



**European Committee  
of the Regions**

# **Sustainable public procurement of food**

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# List of acronyms

<b>CoR/CdR</b>	European Committee of the Regions/ <i>Comité européen des</i>
<b>DG AGRI</b>	Directorate-General for Agriculture and Rural Development
<b>DG ENVE</b>	Directorate-General for Environment
<b>DG GROW</b>	Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
<b>DPS</b>	Dynamic Purchasing System
<b>EC</b>	European Commission
<b>EIP-AGRI</b>	European Innovation Partnership for Agricultural Productivity and Sustainability
<b>EU</b>	European Union
<b>EUR</b>	Euro
<b>GBP</b>	British Pound
<b>GHG</b>	Greenhouse gas
<b>GPP</b>	Green Public Procurement
<b>LOF</b>	Local and Organic Food
<b>LRAs</b>	Local and Regional Authorities
<b>MEAT</b>	Most Economically Advantageous Tender
<b>MS</b>	Member States
<b>PDO</b>	Protected Designation of Origin
<b>PGI</b>	Protected Geographical Indication
<b>POPPs</b>	Public Organic Procurement Policies
<b>SMEs</b>	Small and medium-sized enterprises
<b>SPP</b>	Sustainable Public Procurement
<b>TSG</b>	Traditional Speciality Guaranteed



# Introduction

Public procurement of food provides the opportunity to drive local and regional food economies towards more sustainable paths. Both Green Public Procurement (GPP) and Sustainable Public Procurement (SPP) are relevant practices in this context. GPP refers to procurement processes primarily meant to address environmental concerns. From the point of view of food procurement, it drives, for example, the inclusion of an organic food supply in the catering for public canteens. When social and economic considerations are added, the reference is to SPP. SPP is expected to not only have environmental benefits, but to bring broader benefits to society and the economy. SPP facilitates the development of short food supply chains or local/regional food production systems.

In both GPP and SPP, other criteria than ‘price only’ or ‘cost only’ are used for the procurement of food supply and/or of catering services. Directive 2014/24/EU on public procurement makes provisions for this (Article 67), stating that the award of public contracts shall be based on the most economically advantageous tender (MEAT). The MEAT method of assessment allows for considering price, or cost, and other criteria that relate, among other factors, to quality, social, environmental and innovative aspects as well as delivery conditions such as delivery date, delivery process and delivery period. In practice, this method rewards the bids which are compliant with specific criteria. The weighting of the award criteria further allows for achieving the best combination of price and quality. National procurement laws reflect the transposition of Directive 2014/24/EU and may include additional binding rules for public procurement. For example, in some Member States the threshold amounts of procurements below which the Directive does not apply have been reflected in full in national law. In other EU countries, lower national thresholds for direct agreements apply, so that contracts below the EU thresholds still need to be published at the country level.

Within these legal frameworks, local and regional authorities (LRAs) use different approaches to provide opportunities for the introduction of locally or regionally sourced produce in their food procurement. This short study adds to other initiatives aimed at disseminating knowledge on practices that are effective in increasing the use of sustainable food by public institutions. This is done by

briefly presenting ten cases related to food procurement for public catering (Part 1). Cases are selected from different countries to take into account some of the structural specificities linked to national laws, maturity of implementation of GPP/SPP, and general management and organisation of public canteens. In Part 3, highlights derived from the cases are used to outline synthetic guidelines for LRAs on the main aspects to be considered for the introduction of sustainable food in public contracts.

# Part 1 - Inventory of local and regional initiatives with case studies

This part is based on desk review of documents and literature. It presents ten cases related to the introduction of sustainable food in public institutions' canteens. Some of these cases are acknowledged good practices.

## 1.1 Rome's well-established school catering service, Italy

**Background.** Since the publishing of Law 488/1999, favourable conditions were created nationally for the introduction of organic, typical and traditional products in the procurement of food for public school canteens. In particular, Article 59 of the law specified that food quality had to be given priority in the award phase. In 2008, the National Action Plan on GPP – updated in 2013 – set minimum percentages of organic food and of food having other quality labels (e.g. Protected Designation of Origin – PDO, Protected Geographical Indication – PGI) in the public procurement of foodstuff (i.e. 60% for vegetable and fruit; 40% for meat; and 20% for fish). In 2010, 'National guidelines for school catering services' were published. Supported by this favourable environment, the local administration of Rome was among the first to develop what is now acknowledged as a good practice for the public procurement of quality food in school canteens.

### The case

Since 2001, the city of Rome has been progressively turning to organic food within its school food procurement system. The process was originally initiated by the then ruling administration. Still, the political will remained unchanged during the course of four successive voting rounds, and up to today. In the city of Rome, some 150 000 main meals are served daily (for 190 days/year) in a total of 700 nurseries, primary and secondary schools. Each school has a canteen and in 92% of the cases, also a kitchen. Essentially, the city's strategy aimed at steadily increasing food and catering standards while keeping costs contained. The last procurement process (2017-2020) for the provision of food and catering services in public school canteens (under evaluation) is valued at over EUR 374 million, with the maximum price payable for one meal being EUR 5.53. The previous tender (2013-2017) was valued at EUR 426 million, with a cost of EUR 5.49 per meal (Barling *et al.*, 2013). In Italy, municipalities are responsible for public school meals, which are usually provided through the services of catering companies, while meal costs are covered by families' and municipals' budgets.

## Tendering procedures

The transition to organic and quality food procurement in school canteens was gradual. Initially (2002-2004), it was necessary to understand which organic products could be supplied in sufficient quantity to meet demand. The supply capacity determined the basic requirements indicated in the tendering documents in terms of provision of fresh organic fruit and vegetables. Quite innovative award criteria were introduced from the beginning, with the price accounting for 51 points out of 100, and the other 49 points being given to: the type and organisation of service (e.g. environmental certifications) (30 points); the inclusion in the proposal of food educational projects (15 points); and high-quality food products (e.g. PDO, PGI) offered on top of the basic requirements (4 points). In a second phase (2004-2007) more emphasis was given to quality. Requirements related to seasonality, variety, territoriality and nutritional content were introduced. The use of local products was encouraged by making reference to specific characteristics of PDO and PGI products coming from the region or from neighbouring regions; or by referring to the maximum distance to be travelled and the time to be taken by products (e.g. fruit and vegetables) to reach the place of consumption. The latter, in practice, introduced a food-miles criterion. In a third phase (2007-2012), new requirements were introduced, such as a request for organic certification for certain products and the introduction of the 'guaranteed freshness' criterion for fruit and vegetables, setting a maximum of three days between harvest and intake. In the next phase (2013-2017) the quality approach was further consolidated, requiring a proportion of 70% of organic food and giving an increasing importance to local and fresh food. Finally, the last tender procedure (still under evaluation) attributes 30 points to the price and 70 points to the technical offer. Out of these 70 points, 28 relate to food quality aspects offered on top of the basic requirements. Among the difficulties faced by the public administration is the complexity of the evaluation process of bids, which requires specific expertise, but has so far been successfully performed (EC, 2011; Barling *et al.*, 2013; City of Rome [website](#), accessed on February 2018). Where the suppliers are concerned, raising quality standards implied more difficulties for caterers, for example in terms of sourcing seasonal produce. In this case, lengthening the contractual period of the services (from three to four/five years) allowed caterers to make investments and gradually adjust to the new requirements of the public administration. In order to increase participation of suppliers, the procurement procedure was, from the very beginning, divided into lots (the last procurement procedure launched in 2017 had fifteen lots). Finally, to keep quality high, the city administration strictly monitors canteens' services and food quality.

## Engagement of local suppliers or producers

A permanent mechanism (round table) with the participation of public authorities and suppliers was set up to regularly discuss problems and find shared solutions. Feedback from the consumption side is also ensured through the ‘Canteen Commission’, which includes representatives of caterers, public authorities, parents and teachers.

### Highlights

- Key importance of political will to initiate the change and of political continuity to make it sustainable.
- Good knowledge by the public administration of the supply side and assessment of its capacity to meet demand.
- Sequential introduction of quality requirements, giving supply chains the necessary time to adjust.
- Sufficiently long catering contracts, giving caterers stability and confidence to invest.
- Breakdown of the procurement contract into smaller lots.
- Dialogue structures in place to discuss problems, allow feedback, and find shared solutions.
- Continuous monitoring of the contractors’ performance, with daily testing and controls.

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Further reading: A regional branch of the Italian Association for Organic agriculture (Umbria region) is undertaking a project for the ‘**Definition of operative instruments for the introduction of organic products in collective catering**’. See [here](#) (in Italian) for further information.

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## 1.2 Podravje Self-Sufficiency Project, Slovenia

Background to the case. Since 2008, Slovenia has made use of qualitative award criteria mandatory in food public procurement. Then, in 2012, the Decree on GPP set the minimum proportion of organic food at 10%. Also in 2012, the principle of short supply chains was integrated into national public procurement legislation. In 2016, the Public Procurement Act, transposing 2014 EU Public Procurement Directives, reiterated that preference in the selection criteria for the procurement of foodstuffs was to be given to quality (Skok Klima, 2017). The Podravje project focuses on the exemption provided for under Article 5, Paragraph 10, of Directive 2014/24/EU – fully transposed into Slovenian law – according to which contracting authorities may exclude a lot from the procurement procedure if its value is below EUR 80 000 and the aggregated value of all excluded lots is less than 20% of all the lots the service or supply has been divided into. These lots may thus be awarded directly without being published at the national or EU level and are pivotal in strengthening short supply chains.

## **The case**

The Podravje Self-Sufficiency Project (2015-2020) is implemented in the region of Podravje and coordinated by the Maribor Development Agency in Zgornje Podravje and by Scientific Research Centre (SRC) Bistra Ptuj in Spodnje Podravje. The project's objectives are: (i) to increase the level of food self-sufficiency in the territory; (ii) to provide safe and healthy food; (iii) to increase the use of locally produced food in public institutions; and (iv) to create new jobs at the farm level. Regarding the goal of increasing the consumption of locally grown food in public school canteens, in the short term (i.e. by 2020), the target is to earmark to local food 20% of the budget yearly spent by Podravje's public authorities on food in primary schools (kindergartens and elementary schools). In the long term (i.e. by 2030), the target is to strengthen the supply capacity of local producers and of their organisations and enable them to take part in the procurement processes of public institutions, hence to get more than 20% of the total budget. In a 2016 report, SRC Bistra Ptuj estimates that local suppliers may meet up to 70% of the foodstuff requirements of primary schools canteens (SRC Bistra Ptuj, 2016). The first phase of the project was dedicated to contacting supporting institutions, carrying out situation analysis and research market, and creating links between public institutions and potential suppliers. The second phase is dedicated to the outlining of calls for tender, the identification within the food component of the 20% share to be supplied locally, the preparation of tender documents, and the finalisation of the contracts (Kocuvan, 2017; Maribor Development Agency [website](#), Municipality of Hoče-Slivnica [website](#), and Municipality of Benedikt [website](#), all accessed on February 2018).

## **Tendering procedures**

To increase the amount of local food provided in public procurement contracts, emphasis is given to quality aspects in menu planning and to understanding which parts of the food provision may be available locally. These parts are then treated as separate lots in the procurement process and awarded to local providers by means of direct contracts. These lots would represent 20% of the total budget spent yearly on food and catering services, estimated to be some EUR 2.4 million for the 41 municipalities of Podravje. On the other hand, the project aims at enhancing procurement processes compared to what was done in the past. Hence, within a municipality, the procurement activities of more public institutions are joined in order to have: higher quantities of each type of foodstuff requested in the procurement process and hence more power in negotiating on prices; the same type of tender documents across more public institutions and hence less time and money spent on the preparation phase and

less fragmentation of rules for potential suppliers; and more attention given to menus and quality.

### **Engagement of local suppliers or producers**

Engagement is primarily driven by the two coordinating organisations which arrange meetings and gatherings; collect feedback; exchange information; establish contacts; and conduct workshops and awareness raising activities. Main involved stakeholders are municipalities, school institutions and schools' nutritionists, local food producers and their cooperatives. The final aim is to create a long-lasting and mutually trusted collaboration between public institutions and suppliers. Food education is also given importance and parents are involved in educating children in local food appreciation (Kocuvan, 2017).

#### **Highlights**

- Use of a project framework to establish public procurement processes for food which are sustainable in time.
- Long-term vision.
- Attention to menu-planning and to the introduction of local food proportionally to the real supply capacity of local producers.
- Gradual strengthening of the bidding capacity of local suppliers.
- Inclusive engagement of all concerned stakeholders through third party organisations (the coordinators of the project).

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Further reading: The Pomurje Region provides another example where locally grown produce is used to promote both healthier communities and local development. Rooted in the MURA Programme which started in 2001, the case has been [recently reported \(2017\)](#) within the Shaping Health Project.

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## **1.3 Food and catering services for school canteens in Lens, France**

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Background to the case. Starting with the 'Grenelle de l'Environnement' national initiative in 2007, collective catering was identified as a potential driver of the development of organic farming. Successively, a minimum share of organic produce was set for catering services and ways to favour locally sourced products were emphasised. National targets by 2017 were to reach 20% of organic food in school meals, and 40% of local products in collective catering. With the aim of supporting public procurers in achieving these targets, a guide for the promotion of local and quality supply in the catering industry was published in late 2014 by the Ministry of Agriculture, Agri-food, and Forestry. In addition, nutritional recommendations for schools were prepared at the national level in 2015. In France, municipalities are responsible for procuring school catering services. The catering services of the City of Lens were among the nominees of the [2016 Procura+ Awards](#).

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## **The case**

The City of Lens serves about 203 000 school meals per year. In 2008, a first attempt to introduce organic food in its public procurement failed because of cost-related concerns. Still, both procurements of 2012 and 2016 included a request for organic food. With regard to local food, a favourable French regulation was adopted in 2011 but the city did not manage to take the new provisions into account in the 2012 procedure. Thus, it is only in the 2016 procurement that both organic and local foodstuffs were requested. The city's approach is driven by quality considerations. There is a committee of parents and staff, chaired by the Deputy Mayor for education, which monitors the quality of the meals. The quality level and the objectives for public procurement of food are set by a committee of deputy mayors and approved by the mayor of the City. As a former coal mining city, Lens has 30% fewer internal resources than the average in France. Hence, the in-house competence for carrying out the procurements is for the most part provided by only one person. Building on lessons learnt, directly sourcing different suppliers and benchmarking in comparison with other local authorities, the city administration has managed to gradually increase procurement requirements over time in order to gain environmental and quality benefits (City of Lens, 2018).

## **Tendering procedures**

In the 2012 procurement at least one of the meals served during the week had to be organic. The quality-price ratio was 70:30. Out of the 70 points allocated to quality, 35 were related to the quality of food. In the 2016 call, the minimum requirement for organic food was set at 20%. In addition, award criteria became more elaborate. The proportion of price was reduced to 25% and quality of food was attributed 45% of the total amount, divided as follows: quality of products used in menu design (30 points); respect of product seasonality in menu design (30 points); variety of menus (20 points); and compliance with nutritional recommendations (20 points). In addition, 15% of the total weight was attributed on the basis of quality assurance aspects, and the remaining 15% on the basis of the environmental performance of the service and of the direct (not 'local') supply of produce. This last requirement was correctly interpreted by bidders and allowed the administration to reward the products derived from short supply chains. More precisely, the 15% was divided into: inclusion in the menu of products derived from short supply chains, with a maximum number of 2 intermediaries (25 points); reduction of environmental impact, including of packaging (25 points); inclusion in the menu of products derived from sustainable agriculture (25 points); and purchase of organic produce derived from short supply chains, with a maximum number of 1 intermediate (25 points) (City of Lens, 2018). The procedure was open and was for a one year contract,

renewable three times. The organic food to be supplied had to be certified and, upon request, traceable. However, the technical specifications allowed for different types of menus, including different levels of organic content, to be proposed. This flexibility facilitated the making of proposals by potential suppliers and allowed the city administration to go for the most cost-effective solutions. The procurement was valued at EUR 2.2 million and was tendered as one lot. All four offers received were evaluated. The winner proposed organic menus for EUR 2.75 per meal, i.e. slightly higher than the non-organic menu priced at EUR 2.33 (EC, 2017).

## Engagement of local suppliers or producers

Market engagement activities were only undertaken starting with the 2016 procurement process and on the initiative of the regional authority, the Nord Pas de Calais Regional Council. They took the form of pre-procurement meetings with market actors and had the scope of communicating to potential suppliers the requirements of the city of Lens and, at the same time, of understanding whether these requirements could be met (EC, 2017). Since 2017, the district community of Lens-Liévin launched a process aimed at encouraging local producers and suppliers to take part in their tendering procedures. This is expected to improve the matching between demand and supply and allow the city to increase the share of sustainable products in its future food procurements (City of Lens, 2018).

### Highlights

- Procurement managers' personal commitment and open-minded knowledge sharing with other public authorities.
- Well-thought-out preparation of tender documents to guide the quality of offers.
- Importance of pre-procurement meetings with potential suppliers to understand not only their response capacity but also their constraints.

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Further reading: 1) **Mouans-Sartoux**, a small city (10 000 inhabitants) in the French Riviera, serves 100% organic meals in its schools. This is the result of a policy decision made locally in the late nineties. URBACT provides a [recent presentation](#) of this good practice. Another factsheet of the case is available [here](#). 2) The '[Guide pratique: Favoriser l'approvisionnement local et de qualité en restauration collective](#)' (in French) published in late 2014 by the French Ministry of Agriculture, Agri-food, and Forestry includes a section on the preparation of the procurement procedure. A synthesis on how to facilitate local supply in public catering is also made available online: '[Comment promouvoir l'approvisionnement local en restauration collective](#)' (in French).

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## 1.4 Pioneering local and organic food in the municipal catering of Kiuruvesi, Finland

**Background.** Finnish food policy supports the use of local and organic food by means of two dedicated programmes. In the programme developed for the organic sector, the proportion of organic products in public food procurement is set to be at least 20% by 2020 ('Lähirookaa ammattikeittiöihin' project, 2013). With regard to local food, no quantitative targets are specified in the 2013 Local Food Programme, but several development objectives are outlined, including diversifying and increasing local food production, and increasing the share of local food in public procurement. Also in 2013, the government identified as a policy goal the strengthening of small enterprises and of local food producers to increase their participation opportunities in public tendering processes for food. In Finland, the cost of school meals is borne by the municipalities which have to comply for their procurement activities with the Act on Public Procurement and Concession Contracts. In the Act, the threshold for the direct award of service and supply contracts is set at EUR 60 000 (Ministry of Economic Affairs and Employment, 2016). This threshold importantly influences public procurement since, as indicated by the case of Kiuruvesi, direct purchase of food in schools is still common.

### The case

The rural town of Kiuruvesi started prioritising the use of local and organic food (LOF) in the late nineties. At the core of the LOF concepts are values such as "*local entrepreneurship, local and organic production, quality, traceability, environmentally friendly production, animal welfare and continuous development*" (Risku-Norja, 2015). A pilot project implementing the LOF concept in school catering started in the year 2000. In the same year, all schools' catering personnel attended a training course to learn how to increase the use of organic food in their kitchens (Risku-Norja, 2016). The pilot project was then rolled out to all the other schools while building the capacity of the catering staff, including through knowledge sharing and cooperation activities with research institutions (Risku-Norja and Løes, 2017), and continued to be given importance. Overall, the approach of Kiuruvesi was to gradually increase the proportion of LOF used in public kitchens in order to give local producers time to adjust and better meet the needs of municipal school catering, for example in terms of pre-processing (Risku-Norja, 2015). Accordingly, the focus was moved from decentralised and price-based selection of suppliers (often through direct contracts because of the small quantities involved) to competitive bidding where other criteria than price are used in order to select the suppliers. In 2010, the decentralised system of catering services was also brought under one single administrative unit and the number of kitchens reduced to two. In 2014, the proportion of LOF used in school catering reached 43% of the value of

municipal food purchase (Risku-Norja, 2016). This is considered to be close to the maximum possible, according to the local availability of produce and of their necessary degree of processing. In fact, even if, over time, the local pre-processing capacity increased, it is structurally constrained by the fact that the Finnish processing industry tends to remain concentrated into a few large units and that Kiuruvesi does not have sizeable meat slaughtering and milk processing facilities nearby.

## **Tendering procedures**

In 2012, Kiuruvesi is reported to have undertaken a substantial amount of purchases through the consortium in Ylä-Savo (seven municipal and three non-profit organisations) and to have kept the provision of local food separate from the purchase of foodstuff that may not be sourced locally (Tikkanen, 2014). More recently, direct purchase is still reported to occur ‘often’ even if increasing importance is given to competitive bidding in order to ensure real competition and encourage the participation of new suppliers (Risku-Norja, 2016; Risku-Norja and Løes, 2017). The tendering procedure is generally based on the careful selection of the food items to be requested, which is in turn based on the careful planning of menus. Such planning allows for the inclusion of local and organic produce in school food without compromising the taste and the nutritional characteristics of meals. Furthermore, it allows for containing costs. Prices of locally purchased LOF are usually higher than those paid to wholesalers, but savings may be made by reducing the quantity of meat and fish in the menu. While ‘organic’ or ‘certified organic’ is a requirement which may be directly indicated in the tendering documents, ‘local’ may be given preference only indirectly, for example by referring to freshness of food, its delivery time and frequency, specific characteristics of the products, or specific nutritional requirements. Aspects such as “*employment, entrepreneurial activity and benefits for the regional economy brought about by labour-intensive small-scale organic and local production*” may also be considered to determine the most economically advantageous tender (MEAT) (Risku-Norja and Løes, 2017).

## **Engagement of local suppliers or producers**

The tendering procedure is centred on the implementation of a pre-tendering dialogue between potential suppliers and the municipal catering service. The dialogue is aimed at matching kitchens’ needs with the capacity supply of interested producers and processors. It allows kitchens’ staff to explain what they need and to get feedback from suppliers on the characteristics of their products. This interaction often leads to the co-development of products and of recipes based on local foodstuff. In the past, support to local producers was also given through project-based activities in order to enable them to respond to the

town's call for offers, either individually or organised with other producers (Tikkanen, 2014).

### Highlights

- Key importance of catering personnel's commitment and capacity when catering is performed in-house.
- Re-organisation of catering services to better suit local and organic food supply.
- Key importance of menu planning for containment of costs and careful selection of menu items to be supplied.
- Knowledge of existing local market and of suppliers' (i.e. producers, processors) capacity.
- Long-term vision to accompany the necessary changes, including, for example, the creation of small-scale pre-processing capacity.
- Pre-procurement dialogue with potential producers and processors for a better matching of demand (kitchens' needs) and supply.

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Further reading: The **Local Food Guide: more local food for the customers of public-sector kitchens – Grounds and Guidelines for Procurement** (2014) is a comprehensive document providing many tips for the procurement of local food. It also includes recommendations for outlining procurement criteria as well as examples of good practice. The guide is available online at [www.lahisopas.fi](http://www.lahisopas.fi) (in Finnish), at [www.narmatsguiden.fi](http://www.narmatsguiden.fi) (in Swedish), and [here](#) (in English).

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## 1.5 The procurement policy of the City of Zagreb, Croatia

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Background. The first National Action Plan for GPP covers the period from 2015 to 2017 but has a vision that stretches to 2020, when GPP measures are expected to be included in 50% of public procurement procedures. Still, there are no targets in the plan related to the food and catering sector. In 2013, national guidelines for school meals in primary schools were prepared by the Ministry of Health. They provide “*guidance for the organisation and administration of the service of school meals, the definition of public procurement contracts and conditions of work, preparation and delivery of meals to meet the needs of the relevant age groups of children, while teaching and encouraging children to adopt proper eating habits*” (Strength2Food project, 2017). Procurement by public authorities is regulated by the amended Public Procurement Act 2011, in force since January 2017 and transposing Directive 2014/24/EU into national law (Šostar and Marukić, 2017). In the country, the responsibility for the organisation, purchase and supply of meals in primary schools lies with individual schools' authorities. The cost of meals is covered by public authorities' and families' budgets.

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## **The case**

Besides organising, purchasing and serving meals, schools are also responsible for the development of the menu, although in line with national norms and standards as regards their nutritional value. Accordingly, each school prepares a yearly procurement plan and then implements the purchases. However, in the city of Zagreb, the Department for Education, Culture and Sports has taken the responsibility of purchasing groups of products (i.e. bread and milk products) whose value is above the national threshold of EUR 27 000 and for which a public procurement procedure is required, thus partially centralising the procurement process. The procurement of smaller contracts for the other products is left to the individual schools (Strength2Food project, 2017).

## **Tendering procedures**

The contract for grouped products is tendered by the City of Zagreb through an open public procurement procedure. According to existing legislation, public authorities tendering food and catering services contracts may prioritise short food chains, may require that transport distance are kept to a minimum, and may specify in the requirements the provision of organic and traditional food. The other food items are purchased directly by the schools through the so-called 'bargain procedure'. In the latter case, the involvement of local farmers in the procurement process is more likely because individual schools may target specific farms on the basis of the food required or on the basis of the maximum distance to be travelled by the food (Strength2Food project, 2017). Notwithstanding the possibility to use other criteria than price for the selection of suppliers, the lowest cost criterion is still the most used in tendering procedures. This not only occurs in open public procedures but also for small lots of items for which the Public Procurement Act does not apply. A survey conducted in 2016 shows that for 78% of the cases award criteria in public procurement procedures are based on the lowest price while in the remaining 22% of the cases the most economically advantageous tender is selected (Šostar and Marukić, 2017).

## **Engagement of local suppliers or producers**

There is no structured engagement of local suppliers as, where relevant, these are contacted on an individual basis by schools.

## Highlights

- Award of direct contracts is determined by national thresholds, which are usually lower than EU thresholds.
- Where procurement responsibility is decentralised, central purchase of groups of products at the municipal level may release individual schools from the undertaking of competitive bidding.
- Demand for sustainable food needs to be cautiously considered when supply is structurally limited and the higher cost of meals is to be co-shared by families, if side effects such as increase of imports and financial burden for low-income families are not desired.

Further reading: 1) Initiated in 2015 in the city of Zagreb on the example of a German experience, the '[I have the right to eat healthily](#)' initiative sponsoring the introduction of organic food in schools continued rolling out in 2016. Promoted by 'Ecologica' and the Association of Croatian Eco-Agricultural Producers, it is funded by the German Foundation for the Environment 'Deutsche Bundesbank Umweltstiftung', FIBL, and the European Institute for Research in Organic Agriculture. 2) In the school year 2017/2018, Croatia started implementing the EU-supported School Scheme which provides children in primary and secondary schools with fresh fruit and vegetables as well as milk and other dairy products. In the [strategy for the implementation of the school scheme](#), priorities for the choice of products distributed under the scheme include 'local or regional purchases' and 'short supply chains'.

## 1.6 'Organic for Children' Project: from pilot to consolidated practice in Munich, Germany

Background. Since 2010, the Federal Government, regional and local authorities have cooperated in the Alliance for Sustainable Procurement, whose aim is to increase the proportion of sustainable products and services in public procurement. In 2012, a Competence Centre for Sustainable Procurement was set up to provide contracting authorities with assistance and advice in this sense. In 2016, public procurement law was reformed to transpose the new EU Procurement Directives. The new national act emphasises the possibility to include sustainability criteria in the procurement process. This is also reiterated in the 'Regulation for the Modernisation of Public Procurement Law', which entered into force together with the Act, and in the German Sustainable Development Strategy adopted in January 2017 (Federal Government, 2016). The City of Munich is one of the pioneering cities that started introducing environmental and social sustainability concepts in their procurement policy, that work together under the [biostaedte.de](#) umbrella for the promotion, production, processing and demand of locally sourced organic food (Strassner and Roehl, 2016). The 'Biostadt München' (Organic City Munich) initiative started in 2006 and targeted the introduction of organic food in schools, restaurants, and in the city administration.

## **The case**

The ‘Bio für Kinder’ project was initiated in 2006 as a sub-project of the ‘Biostadt München’. It was a pilot joint initiative by a private company, Tollwood, and the Department of Health and Environment of the City of Munich. The pilot project lasted up to 2012 and managed to introduce 100% organic food in the catering services of 32 very different facilities such as kindergartens, after-school and schools institutions. In order to compensate for the higher cost of serving organic meals, the project devised a sponsoring system. Thirty bodies located in Munich (including the same municipality as well as charity and private sector) agreed to cover the additional costs incurred by the 32 facilities switching from conventional to organic food for a period of two years. A system for tracking and verifying the costs was put in place to achieve this. At the end of the two years, it turned out that organic meals were only EUR 0.3 more expensive than conventional meals, corresponding to a 16.5% increase in the price. This encouraging result made it feasible for the 32 facilities to maintain their organic catering even after the end of the sponsored period (Agostini *et al.*, 2017; City of Munich [website](#), accessed on February 2018). Also the ‘Organic for Children’ project experience had an ongoing impact after the project end and became part of a more general shift by the city of Munich to organic food. In 2013, by decision of the city authorities, day-care facilities for children converted to 50% organic foodstuffs (90% in the case of meat). This required investment in supply kitchens, nutrition education, and the training of kitchens’ professional staff. The project further developed a series of management tools which are available online and include, for example, the organic menu manager which helps in menu design, cost calculation and recipes. More than 850 facilities already use this online support, as cost tracking helps in understanding where savings can be made (Tollwood [website](#), accessed on February 2018).

## **Tendering procedures**

The last school food procurement tender was launched and awarded in 2017 to cater for 300 facilities. In the catering framework contract, caterers are required to provide frozen food which they have previously prepared and cooked (this approach is referred to as ‘cook and freeze’). The requirements of the tender refer to a list of product groups. For each product group there is a minimum number of items to be delivered and a minimum proportion of these items must be organic, including: 50% of all food must be organic; 90% of meat products must be organic; 100% of fish must be organic or certified as sustainable. In the award criteria, the proportion of price is 40%. Product variety is given 25%. Test sample is also attributed a proportion of 25%. The remaining 10% is equally distributed between compliance with the special needs of food users (5%) and

compliance with other social and environmental aspects (5%). The tender also includes a series of requirements in terms of packaging and training activities. The tender was divided into four lots and a 2-year contract was awarded to the most economically advantageous tender per lot (EC, 2018). Smaller suppliers' participation is encouraged by requiring seasonality of food, using transport-related environmental criteria, and reducing the number of meals required per supplier (City of Munich, 2018).

## Engagement of local suppliers or producers

No specific engagement was implemented. Three bids were received for each lot, all being from SMEs, and a total of three suppliers were awarded contracts (EC, 2018).

### Highlights

- Key importance of the political commitment.
- Innovative ideas for introducing organic produce in school catering can make the difference, as did the sponsoring system devised in the *Bio für Kinder* project.
- Monitoring costs facilitates the understanding of where savings can be made (e.g. ingredients, kitchens' management practices, seasonality of produce, reduction of food waste) in order to finance the higher costs incurred through the introduction of organic produce in the menus.

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Further reading: A recent [paper](#) presented at the 12th European IFSA Symposium discusses the award criteria used by the **city of Berlin** and the **State of Brandenburg** for the public procurement of local and organic food (Haack M. *et al.*, 2016).

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## 1.7 Pioneering public procurement of sustainable food in Tukums, Latvia

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Background. Although initiated in 2004, the first real experiments in applying GPP to the public procurement of school meals were undertaken in 2010. At the policy level, the uptake of green procurement was boosted in 2014, when the Cabinet of Ministers adopted Regulation No. 673 of 28.10.2014 'On inclusion of environmental criteria and selection of award criteria in tendering for the procurement of food products and catering services' and the Procurement Monitoring Bureau published the 'Guidelines for the most economically advantageous tender evaluation criteria for public procurement' (EC-DG GROW, 2015). Still, it soon became evident that the implementation of the regulation was contingent upon the capacity and resources available within municipalities, where public procurement of school meals is carried

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out in practice (Mikelis *et al.*, 2016). Currently, food policy in Latvia is deemed inconsistent, as it is split between different policy areas and institutions, and the shaping of local food systems is left to regional and local initiatives (Nordregio, 2017). Tukums municipality includes Tukums town and 10 parishes and is the third largest town in Latvia (Tukums municipality [website](#), accessed on February 2018).

## **The case**

In 2010, within the framework of the ‘Foodlinks’ project (7th Framework Programme), Tukums municipality started considering the improvement of procurement procedures as part of its Urban Food Strategy. The main aim was to source more food locally for its schools' and hospitals' meals while moving away from the lowest price criterion, as had been applied so far. In 2014, the municipality started introducing environmental and social criteria in the procurement of produce for its schools' canteens. In 2015 and 2016, these criteria were applied to the procurement of catering services and this time difficulties in the involvement of small farmers were experienced. The tender awarded in 2016, in fact, centralised the provision of services for three quarters of the public schools. However, in parallel to this service, which was awarded to one catering company, schools with their own on-site canteens continued to co-exist and purchase food directly (Mikelis G. *et al.*, 2016; Luksevics, 2013).

## **Tendering procedures**

The 2014 procurement procedure was valued at EUR 278 019 and was run centrally by the municipality on behalf of those schools having their own on-site canteens. It was divided into 21 category groups of produce and bidders could make an offer for one or more lots. Out of 19 bidders, contracts were awarded to 10 companies, six of which were local producers and received 67% of the total contract value (Mikelis G. *et al.*, 2016). The new contract award criteria assigned 30 points to price; 40 points to quality standards (e.g. organic, nationally certified); 20 points to the delivery distance; and 10 points to environmentally friendly packaging and waste disposal. The delivery criterion evidently favoured short supply chains and local sourcing (Mikelis G. *et al.*, 2016). In the following years, the municipality decided to partially switch to the outsourcing of catering services. Costs (e.g. no investments in kitchen facilities) and administrative burden considerations were at the basis of this decision. Still, schools with their own on-site canteens insisted on keeping their mode of food provision, arguing that such mode allowed, among other aspects, to keep better control of quality and origin of food, and to play a social function as kitchens provide local employment opportunities. Currently, small farmers have more opportunities to be involved in the procurement processes of these schools than in the catering contracts of the other schools.

## Engagement of local suppliers or producers

The relevant stakeholders to be engaged in pre-bidding talks are outlined in the city's food strategy. Before the launch of the 2014 tender, a seminar attended by schools' representatives, agricultural officers, local farmers and SMEs was organised in 2013. Despite this consultation, bidding conditions were challenging as the contract was for one year only, foresaw the immediate start of delivery of produce (i.e. without giving producers the time to get organised), and the tender was issued in a rather busy period of time for many farmers. Still, response by farmers was positive even if, apparently, they relied on the technical support of a paid specialist for preparing their offers (Mikelis G. *et al.*, 2016).

### Highlights

- A trade-off needs to be found between the goal of administrative ease and the implementation of a procedure which better suits the response capacity of local suppliers.
- When a one-fits-all procurement procedure cannot be found, it is reasonable to have two parallel approaches.

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Further reading: A recent analysis of applying regulations and of obstacles to the take up of sustainable public procurement of food in Latvia is presented in this 2017 [paper](#).

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## 1.8 Organic food supply in the municipal facilities of Copenhagen, Denmark

Background. In Denmark, national policies conducive to the sustainable procurement of food and the focus on organic farming date back to the 1990s. In 1997, the government started a major support programme ('*Grønne Indkøb*' - green procurement) whose derived processes are, in fact, still ongoing (Nielsen *et al.*, 2009). In 2012, the training programme 'EkoLogika' addressed catering units' staff country-wide, building their knowledge and capacities for the conversion to organic products in the public catering of schools, nurseries, hospitals and public working places (Aalborg University [website](#), accessed on February 2018). Overall, across the country, the reference is to Public Organic Procurement Policies (POPPs) to indicate a policy model which encompasses education and training of foodservice staff, procurement procedures, and change of attitudes, processes, routines and supply chains. Within this framework, in 2007, the City of Copenhagen decided that its food purchase was to be 90% organic by the end of 2015. In 2007, the proportion was already 51%. In 2016, the city's ratio was 88% and the target was considered to be achieved since most of its approximately 900 kitchens had a proportion of 90% organic, and some of them had even more, especially those of nurseries,

kindergartens and the large production kitchen set up within the Copenhagen Healthy School Meals project – KØSS (City of Copenhagen [website](#), accessed on February 2018; Nielsen *et al.*, 2009). The procurement approach of Copenhagen is the winner of the [2016 Procura+ awards](#).

## **The case**

The procurement strategy of the city is well summarised by its chief procurement officer's statement "*We are convinced that by having better contracts, we can get better products*" (EC-DG AGRI, 2017). Organic food supply is for the 20,000 daily meals in the city's nurseries, schools, elderly homes, and other facilities. The overall approach includes taking into account the needs of the kitchens – which to some extent also reflect dietary changes –, dialoguing with the market before and during the procurement process, and facilitating participation in the procedure by bidders, for example by using smaller lots, providing advice, preparing standard reply forms, or, whenever possible, keeping contract requirements flexible (EC-DG AGRI, 2017). In order to achieve the target of 90% of organic food in all meals procured in the city by the end of 2015, the administration focussed on improving the supply of seasonal, fresh, and quality food in the last contract awarded in 2014.

## **Tendering procedures**

The tender awarded in 2014 was a framework contract for the provision of 100% organic produce, seasonal fruit and vegetables. Technical specifications also included environmental criteria related to packaging, use of recyclable material, and transport. Award criteria were based on price (40%), quality (35%) and range of offered goods (25%). Seven offers were received but only two were eligible. The awarded contract was for 2 years with the possibility of a further 2-year extension (INNOCAT project, 2015). Needs assessment meetings took place in May 2013 and the contract was awarded in July 2014 (INNOCAT project, 2016). "*The supplier supplies a wide variety of seasonal fruit and vegetables which are sourced from small to medium sized subcontractors from all over Europe*" (EC, 2014a). Although organic produce is more expensive than non-organic food, the administration managed to keep meal costs at the same level as before by reducing the amount of meat served (EC, 2014a).

## **Engagement of local suppliers or producers**

Overall, the city's engagement includes: involvement of the market at the kitchens' needs assessment stage; dialogue with the market before tender documents are prepared, if necessary to collect ideas and information on specific issues or, more in general, in order to understand what the market can supply

and at approximately what price; giving the market the possibility to comment on draft tender documents; and conducting a ‘supplier information day’ after the publication of the contract notice to explain what is required and answer any questions or requests for clarification. On the basis of the good experience in the previous year (i.e. successful introduction of organic Halal meat in the procurement process following the consultation with the market), in 2013 the city administration put forward to the market another request related to the seasonality of the food being supplied. In this case, the city significantly engaged the market in order to design a sort of calendar showing which produce was freshly available in which season. Notably, engagement took place on an individual basis and seasonality meant ‘in season’ somewhere in the world and not in the region or in the country. This timetable was then used in the preparation of the tender documents.

### Highlights

- Key importance of policy commitment, including a quantitative target.
- Market engagement provides substantial mutual benefits to the market and to the public procurer. Over time, it builds substantial market knowledge of the administration that may be used to introduce innovative elements in the tendering procedure and guide changes in the supply chain.
- A sufficient lapse of time needs to be accounted for to implement the procurement process, proportionally to the complexity of the tender documents.

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Further reading: 1) [Aalborg’s food strategy](#)’s discussion outlines a local experience which focuses on the length of the supply chain rather than only on the supply of organic produce. 2) The ‘*Kloge Fødevareindkøb*’ (Smart Food Procurement) project aimed at providing key stakeholders (e.g. public procurers, kitchen staff) with advice on how to switch to organic and local food purchases. Ended in 2016, the [project website](#) (in Danish) still makes all material and documents available online, including guidance on procurement procedures and information on concrete cases.

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## 1.9 Towards 100% organic food in Malmö's canteens, Sweden

**Background.** In Sweden, inclusion of green criteria in public procurement has been practiced for more than two decades. Already in 2005, a survey reported that 60% of all public purchase in Sweden included some environmental criteria (Zurek, 2013). In 2006, the government set a national target according to which 25% of the food served in public canteens was to be organic (Ministry of Agriculture, 2010). In Sweden, municipalities have significant independence in setting their local policies and an important role in the catering sector as they have to provide free school meals to students. National guidelines for 'Good school meals' were published by the National Food Agency in 2013. More recently, the framework for public procurement has been updated. In 2016, the National Public Procurement Strategy and the National Food Strategy for Sweden were published, and the Swedish Public Procurement Act (2016:1145) adopted, the latter being the reference law at the national level transposing Directive 2014/24/EU.

### The case

The city of Malmö has been procuring organic food for its schools' meals since the late 1990s. In 2004-2007, a pilot project was carried out to introduce 100% organic food in one school, with the view to then replicate the experience in other public institutions. By the end of the pilot, 97% of the food purchased by the school was organic, although it decreased to 85% in the following years (EC, 2016). In Malmö, the school food system is centrally organised for menu planning but food purchase and preparation is done in 25 kitchens and then sent to another 60 kitchens where the food is prepared to be served. Each day, 40,000 school meals are distributed this way (EC, 2014b). In 2010, the city aimed for 100% of the food served in the city's canteens to be certified organic by 2020 and for 40% reduction, compared to 2002, of greenhouse gas (GHG) emissions from food and catering services by 2020. Environmental and sustainable development concerns are amongst the drivers of the city's 'Policy for sustainable development and food' adopted in 2010. In line with this policy, for example, purchasing has to adapt to seasonal availability, introduce more coarse vegetables and reduce the consumption of meat; local suppliers must be strengthened in their capacity to sell their produce; and by means of food procurement practice, suppliers must be influenced to improve their produce as well as the way the produce is processed, packaged and transported (City of Malmö, 2010). Likewise, the policy also states that ethically certified (e.g. fair trade labelled) products shall be given preference, if available in the product groups of interest. In 2014, the proportion of organic food purchased by the city was 44 % of all food (EC, 2014b). Currently, the city of Malmö [website](#) (accessed on February 2018) reports this proportion to be over 50%.

## Tendering procedures

*“Malmö spends EUR 15 million on food from the wholesale provider each year – this includes all products except dairy, fresh fish, fresh bread and fresh vegetables, for which there are separate contracts. The expenditure is high enough and competition on the market strong enough to drive the market towards offering better value, sustainable products - the two main wholesalers that bid for business are constantly challenging one another”* (EC, 2014b). Each of the 25 kitchens preparing meals undertakes its procurement *via* an electronic buying system and as part of the city’s food contract. Each kitchen is guided in the purchase to select the most environmental friendly products as these are clearly indicated in the online catalogue (EC, 2014b). Procurement requirements relate to the assessment of the supplier and of the mandatory criteria. Mandatory criteria refer to food as well as delivery and transport. Among the food criteria are the inclusion of organic products, the supply of fish which comply with the Marine Stewardship Council criteria, or equivalent, and the supply of meat which is free of hormones and meets the rules of EUROP classification (EC, 2016)

## Engagement of local suppliers or producers

The city prefers to purchase food rather than catering services and there are usually only two main wholesalers competing for the contract.

### Highlights

- A political decision or strategy is needed to effectively guide the change.
- Training of kitchens’ staff is important, especially in those catering systems where kitchens actually carry out the purchase of food.
- Products for which local supply is likely (i.e. dairy, fresh fish, fresh bread and fresh vegetables) are treated as separate contracts.
- Environmental award criteria for food produce may also drive the local sourcing of produce, for example *via* packaging and transport requirements.

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Further reading: The city of Södertälje managed to increase the proportion of organic food in public catering without raising the cost of school meals. The higher price paid for organic and locally produced food is compensated for by the reduction of food waste and meat consumption, and by the increase of vegetables in planned menus. Over the period 2013-2015, Södertälje was the lead partner in a URBACT II Pilot Transfer network. The case of the transfer of the city’s experience in developing a sustainable food strategy to the three project partners is documented in a [final report](#). Partners are the cities of **Mollet del Vallès** (Spain), **Lomża** (Poland), and **Molėtai** (Lithuania).

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## 1.10 The Dynamic Purchasing System for school food in Bath & North East Somerset Council, UK

**Background.** The UK policy related to sustainable food procurement is outlined in ‘A Plan for Public Procurement’, published in 2014, while public procurement is regulated by the Public Contract Regulations which came into force in 2015. Starting from 1 January 2018, such regulations apply for supply and service contracts of contracting authorities other than the central government valued over GBP 181 302. These regulations also provide details on Dynamic Purchasing System arrangements. Finally, the National School Food Standards (2015) sets the mandatory standards for school food. In England, the contracting of school meals provision is decentralised to local authorities and the public sector is responsible for paying school meals in the first three years of schooling. The experience of Bath & North East Somerset Council is considered as pioneering an inclusive tender model which provides more opportunities for participation by local suppliers. It also highlights how important it is for the catering service to be accredited by third parties.

### The case

In 2009, the catering service of the Bath & North East Somerset (B&NES) Council was among the first group of caterers to be awarded the Soil Association’s Bronze [Food for Life Catering Mark](#). In 2016, the Council’s school meals service received the Silver Mark. The ‘mark’ rewards those caterers who succeed in serving fresh, environmentally sustainable and healthy food, while championing local food producers (B&NES [website](#), accessed on February 2018). The Council used to run the procurement of school food as separate lots, one for each category of produce, with the selection of a single supplier for each lot. When, in 2015, the planning of the new tender began, a series of circumstances led to the design of a totally different procurement approach relying on a ‘Dynamic Purchasing System’ (DPS). These circumstances were: the launch by the Council, in 2015, of its Local Food Strategy; the existing priority within the overall procurement strategy of the Council “*to encourage procurement from suppliers in the B&NES area (where legally compliant and possible)*” (SPP Regions Consortium, 2017); and the need to maintain high standards in order to retain the Silver Award. The procurement procedure run by the Council in 2016 for the provision of school food to 60 local primary schools and nurseries was for the award of a 5-year contract valued about EUR 600,000 per year (SPP Regions Consortium, 2017).

## **Tendering procedures**

The 2016 tender comprised two elements. First, an innovation partnership was finalised with an organisation (online food store) which is responsible for order consolidation and delivery. The delivery organisation has a local hub and good knowledge of suppliers in the region. Second, a framework contract for the selection of multiple suppliers was launched. This type of contract is referred to as ‘Dynamic Purchasing System’ because suppliers are allowed to join it at any time if they are qualified. Even small suppliers are able to join because they are not expected to cover the whole amount required by schools but can supply the quantity they produce (SPP Regions Consortium, 2017). In fact, orders made by school kitchens are consolidated by the delivery agent so that each school receives only one delivery. In practice, all qualifying suppliers are registered on a platform and participate in mini-competitions run approximately on a quarterly basis, according to school requirements and seasonality. Against a list of specific products to be delivered, registered suppliers submit their prices. In order to qualify, there are minimum requirements to be met by the produce (e.g. meat and eggs have to comply with UK-specific certifications) and other safety and certification characteristics which are not mandatory but that can be taken into account by the catering service, besides the price, when selecting the produce to be used. This selective behaviour of school kitchens while ordering, contributes towards maintaining the ‘Silver Mark’ accreditation of the catering service.

## **Engagement of local suppliers or producers**

The outline of the new procurement approach importantly relied on pre-procurement market engagement. Engagement took place in 2015 and in 2016 with logistics providers and suppliers in the form of meetings as well as individual and group talks. The aim was two-fold: meet the objectives set in the Council’s Local Food Strategy and Procurement Strategy, and propose a contractual arrangement which was realistically feasible for suppliers. The last step was the presentation of the procurement documentation to potential suppliers to ensure their understanding of the requirements of the Council and of what they were asked to do. Further engagement is reported to take place on an as-needed basis (SPP Regions Consortium, 2017).

## Highlights

- Political commitment and market engagement are important pre-conditions to set up a viable system.
- Innovation in the procurement approach may open up significant opportunities for new suppliers to participate.
- The certification of the catering services guarantees minimum quality standards of the produce they serve.

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Further reading: The ‘Sustainable school meals’ case of **East Ayrshire, Scotland**, is considered a good example of a local approach prioritising the participation of small and medium suppliers in the procurement procedure. Starting with a pilot, the model was evaluated and then replicated. It is presented and discussed within the Foodlinks project ([Barling \*et al.\*, 2013](#)) and in the EC ‘GPP in practice’ series ([Case study 42](#)).

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## Part 2 Concluding remarks

This work is based on the evidence that institutional demand is important in increasing the use of sustainable food and in opening up market opportunities for small suppliers. The collected examples aim at providing practical suggestions for initiating a change towards sustainability, starting from LRAs' public canteens. Since in several Member States local authorities are responsible for the provision of school food – sometimes bearing the full costs of this provision, other times sharing it with families – most of the examples collected and of the remarks made refer to school catering.

Procurement procedures appear to be importantly shaped by some main national and local/regional characteristics, including:

- The legal framework.

Directive 2014/24/EU frames public procurement at the EU level but national procurement laws which have transposed the Directive represent the binding frameworks in individual countries. For example, a procurement contract that is not required to be published at the EU level, according to the Directive, because it is below a given threshold, may still be required to be published (i.e. go through competitive bidding) at the national level if national thresholds below which a direct agreement is allowed are lower than EU thresholds.

- The way the schooling system is organised.

There might be public central kitchens that prepare the food before distributing meals to individual schools, and schools with their own kitchen serving meals directly; or external caterers in charge of food sourcing and catering services in the individual schools; or hybrid systems.

- Centralised or decentralised purchasing system.

Food purchase may be undertaken by a central unit, or by individual schools, or even by individual kitchens within a centrally finalised framework agreement with a wholesaler. Also in terms of purchasing systems, hybrid systems exist.

Other characteristics such as supply capacity of sustainable produce by the market and the maturity of national GPP/SPP policies and practices influence the way a change towards sustainability may be initiated.

The great variety of situations does not make a good practice easily replicable everywhere. Although lessons learnt by an administration may have some value for other public procurers, learning by experience remains essential and this is probably the reason why in all reviewed cases the turning of public canteens to sustainable food is a gradual and relatively slow process. Usually, it takes years and becomes more elaborate and successful along the way.

Introducing sustainable food into public canteens is not a simple process. That is why it is political commitment that drives virtually every experiment. The changes needed are both cultural (e.g. eating habits as healthier food may have a different taste) and structural (e.g. creation of small-scale pre-processing facilities) and therefore take time. The sequential introduction of quality requirements in procurements seems to be the most successful approach, as it gives caterers and suppliers, and supply chains in general, time to adjust.

Cases show that the provisions of Directive 2014/24/EU allow for the introduction of sustainable food in public procurement. Furthermore, there is evidence that increasing the quality requirements in food procurement contracts usually elicits positive responses from suppliers, especially when pre-procurement engagement with the market takes place. Situations where direct contracts are still preferred seem to refer to cases where the upscaling of sustainable food systems is not politically pursued or where food supply chains are not mature enough.

Procurement managers' personal commitment appears to be crucial in overcoming the objective difficulties linked to the preparation, award and management of food procurement contracts. National guidance is valuable, but apparently it is not made available in all EU countries. Being presented with successful experiences carried out by other municipalities remains a very valid way for public procurers to get practical hints and inspiration.

Finally, it is worth mentioning the importance innovative ideas have in facilitating sustainable public procurement of food in. The sponsoring system devised in the Munich case to initiate the introduction of organic food in public catering is as simple as effective. The Dynamic Purchasing System pioneered by Bath & North East Somerset Council, which allows suppliers to join a framework contract at any time, if qualified, multiplies their opportunities for participation.

# Part 3 Synthetic guidelines

Main aspects to be considered for the introduction of sustainable food into public contracts relate to six core areas.

## 1 – Policy commitment

Increasing the proportion of sustainable food in public catering is first of all a **political decision**. Decisions may be accompanied by the setting of time-bound **targets** (e.g. minimum proportion of organic food to be served in public canteens by a specific year).

Furthermore, introduction of sustainable food in public canteens is a medium-to-long term process. Change does not happen immediately. Thus, a **long-term vision** and **continuity of political will** are also important.

### TIPS

- **Pilot or project-framed initiatives** are valid **alternatives to initiate the process** of inclusion of sustainable food in public canteens before a clear policy commitment is made.
- The EU-supported School Scheme is a good opportunity to **start strengthening short supply chains** for providing the public sector with fresh fruit, vegetables, milk, and other dairy products, especially where local production is still marginal and principally relies on on-farm sales or sales at local markets.

## 2 – Supply capacity (offer) and menu planning (demand)

Good knowledge of the local market and assessment of its capacity to meet demand is a must. It is necessary to know the supply capacity in terms of:

- Food **production** (type of products, volume), including organic produce.
- **Processing** (type of processing available and packaging size).
- **Distribution** (e.g. wholesalers) and transport organisation.

From the point of view of demand, the variety, the form, and the volumes of the food required by public kitchens have to be determined. **Menu planning** shapes the demand side. It usually needs the input of nutritionists and has to comply with the nutritional requirements or recommendations for school meals issued in each Member State. Menu planning represents a **strategic tool for the**

**introduction of sustainable food** as it **sets the object of the procurement contract**. Furthermore, well-thought-out menus allow minimising the increase of meal costs that may derive from the introduction of sustainable food. Menu planning outlines:

- The different kinds of products (**variety**) required.
- The desired degree of processing and package size of the produce (**form**).
- The desired availability (**volume**).

A **good balance between demand and local supply increases the opportunities for small suppliers (producers and processors) to get involved** in the food procurement procedure.

## TIPS

- Cost of more ‘sustainable’ meals may be contained by reducing the consumption of meat (for example, through the reduction of meat portions); increasing the use of seasonal vegetables and fruits; reducing food waste (for example, by reusing leftovers); reducing the use of finished or semi-finished products; using recipes that imply the use of the whole foodstuff (for example, vegetable peels).
- Use of seasonal menus makes it possible to request seasonal and fresh food, which is more likely to be sourced nearby.
- Variety of menus allows for a wider range of products to be considered in a product group, thus reducing the volumes needed for each product. Smaller volumes are more likely to be supplied by small suppliers.
- Demand for sustainable food needs to be considered cautiously when supply is structurally limited. In general, the introduction of sustainable food should be proportional to the real supply capacity of the market.

### 3 – Food, catering, and kitchens

A decision needs to be made on whether to purchase food or catering services. Mixed solutions may also be effective. If purchasing food, there is a direct relationship between suppliers and food procurers. If purchasing catering services, food provision falls under the responsibility of the caterer.

The **way kitchens are organised needs to be flexible enough to adapt to the introduction of sustainable food**. This requires an analysis of existing equipment and human resources and whether adjustments are needed in terms of preparation tasks and management. For example, produce sourced locally may involve the use of raw products that need basic processing such as peeling.

Although this task is simple, it may become complicated in collective catering when dealing with large quantities, hygiene rules, or lack of appropriate spaces. Emphasising the use of local produce in meals' recipes may require the expertise of professional chefs and/or the upgrade of kitchens, i.e. making them professionally equipped for preparing and cooking meals from scratch.

In general, experience shows that **training and capacity building of kitchens' staff is necessary when switching to the use of sustainable food.**

## TIPS

- When catering is performed in-house, catering personnel's commitment and capacity is fundamental.
- The certification of the catering services guarantees minimum quality standards of the produce they serve.
- Professional chefs' higher hiring costs are usually balanced by the derived improvements to the menus and the more effective kitchen operations.

## 4 – Food procurement procedure

According to the type of catering (e.g. food supply for in-house services, outsourced catering services) and the estimated value of the procurement, it is possible to decide the food procurement procedure(s). In general, a trade-off needs to be found between the administrative ease of a procedure from the point of view of the procurers and the implementation of **a procedure which is organisationally more complicated but better suits the response capacity of small suppliers.**

With regard to the estimated value of the procurement, it is essential to take **thresholds** into account. EU thresholds amounts are set in Directive 2014/24/EU and refer to the value of the procurement net of value-added tax (VAT). Above the EU thresholds an invitation to tender must be published throughout the EU. Below the EU thresholds, reference needs to be made to national procurement laws.

**EU thresholds for local and regional authorities (Directive 2014/24/EU, Article 4)**

**EUR 207 000** It applies to public supply and service contracts

**EUR 750 000** It applies to public service contracts related to special service assignments, including catering services, school catering services and school-meal services.

**National thresholds for local and regional authorities**

..... Variable, according to national public procurement laws.

Directive 2014/24/EU makes provisions for **dividing contracts into lots** (Article 46). For supplies or services, if the estimated value of one lot net of VAT is less than EUR 80 000 such a lot is not subject to the provisions of the Directive (Article 5). However, **attention has to be paid to correctly calculate the estimated value**. In addition, if more lots are awarded using this approach, their aggregated value shall not exceed 20% of the aggregate value of all the lots into which the proposed supply or service has been divided.

**TIPS**

- Central purchasing strengthens the negotiating power of public procurers but increases the contract value and may cut small suppliers out of the competition.
- Dividing the procurement into smaller lots which are treated as separate contracts may facilitate the participation of small suppliers. This is commonly done for products or groups of products for which local supply is likely (e.g. fresh fish, fresh bread, fresh vegetables, or milk).
- Framework agreements are a good procedure for facilitating the participation of small suppliers.
- Innovative approaches such as a Dynamic Purchasing System open up opportunities for new suppliers to get involved even after the contract has been awarded, hence multiplying opportunities for participation.
- The practical advice of other municipalities/regions that are using sustainable food in their canteens is valuable. The sharing of experiences among food procurement officers of the same country may shed light on the best procedure to be adopted in line with national procurement law.

## 5 – Market Engagement

Market engagement is an important instrument to set up a viable system of demand and supply. Engagement may occur at different stages:

(1) Pre-procurement (exploratory) stage. For the procurer, it aims at understanding the capacity of potential bidders. For potential suppliers, it aims at making them familiar with the needs of the kitchens. The feedback received from the market may be used by the procurer to make more tailored requests in the tender and/or may highlight procedural constraints to participation by small suppliers that require the re-thinking or adjustment of the procurement procedure. Pre-procurement dialogue usually results in a better matching of demand and supply.

(2) After the drafting of the invitation to tender. It aims at discussing the content of the draft invitation to tender with potential bidders and explaining the main requirements of the procurement.

(3) After the publishing of the invitation to tender. It aims at clarifying doubts and replying to the questions of potential bidders. The clearer the content of the procurement, the higher the possibility of receiving good quality offers.

### TIPS

- If a specific product or service is needed, this may be communicated to the market well in advance (pre-procurement talks). Early communication allows the market to react in time and give feedback on the feasibility of the inclusion of such a need in the procurement.
- In the pre-procurement stage, public procurers and suppliers may develop new products together (i.e. co-create) which satisfy the needs of the kitchens (demand) and concurrently allow the use of (more) sustainable produce in the menus.
- Market engagement builds up important market knowledge, which may be used by the public authority to introduce innovative elements in the tendering procedure and guide changes in the supply chain.

## 6 – Tendering process

An open procedure based on the award of the most economically advantageous tender (MEAT) makes it possible to consider the best balance between price, or cost, and a range of other criteria among which are: quality, technical merit,

aesthetic and functional characteristics, accessibility, social characteristics, environmental characteristics, innovative characteristics, after-sales service and technical assistance, and delivery conditions such as date, process and period (Directive 2014/24/EU, Article 67).

The **inclusion of sustainable foodstuff may be facilitated** by precise requests in the tender documents such as: PDO and PGI products; specific characteristics of the products, or specific nutritional requirements (e.g. those found in meat from ancient, indigenous animal breeds); seasonal and fresh food; certified organic products; maximum distance to be travelled and time to be taken by products to reach the place of consumption; reduced transport footprint; or traceability.

## TIPS

- Enough time must be set for tenders' preparation.
- Longer contracts give financial stability to successful bidders, allow them to make investments and further develop their capacity to respond to the requirements of the public administration.
- The gradual increase of quality requirements in tenders gives small suppliers time to strengthen and adjust.
- The reward of nutritional value of food may be linked to the reduction of the travelling distance from production to consumption.
- The reward of environmental benefits may drive local sourcing of produce, for example via packaging and transport requirements.

# Appendix I – List of references

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## Appendix II – Further information and reading

- Procura+ is a network of European public authorities and regions, coordinated by ICLEI, which shares experiences and knowledge on sustainable procurement. Its Procura+ Manual gives guidance on the implementation of sustainable procurement, including for the product group ‘food’. The manual is downloadable at: <http://www.procuraplus.org/manual/>
- The third edition of the European Commission's Buying Green! handbook was released in April 2016. It includes guidance and examples on GPP. The handbook is downloadable at: [http://ec.europa.eu/environment/gpp/buying\\_handbook\\_en.htm](http://ec.europa.eu/environment/gpp/buying_handbook_en.htm)
- The existing version of the EU GPP criteria for ‘Food and Catering services’ is old (2008), but an updated version is awaited shortly. The page to be checked is: [http://ec.europa.eu/environment/gpp/eu\\_gpp\\_criteria\\_en.htm](http://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm)
- A manual on market engagement best practice was published by ICLEI in 2017 within the framework of the SPP Regions project. The manual can be downloaded at: <http://www.sppregions.eu/resources/publications/>
- The European Innovation Partnership for Agricultural Productivity and Sustainability had a focus group on ‘Innovative Short Food Supply Chain management’. The results of the group’s work can be viewed at: <https://ec.europa.eu/eip/agriculture/en/focus-groups/innovative-short-food-supply-chain-management>