

**HAWAII DEPARTMENT OF HEALTH
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM
FOR WOMEN, INFANTS AND CHILDREN (WIC)**

**MEMORANDUM OF AGREEMENT
FOR WIC CHECK REDEMPTION**

Corporate or Owner(s) Name(s): _____

Doing Business As: _____

Located at: _____
(Headquarters if multiple locations) **Street**

City/Island/State/Zip _____
City **Island** **State** **Zip + 4**

Federal Taxpayer I.D. No. _____

This Agreement, entered into by and between the Women, Infants, and Children (WIC) Services Branch, Department of Health, hereinafter referred to as the "WIC Program," and above named vendor, hereinafter referred to as the "Vendor" for the provision of Supplemental Foods to participants or authorized representatives in the Hawaii Special Supplemental Nutrition Program for WIC.

GENERAL TERMS

1. The purpose of this Agreement is to provide retail outlets (Vendors) for the Federal Supplemental Nutrition Program for WIC, and to provide binding regulations for the Vendors and the WIC Program in transactions arising out of this Agreement.
2. This Agreement becomes effective on October 1, 2007 and shall expire on September 30, 2010, subject to early termination or cancellation as described elsewhere in this Agreement which includes, but is not limited to, a review of the qualifications of all food Vendors based on the Vendor Selection and Authorization Criteria (see Vendor Manual). This Agreement is **non-renewable**. The Vendor must apply for a new Agreement upon the expiration of this Agreement.
3. The individual signing this Agreement on behalf of the Vendor represents and warrants to the WIC Program that the individual has the legal authority to sign this Agreement on behalf of the Vendor and that such signature obligates the Vendor (and the person signing) to perform under this Agreement.
4. Should any provision of this Agreement be declared invalid because of a conflict with controlling federal or state law, the remaining portions of the Agreement shall remain in effect so long as the intent underlying this Agreement may be met without the invalidated provision.
5. The Vendor shall be considered an independent contractor, not an agent of the WIC Program, the State of Hawaii, or the federal government.
6. This Agreement shall not constitute a license or a property interest. If the Vendor wishes to continue to be authorized beyond the period of this Agreement, the Vendor must reapply for authorization. If the Vendor is disqualified, the WIC Program will terminate this Agreement, and the Vendor will have to reapply to be authorized after the disqualification period is over. In all cases, the Vendor's new application will be subject to the WIC Program's vendor selection criteria and any vendor limiting criteria in effect at the time of the reapplication.

7. This Agreement involves only and all stores under the corporation or business entity as registered with the State of Hawaii, Department of Commerce and Consumer Affairs, and as listed in the applicant's Store/Outlet Information Form (WIC FORM V-004).
8. The Vendor shall be located at a fixed, permanent location. The Vendor shall furnish WIC Allowed foods to WIC participants only at the site(s) of the vendor location(s) as listed in the applicant's Store/Outlet Information Form (WIC FORM V-004). Home food delivery is not allowable under this Agreement.
9. This Agreement is non-transferable. The death of the Vendor or any change in ownership or sale of the business by the Vendor shall render this Agreement null and void. Vendor agrees to provide fifteen (15) calendar days advance written notice to the WIC Program if the store is going out of business or is being sold.
10. The Vendor shall notify the WIC Program in writing not less than fifteen (15) calendar days of any change in store name, store address, or telephone number.
11. The Vendor (except for pharmacies) shall have authorization from and operate in compliance with the United States Department of Agriculture (USDA), Food and Nutrition Service, Food Stamp Program, hereinafter referred to as the "Food Stamp Program".
12. The Vendor shall provide the WIC Program with bank information including, but not limited to, the name, branch and account number for the Vendor's authorized bank for acceptance of all WIC checks. The Vendor shall notify the WIC Program in writing of any change in the bank information not less than fifteen (15) calendar days before the change takes place.
13. The Vendor shall comply with this Agreement, Federal and State statutes, regulations, policies, and procedures governing the WIC Program, the Hawaii WIC Program Policy and Procedure Manual, the Vendor Manual and any amendments or additions thereto.
14. The Vendor shall comply with applicable Federal WIC Program regulations as found in the USDA Consolidated Federal Regulations (7 CFR § 246). The USDA Consolidated Federal Regulations (7 CFR § 246), the Vendor Manual, and the Agreement, are incorporated herein by reference.
15. The Vendor shall be bound by any changes in the USDA Consolidated Federal Regulations (7 CFR § 246) and State policies and procedures, including changes in selection criteria if the WIC Program chooses to reassess the Vendor during the Agreement period.
16. This Agreement shall be contingent on the continued operation of the WIC Program. The WIC Program shall immediately notify the Vendor in the event of discontinuance of the WIC Program or unavailability of Federal funds. The WIC Program shall not be liable for any WIC checks accepted by the Vendor after such notification occurs.
17. Neither the Vendor nor the WIC Program, or employees of either, shall profit directly or indirectly in the performance of this Agreement, except as authorized by this Agreement.
18. The Vendor shall not assign or subcontract any of the services under this Agreement, except with written consent from the WIC Program.
19. The Vendor or any of the Vendor's current owners, officers, or managers shall not have been convicted of or had a civil judgment entered against them for any activity indicating a lack of business integrity. Activities indicating a lack of business integrity include fraud, antitrust violations, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, and obstruction of justice.
20. The selection of vendors authorized to accept negotiable WIC checks from WIC participants is based upon criteria established by the WIC Program, which are described in the Selection and Authorization criteria in the Vendor Manual.
21. Violations and Sanctions are described in the Vendor Manual.
22. Civil money penalties are described in the Vendor Manual.

GENERAL RESPONSIBILITIES

1. The Vendor shall designate a person for each outlet who shall be responsible for ensuring Vendor compliance with the terms of this Agreement and the Vendor Manual.
2. The Vendor shall be accountable for the actions or inactions of its employees, owners, officers, managers, and agents as they relate to the requirements of this Agreement, USDA regulations, and the Vendor Manual which include, but are not limited to:
 - a. The handling of WIC transactions;
 - b. The redemption of WIC checks; and
 - c. The provision of WIC supplemental foods.
3. The Vendor shall maintain adequate and convenient hours of operation as listed in the Selection and Authorization criteria of the Vendor Manual.

TRAINING

1. At least one representative of the Vendor must participate in training annually;
2. Annual vendor training may be provided in a variety of formats, including newsletters, videos, and interactive training;
3. The WIC Program will have sole discretion to designate the date, time and location of all interactive training, except that the WIC Program will provide the vendor with at least one alternative date on which to attend such training;
4. The Vendor shall inform and train cashiers and other staff on WIC Program requirements;
5. The Vendor shall attend special or additional training at the direction of the WIC Program;
6. The Vendor shall provide special or additional training to employees at the direction of the WIC Program.

FOOD INVENTORY AND STOCK REQUIREMENTS

1. The Vendor shall stock and maintain the minimum quantities and varieties of WIC Allowed foods according to the current Hawaii WIC Program Minimum Inventory Requirements (see Vendor Manual). The Vendor may be disqualified from the WIC Program for failure to maintain the required minimum inventory of WIC Allowed foods.
2. The WIC Program shall provide the Vendor with the Hawaii WIC Allowed Food list and Hawaii WIC Program's Minimum Inventory Requirements.
3. The Vendor shall mark all WIC Allowed foods with the current price charged for these products to the general public or prominently display the price of the foods near the location of the foods, in clear view of customers, and in a manner that clearly identifies the price with the specific food item.
4. The Vendor shall submit WIC Vendor Price/Stock Reports upon request of the WIC Program which will occur at least twice annually.

SANITATION AND FOOD SAFETY

1. The Vendor shall be in compliance with all state sanitation codes. The Vendor shall maintain a current State of Hawaii, Department of Health, Food Establishment Permit. The Vendor shall notify the WIC Program immediately and in writing if, for any reason the aforementioned permit is suspended, denied, or revoked.
2. The Vendor shall not sell WIC Allowed foods or infant formula to WIC participants or authorized representatives after the manufacturer's expiration date printed on the package or container.

ACCEPTING WIC CHECKS

1. The WIC Program may deny payment to the Vendor for WIC checks redeemed in violation of any item of this Agreement or Vendor Manual, and shall demand refunds for payments already made to the Vendor on improperly negotiated WIC checks.

2. The Vendor shall post the “WIC Checks Accepted Here” sign on or near the store entrance. The sign must be posted in a location that is visible to WIC customers to assist them in identifying the store as an authorized Hawaii WIC Vendor.
3. The Vendor shall redeem all WIC checks in accordance with the procedures established in this Agreement and in the Vendor Manual.
4. The Vendor shall:
 - a. Accept WIC checks only from WIC participants or authorized representatives (includes parents, caretakers of infants or child participants, and proxies);
 - b. Refuse WIC checks that have been reported as lost or stolen;
 - c. Refuse WIC checks that have been altered in anyway (including, but not limited to, the use of white out anywhere on a WIC check);
 - d. Accept WIC checks only on or after the “First Day to Use” and on or before the “Last Day To Use” printed on WIC checks;
 - e. Utilize the current list of WIC Allowed Food provided by the WIC Program;
 - f. Provide WIC participants only the authorized supplemental foods specified on WIC checks at current prices or at less than current prices charged to other customers (participants may purchase less than the quantities specified on the WIC check but never more);
 - g. Not substitute other food or non-food items not listed on WIC checks;
 - h. Not charge participants, or authorized representatives for food obtained with WIC checks;
 - i. Write the date in permanent ink in the “Date of Use” box on WIC checks;
 - j. Include only the authorized food items actually provided when calculating the purchase price;
 - k. Write the total purchase price in permanent ink in the “Amount” box on WIC checks prior to the check being signed by the WIC participant or authorized representative;
 - l. Witness the WIC client or authorized representative sign the WIC check after the purchase “Amount” and “Date of Use” has been entered by the cashier;
 - m. Verify that the signature of client or authorized representative entered on WIC checks matches the authorized signature listed on participant’s WIC Identification Folder;
 - n. Not provide unauthorized food items, non-food items, cash or credit (including rainchecks) in exchange for WIC checks;
 - o. Not collect excise tax, sales tax or other taxes on WIC foods obtained with WIC checks;
 - p. Not accept out-of-state WIC checks;
 - q. The Vendor shall be responsible for all bank charges on returned WIC checks;
 - r. Not provide refunds or permit exchanges for WIC foods obtained with WIC checks, except for exchanges of an identical WIC food item when the original WIC 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 WIC food item means the exact brand and size as the original WIC food item obtained and returned by the participant.

REDEEMING WIC CHECKS

1. Hawaii WIC Program allows participants to receive supplemental food from any authorized vendor The Vendor shall:
 - a. Stamp all WIC checks with the authorized state-issued WIC Vendor ID stamp prior to deposit;
 - b. Deposit in the Vendor’s named bank for payment not later than:
 - 1) Sixty (60) calendar days of the “First Day to Use” for regular WIC checks;
 - 2) Thirty (30) calendar days of the “First Day to Use” for replacement WIC checks.
2. WIC checks rejected due to a missing Vendor ID stamp shall be stamped and redeposited by the Vendor, one time only, not later than sixty (60) calendar days of the “First Day to Use”.
3. The Vendor shall not submit WIC checks for payment that:
 - a. Have been reported as either lost or stolen;
 - b. Were redeemed by another Vendor or a store that is not currently authorized as a WIC Vendor;
 - c. Include charges for WIC Allowed foods in excess of the quantities specified on WIC checks; or

- d. Are false claims for reimbursement of WIC checks.

PAYMENT ON WIC CHECKS

1. The WIC Program shall group vendors by peer groups, and will calculate the average price for WIC foods by vendor peer groups. Vendor's prices shall not be more than a price set by WIC based on market price information. Some of the set prices are a calculation of the average redemption amount by food instrument type within a peer group plus a tolerance amount to account for variation of product availability, wholesale price changes, participant selection, and shelf prices. The WIC Program may make price adjustments to the purchase price on WIC checks submitted by the Vendor for redemption to ensure compliance with the price limitations applicable to the Vendor.
2. The WIC Program may authorize its banking contractor to reject WIC checks for payment to the Vendor for, but not limited to, the following reasons:
 - a. The WIC check was reported as lost or stolen;
 - b. The WIC check was altered;
 - c. The "Date of Use" is missing, illegible, not entered in ink, or not properly corrected;
 - d. The dollar "Amount" is missing, illegible, not entered in ink, or not properly corrected;
 - e. The WIC check does not have the signature of the WIC participant or authorized representative (signature must be entered in ink);
 - f. The redeemed dollar value exceeds the maximum dollar value;
 - g. The WIC check was deposited in the bank later than sixty (60) calendar days of the "First Day to Use" for regular WIC checks, or later than thirty (30) calendar days of the "First Day to Use" for replacement WIC checks;
 - h. The WIC check does not have a legible authorized Hawaii WIC Vendor ID stamp number;
 - i. The WIC check was accepted by the Vendor or deposited in the bank prior to the "First Day to Use";
 - j. The Vendor accepted the WIC check after the "Last Day to Use".
3. The Vendor may request reimbursement from the WIC Program for WIC checks rejected for payment. The WIC Program must receive requests for reimbursement no later than ninety (90) calendar days of the rejected checks "First Day to Use". Reimbursement of rejected WIC checks shall be in accordance with the WIC Vendor Manual.
4. The WIC Program shall delay payment or establish a claim in the amount of the full purchase price of each WIC check that contains a vendor overcharge or other error. The WIC Program shall provide the Vendor the opportunity to justify or correct a vendor overcharge or other error.
5. The Vendor must pay any claim assessed by the WIC Program. In collecting a claim, the WIC Program may offset the claim against current and subsequent amounts to be paid to the vendor.
6. The Vendor shall not seek full or partial payment or restitution from WIC participants or authorize representatives if the WIC check is not paid or partially paid by the Banking Contractor or the WIC Program, or if the WIC check is damaged. Restitution shall not be requested even if the WIC check was not deposited.
7. The WIC Program shall not be obligated to reimburse the Vendor for bank fees.

INSPECTION AND AUDIT

1. The Vendor agrees to comply with unannounced on-site monitoring visits and compliance investigations conducted by the WIC Program or its representatives.
2. The Vendor shall be monitored for compliance with WIC Program requirements.
3. Monitoring shall include, but is not limited to, the following:
 - a. Inspections performed by personnel from the WIC Program, or the USDA, Food and Nutrition Service, or its authorized representatives;
 - b. Unannounced inspection visits; and
 - c. Unannounced, anonymous compliance buys.

4. During on-site monitoring visits, inventory audits, receipt audits, compliance investigations, and site reviews, the vendor shall provide unobstructed access to all WIC checks, shelf prices, register tapes, purchase invoices, inventory records, other program related records, and food storage areas upon request.
5. Inspection visits may be made at any time during normal business hours during the Agreement period. An initial visit may be made before the WIC Program processes the Agreement. Any violation of the WIC Program requirements including, but not limited to, maintaining the required minimum inventory of WIC Allowed foods, may eliminate the Vendor from inclusion in the WIC Program, or disqualify the Vendor from the WIC Program (see Vendor Manual).

RECORD KEEPING

1. The Vendor shall maintain for inspection and audit by the WIC Program, the State of Hawaii, the USDA, Food and Nutrition Service, and the Comptroller General of the United States, inventory records used for tax reporting purposes, all books, receipts, accounts, reports, files, purchase invoices and other records relating to the performance of this Agreement for four (4) years after the expiration of this Agreement. Failure to maintain or provide purchase records for infant formula and other WIC Allowed foods as well as other records, including maintaining food sales records of all Food Stamp Program eligible food sales, relating to the performance of the WIC Vendor Agreement that are required will result in a one (1) year disqualification from the WIC Program.
2. The Vendor shall retain records related to disputes, litigation, or settlement of claims arising out of the performance of this Agreement until such time as these matters have been finally resolved or four (4) years, whichever is later.
3. Upon request, the Vendor must make available to representatives of the WIC Program, the State of Hawaii, the USDA, Food and Nutrition Service, and the Comptroller General of the United States, at any reasonable time and place for inspection and audit, all WIC checks in the Vendor's possession and all WIC Program related records.
4. The Vendor, at its own expense, shall produce a legible copy of all such records to the WIC Program, upon request of the WIC Program, the State of Hawaii, the USDA, Food and Nutrition Service, and the Comptroller General of the United States.

RELEASE OF VENDOR AND CLIENT INFORMATION

1. The WIC Program may share records and information concerning the Vendor's participation in the WIC Program with other entities responsible for oversight, management or enforcement of the WIC Program. This provision includes, but is not limited to, law enforcement agencies.
2. The Vendor shall keep all information on WIC participants confidential and shall abide by all rules and regulations of federal and state agencies governing the WIC Program.

SUSPENSION AND DISQUALIFICATION

1. The WIC Program shall disqualify the Vendor for fraud or abuse of the WIC Program committed by the Vendor, its owners, officers, managers, agents and employees. Suspension or disqualification may also result from accumulated penalty points arising from violations (see Vendor Manual).
2. The Vendor shall comply with the selection criteria throughout the Agreement period, including any changes to the criteria. The WIC Program may reassess the Vendor for compliance to the selection criteria at any time. Any failure to comply with the Selection and Authorization criteria must be corrected by the Vendor. The Vendor will be given an opportunity to correct any deficiencies. Failure to correct any deficiencies upon notification from the WIC Program shall result in the termination of the Vendor's Agreement. The WIC Program shall notify the Vendor of the termination not later than fifteen (15) calendar days prior to the effective date.
3. Prior to notification of disqualification, the WIC Program shall determine if the disqualification would cause undue hardship to participants (see Vendor Manual).

4. Disqualification of the Vendor from any other Federal food and nutrition program (e.g. Food Stamp Program) or the revocation of the Vendor's Food Establishment Permit shall result in disqualification from the WIC Program.
5. Disqualification from the WIC Program may result in disqualification as a retailer in the Food Stamp Program. Such disqualification may not be subject to administrative or judicial review under the Food Stamp Program.
6. A Vendor shall not be entitled to receive any WIC compensation for revenues lost as a result of disqualification.
7. A Vendor shall not be entitled to receive any WIC compensation for revenue lost as a result of a disqualification that was later overturned.
8. The issue of participant access shall not be a defense in any disqualification appeal or hearing.
9. The issue of financial hardship shall not be a defense in any disqualification appeal or hearing.
10. Suspensions that extend past the expiration of the Agreement shall continue in force into the new Agreement period until the end of the suspension period. Vendors who wish to be considered for the new Agreement period must submit an application. If a new Agreement is granted, it shall not become effective until after the expiration of the suspension.
11. Disqualified Vendors shall be considered as having forfeited their authorization and shall be required to apply for authorization after the expiration of their disqualification period.
12. The WIC Program may disqualify a Vendor for overcharging and for failure to pay back overcharges.
13. The WIC Program may disqualify a Vendor for charging for food items not received by WIC participants.
14. The WIC Program may disqualify a Vendor for one (1) year for obtaining infant formula from a source not included on the Hawaii WIC Authorized Infant Formula Sources list.
15. The WIC Program shall notify the Vendor of the suspension or disqualification not later than fifteen (15) calendar days prior to the effective date. However, the date for disqualification for convictions of trafficking or the illegal sale of firearms, ammunition, explosives or controlled substances shall be effective on the date of receipt of the notice.
16. The WIC Program shall not accept voluntary withdrawal of the Vendor as an alternative to disqualification for fraud or abuse.

PENALTIES

1. The Vendor shall also be liable to prosecution under applicable federal, state or local laws, in addition to suspension or disqualification from the WIC Program.
2. Any party who willfully misapplies, steals or fraudulently obtains WIC Program funds shall be subject to a fine of not more than \$25,000.00 or imprisonment for not more than five (5) years or both, if the value of the funds is \$100.00 or more. If the value of the funds is less than \$100.00, the penalties shall include a fine of not more than \$1,000.00 or imprisonment for not more than one year or both according to Federal regulation and subject to State criminal penalties or other applicable laws.
3. The WIC Program has the right to demand refunds from overcharges of WIC Allowed foods, charges for food items not received, and charges for non-authorized items. The Vendor shall be given thirty (30) calendar days within which to justify the overcharge or send in the payment. In the event the Vendor does not remit payment or justify the overcharge, the WIC Program shall withhold such amounts from any monies due to the Vendor.
4. The WIC Program may deny payment for WIC checks redeemed in violation of this Agreement, or demand refunds for payments already made on WIC checks redeemed in violation of this Agreement.

5. In addition to claims collection, the WIC Program shall assess sanctions according to penalty points based on the Violations and Sanctions and Penalty Point Systems established by the WIC Program (see Vendor Manual). These sanctions shall include, but are not limited to, administrative fines, mandatory training, suspension, disqualification, termination, or assessment of civil money penalties, or any combination of sanctions. The WIC Program does not have to provide prior warning that violations were occurring before imposing such sanctions.
6. Any fine or civil money penalty imposed shall not exceed \$10,000 per violation and \$40,000 per investigation, The civil money penalties levels for convictions of trafficking or illegal sales shall not exceed \$11,000 per violation and \$44,000 per investigation.
7. The WIC Program may offer an installment plan for payment of civil money penalties.
8. The WIC Program shall disqualify a Vendor for non-payment, partial payment, or untimely payment of an assessed civil money penalty.
9. The WIC Program shall not accept voluntary withdrawal to avoid paying a civil money penalty.
10. The WIC Program shall notify the Vendor in writing upon identifying that the Vendor has failed to comply with this Agreement, the Vendor Manual or the USDA Consolidated Federal Regulations 7 CFR § 246. At that time, the WIC Program shall notify the Vendor of the penalty to be assessed according to the Violations and Sanctions, and Penalty Point System established by the WIC Program (see Vendor Manual).
11. The WIC Program reserves the right to carry over penalty points from one Agreement period to the next. The penalty points accumulated on the Vendor's record will be used to evaluate new applications, assess suspensions, termination or disqualifications, or impose a civil money penalty.

APPEALS

1. The Vendor shall have the right to appeal adverse actions of the WIC Program (see Vendor Manual).
2. The Vendor shall have the right to request a full administrative review of the following adverse actions:
 - a. Denial of authorization based on the vendor selection criteria for competitive price;
 - b. Denial of authorization based on the vendor selection criteria for minimum variety and quantity of authorized supplemental foods;
 - c. Denial of authorization based on a determination that the vendor is attempting to circumvent a sanction;
 - d. Termination of an agreement for cause;
 - e. Disqualification;
 - f. Imposition of a fine or a civil money penalty in lieu of disqualification.
3. The Vendor shall have the right to request an abbreviated administrative review of the following adverse actions:
 - a. Denial of authorization based on the vendor selection criteria for business integrity or for a current Food Stamp Program disqualification or civil money penalty for hardship;
 - b. Denial of authorization based on a WIC vendor sanction or a Food Stamp Program withdrawal of authorization or disqualification;
 - c. Denial of authorization based on the WIC Program's vendor limiting criteria;
 - d. Denial of authorization based on a vendor submitting an application outside of the time frames during which applications are being accepted and processed;
 - e. Termination of an agreement due to a change in ownership or location or cessation of operations;
 - f. Disqualification based on a trafficking conviction;
 - g. Disqualification based on the imposition of a Food Stamp Program civil money penalty for hardship;
 - h. Disqualification or a civil money penalty imposed in lieu of disqualification based on a mandatory sanction imposed by another WIC Program.

4. The vendor does not have the right to request an administrative review of the following:
 - a. The validity or appropriateness of the WIC Program's vendor limiting or selection criteria;
 - b. The validity or appropriateness of the WIC Program's participant access criteria and the WIC Program's participant access determination;
 - c. The WIC Program's determination whether a Vendor had an effective policy and program in effect to prevent trafficking and the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation;
 - d. The expiration of this Agreement;
 - e. Disputes regarding WIC check payments and vendor claims (other than the opportunity to justify or correct a vendor overcharge or other error as permitted by federal regulations);
 - f. Disqualification as a result of disqualification from the Food Stamp Program.
 - g. The validity or appropriateness of the State agency's vendor peer group criteria and the criteria used to identify vendors that are above 50-percent vendors or comparable to above-50-percent vendors.

CHANGE IN OWNERSHIP

1. This Agreement shall be terminated if any of the following events occur:
 - a. The Vendor ceases operations;
 - b. The Vendor moves the store location;
 - c. Ownership (whole or controlling interest) of the Vendor's outlet changes; or
 - d. The Vendor files for bankruptcy.
2. The Vendor shall notify the WIC Program in writing, within fifteen (15) calendar days prior to the date:
 - a. The Vendor ceases operations;
 - b. The Vendor moves the store location;
 - c. Ownership (whole or controlling interest) of the Vendor's outlet changes; or
 - d. If the Vendor files for bankruptcy.
3. Any new owner or operator of the Vendor's outlet shall re-apply to become a WIC Vendor and shall be subject to the WIC Program's Vendor Evaluation Process.

TERMINATION AND EXPIRATION OF THE AGREEMENT

1. Neither the Vendor nor the WIC Program has an obligation, nor an entitlement to renew the Agreement.
2. The Vendor or the WIC Program may terminate for cause this Agreement during its performance period after providing a minimum fifteen (15) calendar days written notice to the other party. Termination of this Agreement, and/or suspension or disqualification of the Vendor, may result from accumulated points arising from violations (see Vendor Manual). Cause may include, but is not limited to:
 - a. False information was provided in connection with the Vendor's application for authorization;
 - b. Low volume of WIC sales (90 or fewer WIC checks redeemed for the most recent fiscal quarter);
 - c. Excessive prices of WIC Allowed foods;
 - d. Demonstrated unwillingness or inability to conform to corrective action recommendations made by the WIC Program;
 - e. Violations of this Agreement, Vendor Manual, state or federal law;
 - f. Fraud; or
 - g. Failure to maintain business integrity (see Vendor Manual).
3. The WIC Program may, at its sole discretion, immediately terminate this Agreement if it establishes that the Vendor provided false information on the Agreement, Application Form, or WIC Food Price Survey.

4. In addition to other rights set forth elsewhere in this Agreement, the WIC Program reserves the right to terminate the Agreement, without cause, effective fifteen (15) calendar days after mailing written notice of termination by certified mail with return receipt requested.
5. The expiration of this Agreement is not subject to appeal.
6. The WIC Program shall provide not less than fifteen (15) calendar days advance written notice of the expiration of the Agreement.
7. All property together with all information, data, reports, and other material provided by the WIC Program or purchased from WIC Program funds shall be protected during use and returned to the WIC Program upon termination of this Agreement.
8. The Vendor ID Stamps are the exclusive property of the WIC Program and shall be returned within ninety (90) calendar days when this Agreement becomes void, is terminated or expires without being renewed.

PROHIBITION AGAINST DISCRIMINATION

1. The Vendor must offer WIC participants and authorized representatives the same courtesies offered to other customers.
2. Both the Vendor and the WIC Program agree to comply with all aspects of anti-discrimination law, including all state and federal law.
3. The Vendor shall not discriminate because of race, color, national origin, sex, age, or disability in any interactions with WIC participants or authorized representatives, or representatives of the WIC Program.
4. The Vendor shall comply with all provisions of the Americans with Disabilities Act of 1990 and its amendments.
5. The WIC Program shall not discriminate because of race, color, national origin, sex, age, or disability in any interactions with Vendors or Vendor applicants.

CONFLICT OF INTEREST

1. The Vendor ensures that no conflict of interest shall exist with either the WIC Program, or local WIC agencies. A conflict of interest relates to the standard of ethical conduct that no owner, officer, manager, or employee shall have any interest, financial or otherwise, direct or indirect, or engage in any business transaction, or professional activity or incur any obligation of any nature which is in conflict with the discharge of a person's duties.
2. The WIC Program shall terminate the Agreement if the WIC Program identifies a conflict of interest, as defined by applicable State laws, regulations, and policies, between the vendor and the WIC Program or local WIC agencies.

INDEMNITY

The Vendor shall indemnify and hold harmless the State of Hawaii, the Department of Health, the WIC Program, and their officers, employees, agents from and against any and all actions, claims, suits, damages, losses, and costs arising out of or resulting from the acts or omissions of the Vendor or the Vendor's officers, employees, agents, or subcontractors occurring during or in connection with the performance of the Vendor's services under this Agreement. The Vendor shall defend the State of Hawaii, the Department of Health, WIC Program, and their officers, employees, and agents against any such action or claim.

INSURANCE

In order to protect itself as well as the State of Hawaii, the WIC Program, and their officers, employees, and agents under the indemnification Agreement set forth above, the Vendor shall obtain, maintain, and keep in force, effective October 1, 2007 through the period of services under this Agreement, appropriate liability insurance issued by an insurance company, naming the State of Hawaii, Department of Health as an additional insured, in a combined amount of at least FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) for bodily injury and property damage liability arising out of each occurrence. Prior to or upon execution of this Agreement, the Vendor shall obtain and attach hereto as Exhibit "A" and make a part hereof, a certificate of insurance verifying the existence of the necessary appropriate liability insurance coverage. If the scheduled expiration date of the existing appropriate liability insurance policy is sooner than the expiration date of the time of performance under this Agreement, the Vendor, upon renewal of the policy, shall promptly cause to be provided to the WIC Program an updated certificate of insurance. If the Vendor's insurance policy is being canceled, either the insurance company shall give the WIC Program thirty (30) calendar days written notice of the intended cancellation or the Vendor shall notify the WIC Program in writing within fifteen (15) calendar days of receipt of the intended cancellation from the insurance company.

**HAWAII DEPARTMENT OF HEALTH
WIC SERVICES BRANCH**

VENDOR

I, the undersigned, have read and understand all rules of the Hawaii WIC Program as contained in the Hawaii WIC Vendor Manual, and the USDA Consolidated Federal Regulations (7 CFR § 246) in addition to the terms and conditions of this Agreement and the appendices. I understand that I will be bound by these requirements.

The undersigned representative of the Vendor represents, and the WIC Program relies upon such representation, that he or she has authority to sign this Agreement by virtue of (check all that apply):

- Resolutions of the Vendor or other corporate authorizing documents such as partnership resolutions;
- Corporate by-laws of the Vendor, or other similar operating documents of the Vendor, such as partnership agreement, or a limited liability company operating agreement;
- The Vendor is a sole proprietor and as such does not require any authorizing documents to sign this Agreement;
- Other evidence of signing authority: _____

BY: _____

Signature **Date**

Linda Chock, Chief, WIC Services Branch

Hawaii Department of Health, WIC Services Branch

235 S. Beretania Street, Suite 701

Honolulu, Hawaii 96813

(808) 586-8175 or toll free 1-888-820-6425

Telephone Number

BY: _____

Signature **Date**

Print or Type Name and Title of Authorized Person

Store/Business Name

Street

City State Zip + 4

County/Island

()

Telephone Number

ACKNOWLEDGMENT

State of Hawaii, City and County of _____

Evidence of authority for _____,

the Vendor's representative to sign this Agreement in

behalf of _____.

(Corporation/owner)

On this _____ day of _____,

before me appeared _____

and _____, to me personally

known, who, being by me duly sworn, did say that they are the

_____ and _____

respectively, of _____,

and that the instrument was signed in behalf of the business entity or corporation, by authority of its

Board of Directors, or owners and _____ and _____

acknowledged the instrument to be the free act and deed of the business entity or corporation.

Notary Public _____
State of Hawaii

My commission expires _____

Vendor Agreement
Hawaii WIC Services Branch

