

Clackamas County Healthy Retail Grant - Notice of Funding Opportunity

PURPOSE

Clackamas County Public Health Division (CCPHD) Tobacco Prevention and Education Program (TPEP) is seeking applications from independently owned Clackamas County convenience stores to reduce the impact of tobacco on public health. Up to \$20,000 is available to help one retailer refocus their business model to one that supports a healthy community.

IMPACT OF TOBACCO USE

Tobacco companies spend over \$100 million a year in Oregon marketing their products through advertisements and incentives at retail outlets like gas stations and convenience stores. The result of this investment is clear: commercial tobacco use is the leading cause of preventable death and disease in the state. It kills more people than the next six leading causes of preventable death combinedⁱ. It's estimated that over 3,000 people annually are diagnosed with a tobacco-related serious illness in Clackamas County, and more than 650 of them die from these illnesses. The county's economy is also impacted by these losses, as it sees \$232.5 million in reduced productivity due to premature deaths each yearⁱⁱ.

THE "HEALTHY RETAIL" MODEL

"Healthy retail" projects, which help small retailers become healthier places to shop, have successfully launched across the country. CCPHD TPEP's project supports one independent retailer to shift their business model to end their tobacco and nicotine sales*. This includes finding other sources of revenue, such as introducing a new healthier product category or expanding a current one. Proposals for this might include:

- Working with local farmers and distributors to stock fresh fruits, vegetables, and meats.
- Stocking more healthy grocery products, such as eggs, canned beans, rice and whole grain items, and frozen items like fish, meat, and vegetables.
- Offering freshly prepared foods and meals, such as tamales, daal or varenyky.
- Partnering with local producers and makers to offer goods and products on consignment, like salsas, fresh roasted coffee, and pickled vegetables.
- Hosting a neighborhood farm stand.
- Other strategies that support a healthy retail business model.

**Please note: References to tobacco and/or tobacco products in this Notice of Funding Opportunity include any product that contains tobacco and/or nicotine, including synthetic nicotine.*

AWARD INFORMATION

Funding Source	CCPHD TPEP will dedicate a portion of the tobacco tax revenue, allocated by the Oregon Healthy Authority, to one convenience store retailer agreeing to support community health by ending their tobacco sales and transitioning their business model to better support community health.
Issuance	A total of up to \$20,000 is available for a convenience store retailer who proposes to end their tobacco sales. Retailer must be in Clackamas County to be eligible. CCPHD will award one retailer. Clackamas County Public Health will administer the grant.
Grant period of performance	November 1, 2024 – June 30, 2025
Maximum grant award amount	\$20,000
Grant Contact	Marc Czornij, Clackamas County Public Health: mczornij@clackamas.us

SUPPORTING THE RETAILER

In addition to grant funding, TPEP will offer the following support to the retailer:

- **Ongoing technical assistance** to support the development and implementation of a new business plan. Assistance will be made available by [LivelihoodNW](#), a local non-profit aiding businesses in all industries and at all stages of operation.
- **Assistance in getting authorized to accept [Supplemental Nutrition Assistance Program](#) (SNAP) and [Women, Infants and Children](#) (WIC) benefits** from customers (if applicable).
- **Connections to local producers and distributors** to learn about opportunities to introduce new product categories and items.
- **Professionally designed promotional materials** to showcase new products and engage customers.
- **Earned media and community outreach** to highlight the new business model and commitment to community health as well as draw new customers.

BENEFITS TO THE RETAILER

A Clackamas County retailer may benefit from healthy retail in several ways, including:

- **Taking advantage of products with higher mark-ups than tobacco.** It's common for the mark-up on cigarettes to be low—sometimes only 12%. Conversely, products like fresh

produce, for example, are routinely marked up at 100%, meaning retailers can enjoy larger profits.

- **Reaching new customers and expanding their customer base.** A report funded by the National Association of Convenience Stores (NACS) highlighted that convenience stores “...must look beyond simply meeting the needs of their traditional customers and embrace the growing [group] who are demanding more and more better-for-you-items”ⁱⁱⁱ. A shift towards more grocery items and fresh fruits and vegetables could make the retailer eligible for [Double-Up Food Bucks](#), which rewards SNAP customers with free produce and reimburses the retailer. Likewise, meeting WIC requirements would open doors to an additional group of customers.
- **Saving money on tobacco licenses.** A business must hold a Tobacco Retail License (TRL) from the Oregon Department of Revenue, costing nearly \$1,000 per year, to sell any amount or type of tobacco. Businesses with a TRL are subject to annual inspections, the failures of which could mean significant penalties. In 2023, over 20% of tobacco retailers in Oregon were fined for failing their inspections because they sold products to underage people^{iv}.
- **Staying ahead of trending tobacco regulations.** If a retailer ends their tobacco sales, they will be ahead of trending tobacco regulations. To protect public health, local, state, and federal agencies have increasingly invested in policies regulating the sale of flavored tobacco products like vapes and menthol cigarettes. Healthy retail provides an opportunity for an alternative revenue stream that supports community health.
- **Earning free store publicity.** The retailer funded for this opportunity will be the first in Oregon to partner with a local public health authority to transition their business model through healthy retail. CCPHD will work with the retailer to promote their new business model and commitment to community health through local media channels.
- **Differentiating their business from others in the community.** Clackamas County has over 300 tobacco retailers. Most of them are convenience stores, which tend to offer the same products—alcohol, sugary beverages, tobacco, and snacks. Shifting their business model gives a retailer the chance to stand out from others in their community and across Clackamas County.
- **Reducing crime associated with tobacco sales.** Because of their small size, light weight, and resale value on the illegal market, tobacco products are a high-risk product category. Even a small selection of tobacco could be worth thousands of dollars. If a retailer experiences tobacco related theft, they could lose valuable product and be responsible for costly repairs in the event of a break-in. Moving away from tobacco sales means avoiding these risks.
- **Supporting a healthy community.** Research has shown that greater availability of tobacco products in a community makes it easier to start using these products and harder to stop^v. Increasing fresh, nutritious food access, for example, while decreasing access to products like tobacco helps support a strong, healthy community.

BACKGROUND

CCPHD conducted outreach and engagement around this project in early 2023. CCPHD explored the potential for a convenience store to offer fresh fruits and vegetables as one example of how a retailer could shift their business model. Staff gathered perspectives from community stakeholders, learned about the convenience store retail environment, and surveyed customers on their shopping habits. The findings provided insight into whether customers were interested in purchasing produce at their local convenience store.

A summary of findings from the customer surveys can be found in [Appendix D](#).

ELIGIBILITY

Applicants must meet the following requirements:

1. Own an independently operated convenience store located in Clackamas County that is not part of a corporate franchise or owned by a corporate entity (such as 7-11, Plaid Pantry, etc.) and has authority to determine which products the business carries.
2. Hold a valid, current Oregon Tobacco Retail License.
3. Actively sell tobacco products as of the application deadline for this notice of funding opportunity.
4. Must hold the following insurance and limits depending on the scope of the proposed project: Commercial General Liability, Commercial Automobile Liability, Professional Liability, Workers' Compensation, Abuse and Molestation Liability and Cyber Risk Limits. Additional information listed in [Appendix E](#).

HOW & WHEN FUNDS CAN BE SPENT

Funds are available once an agreement has been signed between CCPHD and the awarded retailer (see *Requirements* for conditions).

Clackamas County Public Health Division, the grant administrator, pays grantees monthly. To receive payment, grantees submit invoices of expenses incurred in the previous month, including copies of receipts for approved budget items. CCPHD will further explain the reimbursement process to the grantee once awarded.

The grantee may request up to 20% of the total award "up front", meaning they will receive payment once their agreement is fully executed and they've been established as a vendor. The grantee will still need to submit an invoice by the end of the award period detailing how these funds were spent.

REQUIREMENTS

Grantee will need to sign an agreement including, but not limited to, the following requirements:

1. **Tobacco Sales Requirement.** Grantee agrees to end the sale of all tobacco products for a period of no less than 18 months. This period will start at a mutually agreed date after the retailer has stopped selling tobacco.

2. **Reimbursement Requirement.** Grantee understands that reimbursement requests made during the period in which they are phasing out their tobacco inventory will only be considered if:
 - a. Grantee removes all tobacco advertising and promotional materials from the premises, and
 - b. Grantee offers tobacco cessation materials provided by CCPH at the point of sale
3. **Technical Assistance Requirement.** Grantee agrees to a meeting with [LivelihoodNW](#) to discuss their proposal and explore technical and business development assistance offered by the organization.
4. **Product Disposal Requirement.** Grantee agrees to follow all local, state, and federal regulations around the disposal of hazardous waste related to this project.
5. **Product Sales Requirement.** Grantee understands that funding cannot support the sale of the following products or products containing the following ingredients:
 - a. Tobacco or nicotine (including synthetic nicotine)
 - b. Deep-fried foods
 - c. Processed meats (e.g., hot dogs, bacon, deli meat, sausage) snacks (e.g., chips, candy, snack bars) and beverages with added sugar and/or low- and no-calorie sweeteners
 - d. Products containing trans fat
 - e. Herbs, medicines and supplements (including kratom)
 - f. Alcohol
 - g. Betelnut
 - h. Cannabis or any product containing THC or CBD as well as drugs deemed illegal by Federal authorities
6. **Nutrition Requirement.** Grantee understands that, if using funding to support the sale of meals, entrees and/or sides, nutrition standards limiting sodium content must be followed.
7. **SNAP Participation Requirement.** Grantee agrees to maintain authorization from the U.S. Department of Agriculture Food Nutrition Services to participate in the Supplemental Nutrition Food Assistance Program (SNAP). Grantee agrees to abide by all SNAP program conditions.

IMPORTANT DATES

Grant application opens	5/23/2024
Information Session via Zoom (click to register)	6/3/2024
Initial questions and answers document posted to https://www.clackamas.us/procurement-process	6/10/2024
Grant applications due	7/8/2024 7/22/2024
Grantee award notification	7/25/2024 8/8/2024
Award period begins	Executed agreement date
Grant period begins	Executed agreement date
Project check-ins	Monthly as arranged

Award period ends	6/30/2025
Final invoices and report due	6/30/2025

APPLICATION AND SUBMISSION INFORMATION

Application materials may be found on the [Procurement Process, Contracts and Grants](#) page. Each application requires:

- An application form
- A project budget
 - See [Appendix C](#) for more information on preparing your budget.

Materials may be submitted by emailing TobaccoFreeClackCo@clackamas.us. **Materials must be received by 5:00 PM on 7/8/2024-7/22/2024.**

Questions about this notice of funding opportunity may be directed to TobaccoFreeClackCo@clackamas.us.

REPORTING REQUIREMENTS

Check-ins with the grantee will be arranged monthly throughout the award period to discuss project development. A final report covering project accomplishments, challenges, learnings, recommendations and goals for the remainder of the [tobacco sales requirement](#) will be due at the end of the award period.

EVALUATION OF GRANT APPLICATIONS

A review panel comprised of Clackamas County staff and community partners will review and score applications based on the following criteria:

Scoring Criteria	Points Available
Overall purpose and project, including how proposal will better support the health of the community.	20
Quality of timeline and budget and feasibility of proposed activities in shifting the retailer's business model away from tobacco sales.	15
Retailer is located in a high-priority area, including within 500 feet of schools, parks/playgrounds and/or other tobacco retailers; at least ½ mile from a full-service grocery store.	20
Retailer illustrates community connection and investment, including not having been fined for selling tobacco products to underage youth.	10
TOTAL	65

CCPHD is dedicated to expanding our health equity work through closer collaboration and partnership with the diverse communities within Clackamas County. To distribute funds equitably and diversify our partnerships, applicants may also receive additional points based on the following criteria:

Additional Points Scoring Criteria	Points Available
Retailer identifies as Black, Indigenous or a person of color, as LGBTQIA2+ (lesbian, gay, bisexual, transgender and/or gender expansive, queer and/or questioning, intersex, asexual, and/or two-spirit), and/or has a disability.	5
Retailer is in a census tract where at least 20% of the population identifies as Black, Indigenous or a person of color.	5
Retailer's proposal features a strategy for increasing access to culturally specific food, groceries, and/or services.	5
TOTAL	15

NON-DISCRIMINATION DISCLOSURE

Per the Civil Rights Act of 1964, no person shall, on the basis of race, color, or national origin, be excluded from participation, be denied the benefits of, or be subjected to discrimination under any County program, service or activity.

APPENDICIES

[Appendix A: Definitions](#)

[Appendix B: Additional Resources](#)

[Appendix C: Budget Example and Instructions](#)

[Appendix D: Outreach and Engagement Findings](#)

[Appendix E: Insurance Requirements](#)

[Appendix F: Citations](#)

Appendix A: Definitions

- **Entrée** – An item that includes only the following three categories of main dish food items:
 - A combination food of meat / meat alternative and whole grain-rich food, or
 - A combination food of vegetable or fruit and meat / meat alternative, or
 - A meat / meat alternative alone, with exception of yogurt, low-fat or reduced fat cheese, nuts, seeds, and nut or seed butters, and meat snacks (i.e., dried beef jerky and meat sticks).
- **Meal** – An item consisting of an entrée and two side items.
- **Side** – Single serving of a food or beverage that may accompany a meal or entrée or eaten on its own.
- **Tobacco** – Any product that contains tobacco and/or nicotine, including synthetic nicotine. (This definition includes the phrase “tobacco products” and other similar references.) Does not include traditional tobacco used by some American Indian/Alaska Native and Tribal Nations in Oregon.

Appendix B: Additional Resources

The resources below are optional to review. We hope they can be helpful in drafting your application.

Local Data

- [Blueprint for a Healthy Clackamas County](#). Hub for local community data, best practices, and information on a broad range of topics affecting the health of Clackamas County communities.
- [Clackamas County Tobacco Fact Sheet](#). Updated data on tobacco use and its impacts in Clackamas County.

Healthy Retail

- [Healthy Retail in Clackamas County](#). The County's homepage for its healthy retail work.
- [Clackamas County's Healthy Retail Pilot Project: Outreach and Engagement Findings](#). Detailed information on the County's healthy retail project and its findings from outreach and engagement to business owners, customers, and community stakeholders.
- [Sell Healthy! Guide](#). A guide for retailers on how to sell, stock and promote healthy options.
- [Astoria, Oregon's Peter Pan Market](#). Short video about a local convenience store that shifted their business model away from tobacco sales.
- [Food Service Guidelines for Federal Facilities](#). Helpful resource in planning for prepared food service that promotes healthful meals and menus.
- [Health & Wellness Trends and Strategies for the Convenience Store Sector](#). A report commissioned by the National Association of Convenience Stores (NACS).
- [How to Open a Restaurant](#). Information provided by Clackamas County Public Health.
- [Rose's Equipment and Supply](#). Local supplier of restaurant and grocery equipment.
- [Caruso Produce](#). Family-owned produce distributor based in Canby, OR.

Additional Resources

- [Proper Management of E-Cigarette Waste for Oregon Retailers](#). Under Oregon law, both nicotine and lithium-ion batteries, which are found in e-cigarettes and vape devices, must be disposed of as hazardous waste.
- [Business Hazardous Waste Disposal Signup](#). Information provided by Oregon Metro.

Appendix C: Budget Example and Instructions

To the best of your ability, please complete the budget template with your proposed budget. *If selected, assistance will be provided to help you create a detailed budget.* Note the budget cannot exceed the maximum award amount (\$20,000).

Include the following details in your budget if they apply:

Programmatic Costs Category

List your programmatic costs in the appropriate category (i.e., administrative costs, supplies, equipment, contracted labor, etc.). Please be as specific as possible with each line item. You may add or remove categories and line items as appropriate.

Example:

- *Equipment*
 - *Produce cooler = \$8,200*
- *Contracted labor*
 - *Electrician, fixed contract = \$2,000*

Indirect Rate

List your indirect rate in the appropriate row. This rate usually covers administrative and/or overhead costs, like rent, fees and utilities. The indirect rate cost should be calculated based on your total programmatic cost. The default set in the template is 10% but may be adjusted by following the included instructions. The rate may not exceed 10%.

Insurance Requirements

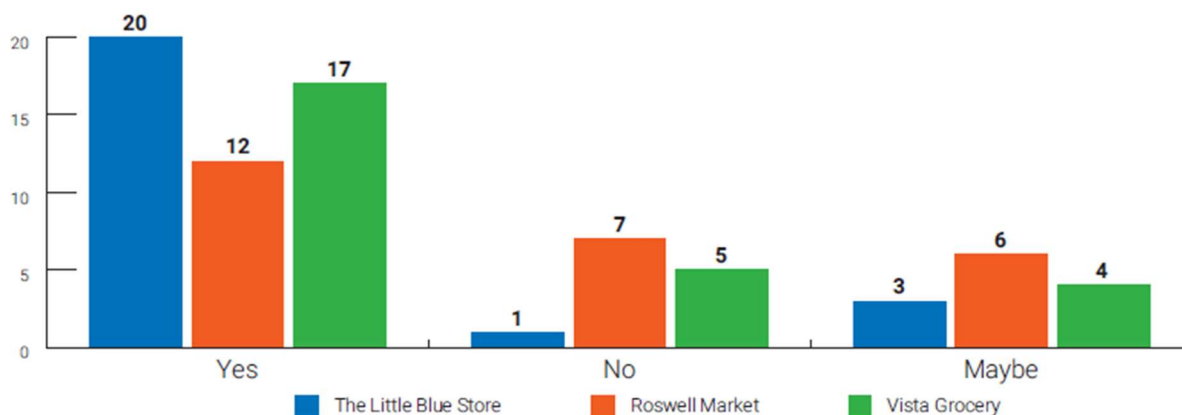
Up to 5% of your total Programmatic Costs may be reserved to help you meet the insurance requirements for this grant. The default set in the template is 5% but may be adjusted by following the included instructions.

See the budget example on the following page.

SUBRECIPIENT BUDGET	
<i>See Instructions tabs at bottom of document</i>	
Organization:	<i>The Market</i>
Program Contact:	<i>M. Kautz</i>
Agreement Term:	<i>8/19/2024 - 6/30/2025</i>
Programmatic Costs	Funds Allocated
<u>Equipment</u>	
Produce cooler	\$ 8,200.00
Produce display stands	\$ 200.00
Sidewalk display stand	\$ 79.50
<u>Contracted Labor</u>	
General contractor, fixed contract	\$ 5,215.00
Electrician, fixed contract	\$ 2,000.00
<u>Supplies</u>	
4 weeks of fresh produce	\$ 1,479.41
Section Total	\$ 17,173.91
Additional Costs (please specify)	
Printing fees - promotional materials	\$ 250.00
Section Total	\$ 250.00
Indirect Rate (10%)	\$ 1,717.39
Insurance Requirement Reserve (5%)	\$ 858.70
Total Grant Costs	\$ 20,000.00

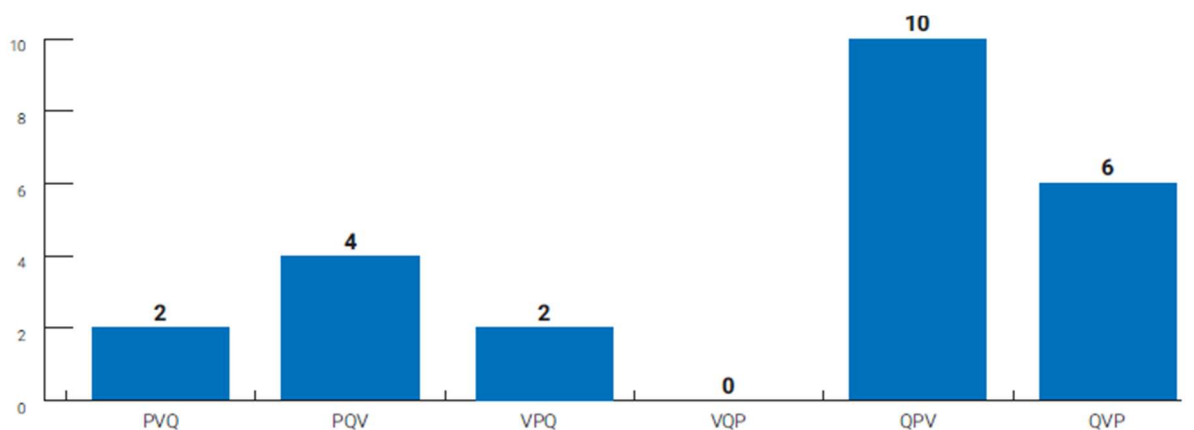
Appendix D: Outreach and Engagement Findings - Customer Surveys

Most customers stated they would buy fresh produce if it were affordable and available. The Little Blue Store had the greatest support, with 20 of the 25 participants responding “yes”. Support was also strong at Vista Grocery (17 out of 25) and Roswell Market (12 out of 25). Many customers who responded negatively or with uncertainty stated they were not confident that a convenience store could offer high quality produce. Each store was independently owned and did not offer fueling services.



Customer responses to the question *would you buy fresh fruits and vegetables at this store if they were available and affordable?*

Participants at Roswell Market were asked to prioritize the significance of certain traits in their decision-making process when purchasing produce. Most customers ranked quality (Q) as their top priority, followed by price (P), then variety (V), forming the order preference QPV. Sixteen respondents specifically emphasized quality as their primary concern when buying produce.



How customers at Roswell Market ranked produce qualities in importance from greatest to least. *P* stands for *price*, *V* for *variety*, and *Q* for *quality*.

These results indicate significant customer interest in buying fresh fruits and vegetables at their local convenience store. A retailer will likely see the most customer uptake of this product category if they can ensure product quality meets customer expectations. For detailed information from this phase of the project, please see the [report available here](#).

Appendix E: Insurance Requirements

CCPHD will administer these grants. CCPHD typically asks for the following insurance depending on the scope of the proposed project:

- **Commercial General Liability.** If awarded, the grantee will need to maintain Commercial General Liability Insurance throughout the award period. The Commercial General Liability Insurance will cover bodily injury, death, and property damage on an “occurrence” form in the amount of not less than \$1,000,000 per occurrence/\$2,000,000 general aggregate for the protection of County, its officers, commissioners, and employees.
- **Commercial Automobile Liability.** If awarded, the grantee may need to maintain Commercial Automobile Liability coverage throughout the award period. This may be required if a company and/or personal vehicle is used for work purposes. Commercial Automobile Liability coverage will include coverage for all owned, hired, and non-owned vehicles. The combined single limit per occurrence shall not be less than \$1,000,000.
- **Professional Liability.** If awarded, the grantee may need to maintain Professional Liability Insurance throughout the award period. Professional Liability Insurance must cover any damages caused by an error, omission, or neglect act related to the services provided under the agreement, with limits not less than \$1,000,000 per occurrence for the protection of the County, its officers, commissioners and employees against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and damages because of negligent acts, errors and omissions in any way related to the agreement.
- **Workers' Compensation.** If awarded, the grantee will need to maintain Workers' Compensation Insurance throughout the award period. Workers' Compensation Insurance requires all employers that employ subject workers, as defined in ORS 656.027, to provide workers' compensation coverage for those workers. Employers' liability insurance coverage limit shall not be less than \$500,000.
- **Abuse and Molestation Liability.** If awarded, the grantee may need to maintain Abuse and Molestation Insurance throughout the award period. This may be required if the grantee works with and/or hosts activities for youth under 18 years. Policy endorsement's definition of an insured shall include the Contractor, and the Contractor's employees and volunteers. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Any annual aggregate limit shall not be less than \$3,000,000.
- **Cyber Risk Limits.** If awarded, the grantee may need to maintain Cyber Risk Insurance throughout the award period. This may be required if the grantee will be entering personal information into a database. Limits are \$1,000,000 per claim/annual aggregate.

Specific insurance requirements will be discussed during the contracting process, if awarded.

Appendix F: Citations

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- ⁱ Oregon Health Authority Public Health Division, Health Promotion and Chronic Disease Prevention Section. Oregon tobacco facts. Available at <https://www.oregon.gov/oha/ph/preventionwellness/tobaccoprevention/pages/oregon-tobacco-facts.aspx>.
- ⁱⁱ Oregon Health Authority Public Health Division, Health Promotion and Chronic Disease Prevention Section. Oregon county tobacco facts. Available at <https://app.powerbigov.us/>.
- ⁱⁱⁱ Hudson Institute. Health and wellness trends and strategies for the convenience store sector. 2015. Available at <https://www.convenience.org/Topics/Healthy-Options/Health-Trends-and-Strategies-for-C-Stores/Grow-BFY-Sales.pdf>.
- ^{iv} Oregon Health Authority. Oregon Tobacco Inspections Report. 2024. Available at <https://www.oregon.gov/oha/PH/PREVENTIONWELLNESS/TOBACCOPREVENTION/SiteAssets/Pages/data-and-reports/2023%20Tobacco%20Inspection%20Results.pdf>.
- ^v Counter Tobacco. Licensing, zoning, and retailer density. Accessed 1/10/24. Available at <https://countertobacco.org/policy/licensing-and-zoning/>.