foods not received.

ARTICLE VIII: ADDITIONAL TERMS

1. Conflict Between this Agreement and Federal Rules. Any direct conflict between the terms of this Agreement and any Federal WIC Program statutes, regulations, or mandatory Federal memoranda and guidance letters clarifying and interpreting the Federal laws and regulations, will be resolved in favor of the current Federal requirement for only those parts of this Agreement's requirements in direct conflict with Federal requirements. All other provisions will remain unchanged.
2. Not a License. This Agreement does not constitute a license, property interest, or right.
3. Assignment. Vendor may not assign any of its rights, duties, or obligations under this Agreement.
4. Independent Contractor Status. Vendor is considered an independent contractor and not an agent or employee of the Department or the State in carrying out the terms of this Agreement.
5. Consultation with Counsel. Vendor has entered and executed this Agreement freely and voluntarily based on Vendor's own independent judgment after an opportunity for consultation with counsel and without duress, coercion, or undue influence of any kind.
6. Contingency. This Agreement is contingent upon the continued operation of the WIC Program by the Department and the availability of Federal funds. In the event of the discontinuance of the WIC Program by the Department or the unavailability of Federal funds, the Department will immediately notify Vendor of the same, and Vendor, if so directed, must immediately cease accepting food instruments and CVVs/CVBs. The Department is not liable for any food instruments or CVVs/CVBs accepted by Vendor following such notice by the Department.
7. Amendment. The Department may issue from time to time, revisions to this Agreement to conform to amendments to applicable Federal and State laws, regulations, and policies. Vendor's refusal to sign amendments to this Agreement will result in termination of this Agreement by the Department.
8. Governing Law and Venue. This Agreement is executed in and intended to be performed in the State of California, and the laws of this State govern its interpretation and effect.
9. Severability. If any term, provision, covenant, or condition to this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the Agreement will remain in full force and effect and will in no way be affected or invalidated.

10. Definitions. Terms that are not specifically defined in this Agreement are used as set forth in 7 Code of Federal Regulations part 246.2, Health and Safety Code § 123275 et seq., California Code of Regulations, title 22, section 40601 et seq., and the California WIC Program Bulletin Regulations.

11. Effect of Titles and Headings. Articles, sections, subsections, and other headings used in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define, or limit the scope or intent of this Agreement or any provision or term therein.

12. The laws and regulations cited in this Agreement are subject to change; current versions, which are incorporated into this Agreement by reference, may be found at <https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/LawsandRegulations.aspx>.

13. For questions or comments regarding this Agreement, please contact:

WIC Program
California Department of Public Health
3901 Lennane Dr.
PO Box 997375, MS 8600
Sacramento, CA 95834
Attn: Vendor Management Branch
1(855) 942-7867

Information about the WIC Program is available at <https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/Program-Landing1.aspx>.

ARTICLE IX: CERTIFICATION

Vendor has read and understands the laws and regulations that govern the WIC Program and agrees to follow these requirements and all the terms of this Agreement as well as the provisions of the WIC Authorized Food List (W.B.R. § 82000 et seq.). Vendor also agrees to read any amendments or updates to this Agreement and to comply with such amendments or updates if Vendor continues participation thereafter in the WIC Program.

The undersigned certifies that he or she has full legal authority to bind Vendor in this Agreement.

SIGNATURE BLOCK

ON BEHALF OF VENDOR: Printed Name and Title	Signature	Date Signed
ON BEHALF OF CALIFORNIA WIC PROGRAM Printed Name and Title (Chief or Designee)	Signature	Date Signed