

January 25, 2018

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of an Intergovernmental Agreement with Portland State University,
for an Economical Impact Analysis

Purpose/Outcomes	These funds will be used to investigate the potential economic impact of adopting a tobacco retail licensing structure for Clackamas County similar to what other counties have implemented.
Dollar Amount and Fiscal Impact	Contract maximum value is \$16,130.
Funding Source	Allocated County General Funds.- Center for Public Health Advancement
Duration	Effective upon signature and terminates on April 30, 2018
Previous Board Action	No previous action has been taken
Strategic Plan Alignment	1. Efficient and effective services 2. Build a strong infrastructure
Contact Person	Dawn Emerick, Public Health Director – 503-655-8479
Contract No.	8628

BACKGROUND:

The Clackamas County Public Health Division (CCPHD) of the Health, Housing & Human Services Department requests the approval of an Intergovernmental Agreement with Portland State University.

Portland State University’s Northwest Economic Research Center (NERC) will use an economic modeling software to analyze and describe the potential economic impacts of adopting a local tobacco retail licensing structure for Clackamas County.

The contract maximum value is \$16,130. The term of the agreement is effective upon signature through April 30, 2018. This Agreement was reviewed by County Counsel on January 09, 2018.

RECOMMENDATION:

Staff recommends the Board approval of this amendment and authorizes Richard Swift, H3S Director to sign on behalf of Clackamas County.

Respectfully submitted,

Richard Swift, Director
Health, Housing, and Human Services

INTERGOVERNMENTAL AGREEMENT
BETWEEN
CLACKAMAS COUNTY, OREGON
HEALTH, HOUSING, AND HUMAN SERVICES DEPARTMENT, PUBLIC HEALTH DIVISION
AND
PORTLAND STATE UNIVERSITY

Contract #8628

I. Purpose

Background:

Passage of Senate Bill 754 (Tobacco 21) in August of 2017 raised the tobacco sales age from 18 to 21 in Oregon. However, there is currently no state law requiring retailers to have a license to sell tobacco products. Therefore, there are no guarantees that vendors will comply with the new law. Other counties within Oregon have adopted regional tobacco retail license requirements which helps to ensure compliance with Tobacco 21.

This agreement is entered into between Clackamas County Department of Health, Housing and Human Services, Public Health Division (CLACKAMAS) and **PORTLAND STATE UNIVERSITY, NORTHWEST ECONOMIC RESEARCH CENTER** (AGENCY) for the cooperation of units of local government under the authority of ORS 190.010.

This agreement provides the basis for the AGENCY to investigate the potential economic impacts of adopting a retail licensing structure for Clackamas County similar to what other counties have implemented.

II. Scope:

This Agreement covers the services as described in Exhibit 1 inclusive. AGENCY shall meet the highest standards prevalent in the industry or business most closely involved in providing the appropriate goods or services. Work shall be performed in accordance with a schedule approved by the CLACKAMAS.

III. Reporting requirements:

AGENCY agrees to provide monthly status reports in writing. Reports will be submit to Philip Mason-Joyner at: PMason@co.clackamas.or.us

IV. Compensation

A. CLACKAMAS shall compensate AGENCY for satisfactorily completing activities described in Section II.A. above.

B. The total payment to AGENCY shall not exceed **\$16,130.00**.

C. Method of Payment. To receive payment, AGENCY shall submit invoices as follows:

AGENCY shall submit an invoice following acceptance of completed project from Program Manager. The invoice shall list the contract # 8628, dates of service, number of hours billed and the total amount due for all services provided. Invoices shall be submitted to:

Clackamas County Public Health Division
Attn: Accounts Payable
2051 Kaen Road, # 367
Oregon City, Oregon 97045

Or electronically to:

PublicHealthAP@clackamas.us

When submitting electronically, designate AGENCY name and contract # 8628 in the subject of the e-mail.

Within thirty (30) days after receipt of the bill, provided CLACKAMAS has approved the service specified on the invoice, CLACKAMAS shall pay the amount requested to AGENCY.

V. Liaison Responsibility

Peter Hulseman, Senior Economist, will act as liaison from AGENCY for this project
Philip Mason-Joyner, Program Manager, will act as liaison from CLACKAMAS.

VI. Special Requirements

- A. CLACKAMAS and AGENCY agree to comply with all applicable local, state and federal ordinances, statutes, laws and regulations, including Oregon Public Contract laws and all applicable provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), PL 104-191, 45 CFR Parts 160-164, as well as all applicable provisions in each party's Intergovernmental Agreement with the Oregon Health Authority, if any.
- B. Within the limits of the Oregon Tort Claims Act and the Oregon Constitution Article XI, Section 7, AGENCY agrees to protect and save CLACKAMAS, its elected and appointed officials, agents, and employees while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising against CLACKAMAS' employees on account of personal injuries, death or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of AGENCY, and/or its agents, employees, or representatives under this agreement.

Within the limits of the Oregon Tort Claims Act and the Oregon Constitution Article XI, Section 10, CLACKAMAS agrees to protect and save AGENCY, its elected and appointed officials, agents, and employees while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising against AGENCY's employees on account of personal injuries, death or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of CLACKAMAS, and/or its appointed officials, agents, employees, subcontractors, or representatives under this agreement.

- C. Access to Records. Each party to this agreement, as well as the State of Oregon and the Federal Government, and their duly authorized representatives shall have access to the books, documents, papers, and records of the other party to this agreement which are directly pertinent to the agreement for the purpose of making audit, examination, excerpts, and transcripts.
- D. This agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefor. Any provisions herein that would conflict with law are deemed inoperative to that extent.

VII. Records/Ownership and Use Of Documents

All work products of the Contractor which result from this contract ("the work products"), except material previously and mutually identified as confidential, shall be provided to County upon request and shall be considered the exclusive property of the County. In addition, if any of the work products contain intellectual property of the Contractor that is or could be protected by federal copyright, patent, or trademark laws, or state trade secret laws, Contractor hereby grants County a perpetual, royalty-free, fully paid-up, nonexclusive and irrevocable license to copy, reproduce, perform, dispose of, use and re-use, in whole or in part, and to authorize others to do so for County business, all such work products, including but not limited to: databases, templates, file formats, scripts, links, procedures, materials, training manuals and other training materials, specially created key commands, and any other information, designs, plans, or works provided or delivered to the County or produced by Contractor under this contract.

VIII. Amendment

This agreement may be amended at any time with the concurrence of both parties. Any changes in the proposed budget or scope of work will be negotiated between the designated liaisons. Amendments become a part of this agreement only after the written amendment has been signed by both parties.

IX. Term of Agreement

This agreement becomes effective **upon signature** and is scheduled to terminate **April 30, 2018.**

This agreement is subject to termination by either of the parties when thirty (30) days' written notice has been provided.

This agreement consists of nine (9) sections plus the following Exhibits that by this reference are incorporated herein:

Exhibit 1 Scope of Work

Signatures on Next Page

PORTLAND STATE UNIVERSITY

Signature Authority Name

Date

780K Urban Center, 506 SW Mill St.

Street Address

Portland, OR 97207-0751

City / State / Zip

(503) 725-5199 /

Phone / Fax

CLACKAMAS COUNTY

Commissioner: Jim Bernard, Chair

Commissioner: Sonya Fischer

Commissioner: Ken Humberston

Commissioner: Paul Savas

Commissioner: Martha Schrader

Signing on Behalf of the Board:

Richard Swift, Director

Health, Housing, and Human Services

Date

EXHIBIT 1 SCOPE OF WORK

Data Sources

NERC requests the assistance of Clackamas County Public Health in accessing datasets for number of retailers by Health Equity Zone. NERC will work with Clackamas County Public Health to match zip codes to Health Equity Zones. NERC may request additional data from Clackamas County Public Health.

IMPLAN Model

IMPLAN is an input-output (I-O) model that simulates a given region's economy – a mathematical representation of all of the linkages between firms, households, governments, and other economic entities. NERC will use the IMPLAN model to analyze and describe the economic impacts associated with adopting tobacco retail licensing in Clackamas County. IMPLAN uses built-in industry production functions¹, coupled with the number of full time equivalent (FTE) employees, and total gross wages by county in that industry to estimate direct, indirect and induced effects for the economic impact in question.

For the impact measure of employment, for example, the direct effect is the number of employees directly used by the industry in its production activities. The indirect effect is the employment that results from the industry's intermediate spending. Finally, the induced effect is all of the employment that results from households increased income. The sum of the direct, indirect and induced effects is the "total effect" on employment. Production functions are used by IMPLAN to connect industries in the economy, and to estimate the indirect and induced effects of the impact in question.

A good way of thinking of a production function is like a recipe. Take, for example, the hypothetical widget industry, composed of a single firm, Widgets, Inc. To make one widget, Widgets, Inc. would need \$15 of labor, \$25 to rent a manufacturing machine, and \$5 of aluminum, which in turn requires \$2 of labor per dollar of metal produced. If Widgets, Inc. produces five widgets, then the widget industry employed \$75 of "direct" labor and the aluminum industry, which sold \$25 of metal, had to hire \$50 of "indirect" labor (based on their production function). All of this labor spending in turn "induces" more labor spending in other industries as a result of those workers' wages and spending. This is essentially how IMPLAN uses productions functions to estimate the total effect for the impact, in this case, labor income, for a particular industry.

IMPLAN Analysis

NERC will use IMPLAN to estimate the total economic and fiscal impacts of adopting tobacco retail licensing in Clackamas County. Additionally, this report will discuss additional scenarios that could affect the economic impacts. This discussion will include the effects of:

¹ A production function is the relationship between the output of a product or service and the inputs (labor and capital) required to produce that product for any given industry.

- Increasing compliance
- Pass-through pricing
- The inelastic nature of tobacco products

The analysis outputs include:

- Impact on business output (revenue)
- Spending
- Jobs (employment)
- Household income (wages)

The results of the IMPLAN analysis will be used to illustrate the total economic activity associated with tobacco licensing. The data provided by Clackamas County will allow NERC to split impacts out by Health Equity Zones within Clackamas County.

Draft Project Outline

The following is a draft outline for the final report. NERC may alter this based on findings in the analysis process:

- Executive Summary
- Introduction/Description of Tobacco 21 and tobacco licensing
- Data Description and Methodology
- Description of IMPLAN
- IMPLAN Results
 - Including Direct, Indirect, and Induced effects by industry and Health Equity Zones
 - Explanation of IMPLAN results and interpretation
- Discussion of scenarios
- Conclusion

Timeline and Budget

Time	Event	Cost
Project Launch	Kick-off meeting with all appropriate stakeholders	
4 Weeks	Data Preparation and Analysis	\$5,000
4 Weeks	IMPLAN Estimation (results made available)	\$5,000
4 Weeks	Report Write Up	\$5,000
	Implan Zip-code Data	\$1,130
	Total	\$16,130