



Briefing 11/18

April 2011

# Catering for change: Buying food sustainably in the public sector.

To: All Chief Executives, Main Contacts and Email Contacts (Scotland)

CC: All Chief Executives, Main Contacts (England, Northern Ireland and Wales)

## **Briefing on Guidance issued by the Scottish Governments Scottish Procurement Directorate and Scottish Food and Drink Industry Division**

Public bodies should make use of the flexibility available within EU and Scottish procurement legislation to include sustainability issues in food procurement activity. Public sector food procurement can make a significant contribution towards economic, environmental, social, and health improvement objectives, including taking steps to encourage the involvement of smaller suppliers.

### **Key issues**

- What sustainable procurement means for food?
- The Scottish Sustainable Procurement Action Plan
- Developing a sustainable food procurement policy
- Value for money issues
- Sustainable development principles in relation to food
- The procurement journey
- Planning, specifying and structuring
- The sustainable food procurement checklist

## 1. Introduction

1.1 This briefing outlines some of the key points featured in the Scottish Procurement Directorate and Scottish Food and Drink Industry Division's recently published procurement guide – "Catering for Change – Buying food sustainably in the public sector" The guidance is aimed at anyone involved in the procurement of food or catering services in the Scottish public sector and is intended to highlight how procurement can be used to support economic growth, contribute to health improvement and address national and local climate change targets. Its content is applicable to those buying food directly as well as those using an external catering provider. This guidance replaces guidance first published in 2004 and describes how to buy food sustainably, in a manner consistent with procurement policies and legislation.

## 2. What is Sustainable Procurement?

2.1 The Scottish Sustainable Procurement Action Plan defines sustainable procurement as, **"a process whereby organisations meet their needs for goods and services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment."**

## 3. The Scottish Sustainable Procurement Action Plan

3.1 The Action Plan outlines a whole organisation approach to successful sustainable procurement which is intended to encourage thinking of more sustainable outcomes at the outset of the procurement process and building in sustainability when requirements are being specified. The Action Plan provides generic guidance about sustainable procurement. It contains ten steps which should help the public sector mainstream sustainability and contribute to achieving Best Value and meeting Climate Change obligations, as well as supporting annexes.

## 4. Developing a Sustainable Food Procurement Policy

4.1 A successful sustainable food procurement policy, integrated into the overall strategy of any public body can play a part in progressing organisational, as well as national aims and objectives relating to sustainable social, economic and environmental development.

4.2 Food can promote sustainable development in a number of ways, including:

- Delivering the benefits of good nutritional quality
- Promoting good health and education
- Protecting the environment

## **5. Sustainable Food Procurement – Objectives**

5.1 The key objectives of a sustainable food procurement policy should include the following:

- Compliance with procurement legislation
- Seeking opportunities to derive social, economic and environmental benefit
- Value for money, considering whole life costs
- Contracts that are structured, written and advertised in such a way that they appeal to the widest possible number of suppliers, including smaller suppliers
- Contributing to achievement of the Scottish dietary goals
- Appropriate quality assurance standards for production, food safety and animal welfare standards
- Consideration of where the main sustainability impacts in food supply may be, for example, in primary production, processing, packaging or distribution

## **6. Value for Money**

6.1 The Scottish Procurement Policy handbook, which applies to all public bodies, makes clear that the overarching aim of public sector procurement activity in Scotland must be the achievement of value for money for the taxpayer.

6.2 Value for money does not necessarily mean buying the cheapest products available and sustainable development requires conscious strategy development and planning. The quality of food that local authorities buy should be measured not only by the quality of the produce, but also by the extent to which it contributes to both organisational and national objectives, such as sustainable economic growth, community planning, health improvement and addressing climate change.

## **7. Sustainable Development Principals in Relation to Sustainable Food Procurement**

7.1 A sustainable food procurement policy may help to deliver benefits in a number of areas including, economic, environmental, social and health.

## **8. The Procurement Journey**

8.1 Further guidance can be found in the Procurement Journey, which is available for use by all public bodies in Scotland. It can be found at [www.scotland.gov.uk/Topics/Government/Procurement/buyer-information/spd/lowlevel/Q/editmode/on/forceupdate/on](http://www.scotland.gov.uk/Topics/Government/Procurement/buyer-information/spd/lowlevel/Q/editmode/on/forceupdate/on)

## **9. Planning, Specifying and Structuring the Requirement**

### 9.1 Specifying your requirements

Public bodies are generally free to specify sustainable food outcomes, provided that it does not distort competition unreasonably or discriminate against products and suppliers from other EU states or elsewhere in the UK.

### 9.2 Building in sustainability at the outset

The advantage of building in sustainability at the outset is that all tenderers will have to satisfy that minimum level.

### 9.3 What sort of things should you think about?

You should think about what type of suppliers the contract requirement is likely to attract and what you require from the contract. Reasonable requirements can be set relating to quality and service, provided that they do not discriminate against non-local suppliers.

### 9.4 Quality Issues

The Scottish Government's Strategy "A Vision for Scottish Agriculture"

[www.scotland.gov.uk/Publications/2010/02/10144335/1](http://www.scotland.gov.uk/Publications/2010/02/10144335/1)

and the National Food and Drink Policy

[www.scotland.gov.uk/Topics/Business-Industry/Food-Industry/national-strategy](http://www.scotland.gov.uk/Topics/Business-Industry/Food-Industry/national-strategy)

promote food that is safe, nutritious and promotes well being of the individual and communities.

### 9.5 Quality Assurance Schemes

The Scottish Government policy is to encourage the adoption of assurance schemes through the statutory functions of Trading Standards and Environmental Health. All types of businesses in the food industry are independently audited.

## **10. Protected Designated Origin and Protected Geographical Indication**

10.1 It is possible to specify Protected Designated Origin (PDO)/Protected Geographical Indication (PGI) products when justified by menu requirements.

## **11. Fair Trade**

11.1 The Scottish Government guidance recommends that public procurement should support fair trade food and drink as far as possible. It is permissible to specify only fair trade items, but the guidance explains how fair trade can be supported through other means. This guidance can be found at [www.scotland.gov.uk/Topics/Government/Procurement/policy/SPPNSSPANS/policy-notes/SPPN\(2\)2005](http://www.scotland.gov.uk/Topics/Government/Procurement/policy/SPPNSSPANS/policy-notes/SPPN(2)2005)

## **12. Climate Change**

12.1 Section 44 of the Climate Change (Scotland) Act places duties on public bodies relating to climate change. The duties require that a public body must act:

- In the way best calculated to contribute to delivery of the Act's emissions reduction targets
- In the way best calculated to deliver any statutory adaptation programme
- In a way that it considers most sustainable

## **13. Community Benefits**

13.1 Community benefit clauses can legally be included in public procurement contracts.

## **14. Advertising the Requirement**

14.1 Contracts should be widely advertised in order to attract small and medium sized enterprises, social enterprises and third sector organisations, as well as the larger suppliers such as food service companies.

14.2 Public bodies can make it easier for a wide range of suppliers to compete for business by:

- Advertising contract opportunities as widely as possible
- Ensuring potential suppliers are aware of where opportunities will be advertised
- Making the tender documentation and the tendering procedures as simple as possible for all suppliers
- Organising/attending regular meet the buyer events

#### 14.3 Public Contracts Scotland

The Public Contracts Scotland on line portal provides a single facility for suppliers and purchasers alike, where Scottish public sector requirements can be advertised. The Scottish Government suggests that all public bodies should adopt the portal and make sure that it is widely used throughout the organisation. It can be found at [www.publiccontractsscotland.gov.uk](http://www.publiccontractsscotland.gov.uk)

A further facility through Public Contracts Scotland is "Quick Quote", an online request for quotation facility that can be used to obtain competitive quotes for low value/low risk procurement exercises.

#### 14.4 Supported Businesses

Article 19 of the European Union Procurement Directive 2004/18/EC (Regulation 7 of the Public Contracts (Scotland) Regulations 2006) makes it possible for public bodies to reserve the right to participate in a particular competition to supported businesses, a supported employment programme or supported factories. Where a public body wishes to reserve the right to tender for a requirement in this way, its decision to do so must be specified when advertising the requirement, including advertising in the Official Journal of European Union.

### **15. Selection of Tenderers**

15.1 Selection criteria must focus upon potential supplier's economic and financial standing, technical capability and experience.

### **16. Tender Evaluation and Contract Award**

16.1 At this stage tenderers may refer to various policies they have in relation to sustainability.

### **17. Contract Management**

17.1 The contract management responsibility of named individuals must be clearly defined and understood. Tender documents should explain the expectations and policies of the organisation as well as all requirements for performance and management information through the life of the contract., after a food contract has been awarded, you are free to work co-operatively with suppliers to voluntarily improve the sustainability of the contract.

## **18. Food Safety and Contract Management**

- 18.1 The Pennington Report on the outbreak of E coli in South Wales was published in March 2009 and has significant implications that will require all public sector organisations, food producers and suppliers to review and improve where necessary their processes and compliance mechanisms. A copy of the Pennington Report can be found at <http://wales.gov.uk/ecoliinquiry/report>

## **19. Sustainable Food Procurement Checklist**

- 19.1 This checklist identifies some of the aspects of sustainability that may be relevant to public sector food and drink contracts. It is not intended to be exhaustive. Each organisation should take account of its own priorities and requirements when deciding which can have the greatest impact. The checklist can be found at <http://www.scotland.gov.uk/Resource/Doc/337607/0110844.pdf> (p 15-17)

## **20. APSE Comment**

- 20.1 APSE welcomes the Scottish Governments guidance on Sustainable Procurement. Procurement strategies should encompass and enhance the local economy, supporting the UK's aim to enhance economic competitiveness and productivity in line with its European and global partners. Procurement initiatives should avoid damaging SMEs. APSE agrees that procurement should be used as a vehicle to drive forward sustainability objectives, helping to meet the UK's statutory commitment on carbon reduction.
- For its part APSE has produced and launched, in March 2011, a publication called, "Towards sustainable procurement", which stresses the need for public sector services to secure maximum value for money out of every pound spent. The messages contained in this publication are strongly in accordance with "Catering for Change" from a policy and strategic perspective.
- Decisions should be based upon factual evidence, including benchmarking and performance management information such as APSE Performance Networks. Nutritional Standards have had the effect of improving quality of food but often at additional cost. Methods such as bulk buying can generate savings, however, particularly for seasonal foods, local farmers cooperatives can supply equal or better quality at often lower prices. Whilst legislation requires nutritionally based meals, some flexibility is allowed in the make up of the overall meal offering. Benchmarking and sharing of food costs provides a tool to negotiate prices and also highlight cost savings in alternative/substitute foods, as well a sustainability options.
- APSE wholeheartedly supports the sustainable procurement of food and related benefits to the local/wider economy, environment and Council as a

whole, but would stress that nutrition is extremely important and should be a key factor in food procurement decisions. If significant in-roads are to be made in tackling Scotland's obesity problem, a "healthier lifestyle" of good nutrition, plenty of exercise and reduced calorie intake must be adopted and maintained.

20.2 APSE has produced ground breaking work that colleagues may find relevant. **"Maximising Local Potential – Achieving Community Benefit via Procurement"** and **"More Bang for the Public Buck – A Guide to Using Procurement to Achieve Community Benefits"**, both of which can be ordered at <http://www.apse.org.uk/publications/order-form/general.pdf>

20.3 The full "Catering for Change" document can be found at <http://www.scotland.gov.uk/Resource/Doc/337607/0110844.pdf>

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