

Request for Proposals (RFP) – Fruit and Vegetable Incentive Pilot Program

Issue Date: February 1, 2018

Response Due Date: March 8, 2018, 11:59 PM EST

Project Overview

The Fund for Public Health in New York City (FPHNYC), on behalf of the New York City Health Department (DOHMH), is currently accepting proposals for a food retail outlet located in a low-income neighborhood to develop and implement a fruit and vegetable incentive pilot program. Through this pilot, Supplemental Nutrition Assistance Program (SNAP) participants who use their benefits to purchase fruits and vegetables will receive additional money for fruits and vegetables. These incentives encourage customers to spend their SNAP benefits on healthy foods. SNAP customers could receive \$0.40 to buy fruits and vegetables for every \$1 spent on fruits and vegetables using SNAP benefits. The awarded contract will be for one year with the option to renew for up to two subsequent years. Funding for this pilot is approved by the United States Department of Agriculture (USDA).

Background

Nearly \$5 billion was spent through SNAP on food in New York State in Federal Fiscal Year 2016.ⁱ Twenty-one percent of NYC's 8.4 million residents live in poverty and more than 1.7 million New Yorkers rely on SNAP to purchase food.^{ii iii}

Low-income New Yorkers are more likely to suffer from diet-related chronic diseases. High blood pressure, a risk factor for heart disease and stroke, also affects a higher percentage of NYC adults in low-income neighborhoods than high-income neighborhoods.^{iv} Eating more fruits and vegetables decreases risk for chronic diseases including heart disease, stroke, and cancer.^v Yet, in 2016, NYC adults ate only 2.3 servings/day on average and adults in high poverty neighborhoods consumed less than those in low-poverty neighborhoods.

In an effort to close this gap, DOHMH will launch a fruit and vegetable incentive pilot program at a food retailer with the aim to increase the purchase of fruits and vegetables by SNAP participants.

Description of Award

- Funding for this award is provided through a grant to DOHMH, through its fiscal agent FPHNYC, from the USDA Food Insecurity and Nutrition Incentive (FINI) grant program. Up to four retailers and their point-of-sales (POS) system vendors will be selected to develop and implement the fruit and vegetable incentive pilot. Foods that are eligible for the incentive must adhere to USDA grant guidelines. Financial incentives must be distributed to SNAP participants at the point of purchase.
- Funding will be awarded to selected food retailers and their POS system vendor to support development and implementation of a fruit and vegetable incentive pilot program. Food retailers will receive an honorarium to support program operations and incentive reimbursement. Separate funding is available to support development of the program's technological infrastructure by the POS system vendor. Project funding includes:
 - For the Food Retailer:
 - Up to \$4,000 per year as an honorarium to support pilot operations *and*

- Up to \$125,000 per year in fruit and vegetable incentives with possibility for additional funding contingent on customer demand and available funds. Funding will be regularly disbursed as reimbursements for redeemed incentives.
 - For the food retailer's POS system vendor:
 - Up to \$10,000 to support development and implementation of an electronic incentive program that will enable the store to fulfill the activities outlined in the below scope of work.
 - FPHNY will contract with the store's POS system vendor to complete the following:
 - Research and scope out electronic solution for distributing and redeeming fruit and vegetable incentives utilizing the retailer's POS system
 - Develop program code
 - Conduct internal system testing
 - Conduct external system testing at the store
 - Train store staff to implement the program including generating reports and provide technical support as needed
- Funding described in this RFP is for activities that must be completed by **April 30, 2019**, with the opportunity for annual contract renewal and continuation of the pilot through **April 30, 2020**. The selected retailer will be expected to begin the fruit and vegetable incentive pilot program by **July 2018**.
- DOHMH is required to submit to the USDA the selected retailer's monthly SNAP sales on items eligible for the fruit and vegetable incentive pilot program. All SNAP sales information will otherwise be kept confidential.

Planning support and technical assistance for the operation of the fruit and vegetable incentive pilot program will be provided by DOHMH to the selected retailer and their POS vendor based on their response to this request for applications. Funding will be disbursed by FPHNYC.

Scope of Project

1. Food Retailer: The retailer(s) selected through this RFP will be expected to fulfill the following activities, to be accomplished in collaboration with DOHMH.
 - A. Participate in planning and implementation of the pilot program including:
 - a. Designate one individual to serve as the coordinator for the fruit and vegetable incentive pilot program
 - b. Provide DOHMH with store inventory so that DOHMH can identify all fruits and vegetables eligible for an incentive
 - c. Participate in meetings and phone calls as needed to weigh in as DOHMH develops processes, materials, and staff training for pilot program.
 - d. Facilitate communication between DOHMH and the retailer's POS system vendor and participate in phone calls as needed to discuss adaptations to POS system to electronically distribute and redeem fruit and vegetable incentives.
 - e. Provide DOHMH with the following information for budgeting and evaluation purposes:
 - i. Dollar value of total SNAP sales in 2017

- ii. Dollar value of total SNAP sales each year of the fruit and vegetable incentive pilot program
 - f. Consider opportunities to sell locally grown produce at the store
 - g. Ensure that all relevant employees are trained to implement and promote the fruit and vegetable incentive pilot program, using material developed by DOHMH.
 - B. Administer fruit and vegetable incentive pilot program funded by DOHMH, including:
 - a. Implement an electronic customer loyalty program for distributing and redeeming fruit and vegetable incentives when using SNAP benefits
 - b. Distribute or apply incentives set by DOHMH (with awardee's input) for eligible products
 - c. Put in place mechanisms to mitigate risk of fraud
 - C. Develop and display materials to promote the fruit and vegetable incentive pilot program, which can be provided by and must be approved by DOHMH.
 - D. Submit monthly reports to DOHMH including:
 - a. Number of SNAP participants that accrued incentives per month
 - b. Number of SNAP participants that spent incentives per month
 - c. Number of transactions and total dollar amount spent on eligible items using SNAP per month
 - d. Dollar value of incentives issued per month
 - e. Dollar value of incentives redeemed per month
 - f. Average incentive value redeemed per recipient weekly, monthly and annually
 - g. Transaction history showing items purchased as part of the fruit and vegetable incentive pilot program
 - E. Provide feedback to DOHMH to improve fruit and vegetable incentive pilot program.
 - F. Submit monthly invoices to FPHNYC for reimbursement of redeemed fruit and vegetable incentives.
2. Food retailer's POS system vendor: The selected retailer's POS system vendor will be expected to program the store's POS system to perform the activities outlined below. To be eligible for the award, the food retailer must submit a POS System Vendor Information Form (see application page 5). The form should be completed and signed by the POS system vendor, confirming their ability to develop and implement an electronic incentive program that meets all pilot program requirements within the timeframe outlined above.
- A. Adapt Point of Sale (POS) system to:
 - a. Identify all items eligible for incentive
 - b. Calculate and display on customer receipts total dollar amount spent on eligible items using SNAP
 - c. Accrue incentives on purchase of eligible items and store incentives in an electronic customer loyalty account
 - d. Apply previously accrued incentives to purchase of eligible items or to customer's customer loyalty account to be spent on a subsequent purchase. Display accrued and redeemed incentives on customer receipts.
 - e. Generate monthly reports including:
 - i. Number of SNAP participants that accrued incentives per month
 - ii. Number of SNAP participants that spent incentives per month

- iii. Number of transactions and total dollar amount spent on eligible items using SNAP per month
 - iv. Dollar value of incentives issued per month
 - v. Dollar value of incentives redeemed per month
 - vi. Average incentive value redeemed per recipient weekly, monthly and annually
 - vii. Transaction history showing items purchased as part of the fruit and vegetable incentive pilot program
- B. Train relevant store staff to operate electronic incentive program and generate monthly reports.

Eligibility Requirements

Applicants must meet the following eligibility criteria:

- Be a food retailer with maximum of 50,000 square feet of retail space
- Be located in a NYC zip code where at least 20% of the population lives below the federal poverty level as measured by the [2011-2015 American Community Survey](#)
- Be authorized to accept SNAP, share the store's SNAP authorization number for DOHMH to share with USDA, and use Electronic Benefits Transfer (EBT) system equipment and transaction services
- Demonstrate at least \$10,000 in SNAP sales for prior year
- Have at least 50% of retail space for food products intended for home preparation as compared to prepared foods
- Sell at least 7 varieties of produce such as:
 - Fresh fruits and vegetables
 - Frozen fruits and vegetables without added sugars, fats, oils, or salt
 - Canned fruits and vegetables without added sugars, fats, oils, or salt
 - Dried legumes without added sugars, fats, oils, or salt
- Do not sell or market tobacco products
- Use a POS system to process and record customer transactions and have the capacity to adapt POS system to identify items that are eligible for incentives.
- In partnership with retailer's POS system vendor, have the capacity to create and implement an electronic customer loyalty program with which SNAP participants can accrue and redeem incentives. Retailer must demonstrate in their application that the POS system vendor can complete the activities outlined above to be eligible for the award.
- Allow DOHMH to survey SNAP customers at the start of the fruit and vegetable incentive pilot program and at 6 and 12 months after pilot program launch (3 times during the first year)
- Willing to explore opportunities to procure locally grown produce to sell at the store

Preference will be given to stores that:

- Do not sell hard liquor or alcohol other than beer, cider and wine products
- Accept Women Infants and Children (WIC) checks
- Have a second location in a comparable neighborhood and are willing to share the store's SNAP sales data for program evaluation
- Promote healthy foods such as through cooking demonstrations or product samples

Application Review and Selection

A selection committee comprised of DOHMH and FPHNYC staff will select the food retailer(s) and their POS system vendor for support and funding through this RFP based on the criteria listed below. Each proposal will be scored on a 100 point system weighted using the following breakdown:

- Variety of fresh, frozen and canned fruits and vegetables and dried legumes sold at the store – 20 points maximum
- Ability to adapt POS system to track and report on program participation, fruit and vegetable sales under the program and incentives distributed and redeemed – 35 points maximum
- Ability to deliver incentives electronically through a customer loyalty program – 35 points maximum
- Store attributes including prior experience promoting healthy food, a second location, types of alcohol sold and acceptance of WIC benefits – 10 points maximum

Store Visits

Following application review, a store visit may be conducted to confirm information provided in the application and assess appropriateness for participation in the incentive program. Store visits will take place between **March 9-13, 2018**.

Application Process and Timeframe

Submission Instructions

The deadline for submission is **Thursday, March 8, 2018 at 11:59 PM EST**. Applications must be submitted via email to mstewart@fphnyc.org. All submissions will receive an emailed confirmation of application receipt from FPHNYC. Below is a detailed timeline of events related to this Request for Proposals process.

Timeframe

Event	Date
Release of Request for Proposals	February 1, 2018
Inquiry Period for Questions Send questions to mstewart@fphnyc.org by 11:59pm on February 15	February 1 – February 15, 2018, 11:59 PM EST
RFP Q&A Responses Posted at: http://fphny.org/whatsnew/rfps	February 20, 2018
Deadline for Receipt of Proposals	March 8, 2018, 11:59 PM EST
Store Visits Take Place (as needed)	March 9-13, 2018
Notice of Selection	March 16, 2018
Contract Start Date	April 2018
Due Date for Last Activity	<u>April 30, 2019</u> , with the opportunity for contract renewal and continuation of the pilot through <u>April 30, 2020</u> .

Submission Requirements

Applicants must complete and submit the attached Fruit and Vegetable Incentive Pilot Program Application Form. All applications must include the POS System Vendor Information Form, completed and signed by a representative from the retailer's POS system vendor.

Communications

All questions related to this RFP must be received by **February 15, 2018, 11:59 PM EST**. Responses to all programmatic and administrative questions will be posted by **February 20, 2018**. No other contact with FPHNYC, DOHMH, or personnel regarding this RFP is permitted in the period between the release of this RFP and the notice of award. Any oral communication shall be considered unofficial and non-binding with regard to this RFP and subsequent award.

Any awards made pursuant to this RFP are made contingent upon the availability of such funds and the successful negotiation of a formal contract between FPHNY and the selected organization and the execution of such a contract by an authorized officer or agent of such organization. All contracts entered into pursuant to this RFP shall incorporate all terms and conditions as are necessary to accommodate the grant-related, contract-related, statutory and regulatory restrictions that affect NYC DOHMH, and FPHNY in relation to the funding activities and programs referred to herein. FPHNY reserves the right to postpone or cancel this RFP, in whole or in part, and to reject all submissions.

Notification

The store selected for the pilot will be notified by FPHNYC via email on **March 16, 2018**. All other applicants will be notified by April 30, 2018.

ⁱ National Data Bank Version 8.2 PUBLIC - Supplemental Nutrition Assistance Program. SNAP Monthly State Participation and Benefit Summary - Public Data, Fiscal Year 2016. Retrieved from www.fns.usda.gov/sites/default/files/datastatistics/keydata-february-2016.xls.

ⁱⁱ United States Census Bureau, American FactFinder, 2011-2015 American Community Survey 5-Year Estimates. Retrieved from https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml.

ⁱⁱⁱ New York City 2016 Food Metrics Report. <http://www1.nyc.gov/assets/foodpolicy/downloads/pdf/2016-Food-Metrics-Report.pdf>

^{iv} Sacks R, Yi SS, Nonas C. (2015) Increasing access to fruits and vegetables: perspectives from the New York City experience. *Am J Public Health*. 105:e29-37. doi: 10.2105/AJPH.2015.302587.

^v New York City Department of Health and Mental Hygiene, Community Health Survey, 2015.