

*Local and Sustainable Food Procurement by New England*

*State Governments:*

## **Barriers and Recommendations**



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Responsible Purchasing Network

*There are many efforts throughout the New England region designed to support a thriving sustainable regional food system. Within these, there has been a burst of enthusiasm for efforts to bring local and sustainable foods to large institutional purchasers, including local governments, school districts, and state government facilities and agencies. Advocates and government representatives promoting local food purchasing see institutional contracts as a useful tool to help scale up production of – and demand for – local food in the region. However, the complexity and opacity of institutional procurement has led to challenges and frustrations for farm to institution advocates. What follows is an analysis of the major barriers encountered and recommendations for addressing these barriers. The recommendations are written with state government offices – and in particular, departments of general administration and purchasing – in mind. While “scaling up” efforts at the farm level have been a focus for some time, complementary steps can be taken by state policymakers and purchasers to truly facilitate the purchase of local and sustainable food. The changes suggested below are directed at purchasing offices, but explained from the perspective of advocates, who will likely be in the best position to promote the adoption of new practices.*

**BARRIER: Demands of institutional purchasing can leave out small farmers.**

From all sides, government procurement is more complex than other purchasing. The bid solicitation process is well-designed to get the best deal on the best products for taxpayers, but to do so it sets up substantial hoops for vendors to jump through. These hoops can become barriers for smaller producers, or those unfamiliar with procurement processes. Vendors must be able to commit to provision of a long list of products over the course of 3-5 years, sometimes with fluctuating demand from contract users. Prices are locked-in, and change only with major indices, raising risk. Food safety and health requirements can be more stringent, and may become more so over time. As with other institutional purchasing, extensive paperwork and forms can be daunting. Vendors are expected to have certain infrastructure at times, such as ordering systems and tracking mechanisms. Institutions may have processing needs such as washed, chopped or bagged produce, which prove difficult for farmers without the right facilities or equipment to fulfill these needs efficiently.

**RECOMMENDATION 1: Involve both contract users and potential vendors to determine appropriate specifications that meet the needs of both.**

*Note: There are many programs in the region designed to support infrastructure for small farms to be successful, such as food hubs and processing centers, many of which are represented in our state-by-state food purchasing summary. However, whatever the strategy is to consolidate, market, process or develop local food production, developing demand is also an essential ingredient. The summary below focuses in on changes that can be made by a state purchasing office, as there are many steps that can be taken in that context to make institutional markets more accessible and welcoming to the fruits of small farmers’ labors.*

Some barriers to small-producer relationships can be lowered by institutions without broad negative effect. It may be important to look at a contract with fresh eyes to determine if it contains barriers to local purchasing. For example, the State of Vermont’s fresh shell egg contract with Maple Meadow Farm specifies eggs that are “large or medium” and “white or brown.” In contrast, New Hampshire’s fresh egg contract with Sysco of NNE specifies “large white” eggs. If the state does not need only large white eggs, the specification can be widened to allow for more diverse products to be accepted and, therefore, increase the likelihood that those products will be available locally. Correctional food service operations often follow nutrition guidelines that are built around a medium-sized egg. Consequently, correctional facilities, often the largest users of state food contracts, might be able to just as easily use medium eggs.

To determine which aspects of a specification might need to be changed to accommodate small or local producers, state procurers can issue a Request for Information (RFI) to potential vendors. Purchasing agents can then check with contract-users to see if the proposed changes are acceptable to them by sending them a survey. Purchasing agents may also want to hold a pre-bid meeting to answer any questions about the contract, so that bidders newer to the process can get help.

Food safety requirements can be a major hurdle for small and mid-sized farms. As of this writing, the progress of new proposed rules under the federal Food Safety Modernization Act (FSMA) looms over New England farm advocates, who anticipate that these proposals, if put into effect as currently written, will unfairly burden family farmers as well as sustainable and organic producers. It is too early to tell what the final rules will be, but any discussion of barriers created by food safety regulations will certainly be impacted by the FSMA.

For now, there is plenty to address in the realm of food safety. Food-safety certifications that may be required are typically tailored for the concerns and capabilities of mid- to large-sized farms, and may be unduly onerous for smaller farms that do not face the same food safety threats as their larger counterparts. If a state currently requires Good Agricultural Practices (GAP) certification or equivalent, small farms could be held to a more appropriate “GAP-Lite” standard, defined by the institution or in partnership with a local farm or university program. There is also a food safety program called GLOBAL G.A.P., now offered by California Certified Organic Farmers (CCOF), designed to streamline inspections and paperwork especially for organic farms, which already meet some food safety requirements. A program at UMass Amherst helps small farmers by providing materials on GAP and Harmonized GAP certifications,<sup>1</sup> and this could be coordinated with contracting requirements to make sure support was available in-state for potential vendors.

Increasingly, food service companies have been responding to greater interest in the certification requirements of institutional purchasers. This can form a barrier especially because there are multiple certification programs, and different food companies require different ones (GAP, Primus, etc.). Sysco, a vendor that serves three states in the region (CT, NH, and ME) requires certification. However, a state purchaser may be able to use contract language to require vendors to accept any one of a list of certifications. If the contract is big enough, vendors may shift their practices to allow various programs to qualify farms for business. This will open up competition and prevent farmers from needing multiple certifications to sell their food products to different buyers or distributors.

**RECOMMENDATION 2: Use contracts to build a role for aggregators, distributors and food hubs that allow vendors to flexibly meet requests for local food.**

There are some institutions that are not well-suited customers for direct sales from small producers – their needs are simply too vast and varied. They may need onions as well as pineapples, or a year-round supply of strawberries. In these cases, these institutions can serve as a market for vendors that give preference whenever possible to local and sustainable food. These vendors are either working with farms themselves as a distributor or aggregator, or they have a strong relationship with a local food hub, aggregator or distributor that works with farms. Black River Produce of Vermont is one such distributor. Black River supplies directly to some correctional facilities, educational institutions and other public entities, and works as a supplier to food service companies. Distributors in this position can be flexible to what is available in the marketplace, supplying local and even organic produce, dairy and meat when it is available and meets the price requirements. When local is unavailable, the company can meet a buyer’s needs with produce or other food products from elsewhere, so food preparers can have a consistent supply.

In this case, Black River handles all of the contracting paperwork, tracking systems, and other requirements that small farms cannot take on easily themselves, but supports these farms by bringing them business. The distributor can even dialogue with cafeteria managers, making menu and ingredient suggestions that will best take advantage of local and seasonal availability. Local food aggregators and hubs can be a part of a similar dynamic by being a reliable source for products and allowing government purchasers or vendors to select the products that best meet their needs.



State governments can encourage vendors to be flexible to the needs of both their suppliers and their customers. They can craft bid solicitations that can

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<sup>1</sup> UMass Extension Nutrition Education Program. More information available: <http://extension.umass.edu/nutrition/programs/food-safety/programs/good-agricultural-practices/gap-manual>

best be fulfilled by companies that will find the common ground between local farmer offerings and institutional needs. How? Rather than using specifications or listing particular items that should be procured locally on a bid sheet, governments can use vendor questionnaires to capture the breadth of a vendor's offerings. On a contract that is only for fresh eggs, requiring every single egg to be "produced in-state" will accomplish local purchasing – purchasers just simply choose the best price among the bids, which will all offer local eggs. In addition, multiple awards may be given to increase supply. But on a contract with a long, varied list of products, requirements can be too restrictive.

In these cases, a vendor questionnaire can capture non-price criteria. Vendors can be asked to report pertinent information that will inform the purchaser and also communicate the importance of complying with the state's policies. Potential questions include:

- "What percentage of the produce you supplied last year was sourced from within the state?" or
- "Is your company able to provide 'local spend' reports based on tracked purchases of locally-sourced foods?" or
- "Please list the *local* food producers from which your company sources produce over the course of a year." [Note: local would need to be clearly defined.]

In the bid evaluation process, vendors are then assigned points for their answers to these questions, and the points are factored into the contract award. This can help states award contracts based not only on favorable prices but on a vendor's ability to fulfill local purchasing goals and comply with food purchasing policies and preferences. If a boilerplate vendor questionnaire is developed, it can be used for every state food contract, which minimizes work for procurement agents, making it more likely that the form will be used. And ultimately, providing business to companies that maximize local purchasing at every opportunity will expand the number and success of such flexible local food distributors.

**Appendix E:**  
**Vendor Sustainability Questionnaire**

For firms providing goods and services  
Please check and complete relevant items in this survey questionnaire  
Return with Bid/Proposal

VENDOR NAME \_\_\_\_\_ Date \_\_\_\_\_  
Website \_\_\_\_\_  
Address \_\_\_\_\_  
Contact Name \_\_\_\_\_ Title \_\_\_\_\_  
Contact Phone \_\_\_\_\_ Email \_\_\_\_\_  
Supply Category \_\_\_\_\_

Please check off applicable items and provide supporting documentation, as appropriate.

**Internal Operations and Policies**

1. Has your company implemented any of the following environmental policy initiatives for your facilities? (Please attach relevant policies or links)

- Environmental or Sustainability Policy
- Climate Action Plan
- Zero Waste Policy or Plan
- Toxics Reduction Strategy or Policy
- Water Reduction Strategy or Policy
- Green Transportation Plan for employees

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**RECOMMENDATION 3: Pass a policy, and implement practices, for a low minimum requirement of local purchasing on each contract.**

Given the significant percentage thresholds promoted in contexts such as universities (e.g., 20% by Real Food Challenge), the idea of passing and implementing a much lower threshold, say 5%, may seem counter-productive. However, higher thresholds or minimums have not been politically successful, and run into loudly voiced concerns about increased price and questionable market availability. In the meantime, local purchasing progress is made in a patchwork, promoted on the inside primarily by Departments of Agriculture, which may or may not be familiar with purchasing protocols. The patchwork approach also stymies coordinated tracking efforts.

Purchasing agents respond to requirements. In a procurement office, establishing a level playing field for bidders is paramount– for good reason. Typically, the only time attention is paid to the process by outsiders or higher-ups is to scrutinize it for errors or foul play. Making simple requirements that gain consensus at all levels of politics and implementation makes a purchaser's job easier – which in turn makes implementation easier. The simpler the rule, the easier it is to write it into contracts and communicate it to vendors. As the adage goes, "what gets measured gets managed." A low threshold could require ALL vendors to supply 5% local product, and track their compliance (with reasonable exceptions). And because local purchasing requires a different buying system – different suppliers and possibly different timelines, shipping protocols, etc. – vendors in many cases will not comply unless they are required to do so. When it is a clear requirement, they will have to establish these relationships and tracking mechanisms, which lays the groundwork for additional local procurement. Once in place, a threshold percentage requirement can be raised – especially if tracking shows that compliance has been achieved or exceeded. Along the way, tracking will supply valuable information about product availability and pricing, and identify vendors that are motivated to go above and beyond the minimum.

**BARRIER: Purchasing of fresh food is often decentralized.**

Even the strongest state-level policies (such as a price preference for local or sustainably-produced items) can be difficult to implement because practices must change all over the state rather than inside one centralized purchasing office. While shelf-stable food products often appear on contracts negotiated at the state purchasing office, fresh food products such as fruits, vegetables, meat and dairy can be purchased by many smaller institutions or agencies in a variety of ways. They can buy from state contracts, go through a traditional competitive-bidding process on their own, use a p-card (employee purchasing card) at a grocery store, or purchase directly, which allows a food services director to develop a relationship with a nearby supplier. That is, agencies and institutions throughout the state that use state contracts may not use them for all products, and in particular they may buy fresh products another way. This is because the fresh products are not always covered by state contracts, presumably to facilitate more streamlined purchases that will fit the needs of the user, and cut down on turnaround time that might cause the milk to spoil or lettuce to wilt.

Of course, **decentralized purchasing can also support local buyer/seller relationships, and benefit local purchasing.** For example, purchases of local produce and dairy are explicitly exempted from department-level contracts in Vermont. This can facilitate local buying by reducing red tape. In the case of local food specifically, it can provide opportunities for smaller institutional customers that are more accessible to food producers. However, it is still difficult to direct multiple decentralized purchasing decisions and track what has been purchased, which can leave government purchasing power untapped.

**RECOMMENDATION 4: Engage purchasers throughout each state in a multi-pronged strategy.**

This preserves the opportunities afforded by decentralized purchasing, while maximizing the potential of state-level support for local and sustainable food. Purchasing by the state can be important to growing demand, because state contracts are large. Moreover, all public facilities in the state can typically buy from state contracts. Consequently, states can aggregate even larger demand than is first apparent. A multi-pronged strategy includes these activities coordinated from the state purchasing office:



- *Shift any state-level fresh food contracts to favor local products.* These are usually product-specific, such as fresh shell eggs or dairy. Produce and meat contracts in the region tend to be handled at the lower, less-centralized level. Finding the fresh food contracts negotiated by the state will leverage the state's full purchasing power for local markets. Implementation will be most effective if local and sustainable attributes are clearly specified – rather than using vague preferences. For example, specifying that “eggs must be produced locally, defined as in the state or within 30 miles” will be the best way to ensure that a vendor will use local sources for the full life of the contract.
- *Promote state-level contracts to state agencies and other (potential) contract users.* Connecticut has a useful model for this, which can be applied consistently to food purchases. The State's *BuyLines* publication is distributed to state agencies and departments, cities, counties, universities, and even school districts throughout the state. *BuyLines* has been used to promote green contracts for low-toxicity paint and compostable food service ware, by featuring a front-page article that mentions the benefits of the newly greened contract. The state purchasing department can use a *BuyLines* article to promote contracts for local and sustainable food, and even profile a farmer who contributes to the contract. Moreover, when local jurisdictions sign onto state contracts, the state typically gets 1% of the contract value. If local governments sign onto a contract, the state can benefit financially, and use the revenue to support its local purchasing program. States in the region that are not yet promoting sustainable contracts with a purchasing publication or website would benefit from introducing this practice – and so would their sustainable purchasing efforts.
- *Encourage agency-level programs that promote local food purchasing.* Food service providers throughout the state that are not yet buying local might enjoy a “gateway” program to highlight the benefits of local purchasing. One food service director at a juvenile correctional facility expressed

enthusiasm for a “vegetable of the month” program, which features locally grown, in-season vegetables. These seasonal items are likely to be low-cost and plentiful, and can be a part of an educational program, if desired.

- *Build relationships between state and local purchasers around the cause of local purchasing.* Last year, Connecticut began offering a program to school districts that allowed food contracts to be negotiated by state purchasers, as long as three or more districts commit to using the contract. The Cheshire, New Milford, and Wolcott schools volunteered, and were excited by the opportunity to not only have the state’s help, but to purchase local food through the contract. When feasible, centralizing the contracting work for decentralized food services can help get disparate entities the support they need to purchase local food products.
- *Track local purchases – beginning at the state level.* Tracking can be a burden for small-scale producers and single institutional buyers. But if tracking is implemented for a state-run contract or through a contract promoted by the state, there may be additional levers that facilitate tracking. For one, the larger purchasing can put the state in an advantageous position with a food services or commodity company. For example, the State of Connecticut holds monthly meetings with its food commodity provider Sysco, and asks at each meeting how local purchasing has been increased over the prior month.



Due to their size, a school district or city contract may not warrant such regular meetings – but the state can leverage this to increase beneficial purchasing. Even without regular meetings, vendors can be required to track local purchasing. Ordering systems, forms and guides can be modified to help vendors track local produce and other food products. While tracking can be difficult with any product category, produce is particularly complicated because the same product – broccoli, for example – might be a local variety in September, but non-local in February due to seasonality. Working with vendors to ensure effective tracking is a key strategy because tracking is so important from an advocacy standpoint, but difficult to achieve inside an institution. Tracking creates the possibility of accountability, which can be a valuable motivator.

**BARRIER: “Local” food is often defined by political boundaries, rather than taking into account the best markets for farmers.**

For obvious reasons, states enjoy promoting food produced within their border. They have an economic interest in supporting the farmers of their state, and can directly reap the benefits of increased economic activity, preservation of farmland, etc. However, this limits the institutional markets to which producers have access. From an environmental perspective, ecological impacts do not stop at state borders. Many local food advocates have begun to define “local” food in a more regional spirit, but state purchasing has remained focused on state borders.

**RECOMMENDATION 5: Seek a compromise vision: a regional definition of local food.**

Regional collaboration will be an essential ingredient to fostering a thriving regional food system – no state can “go it alone.” As Peter Allison of Farm to Institution New England (FINE) points out, states provide different competitive advantages to the region – Vermont produces more than half of the region’s dairy products, while Massachusetts makes up more than half of the New England food market. A thoughtful collaboration would allow states to determine a definition of “local” that would best meet the needs of both farmers and procurers, rather than reflexively assuming that state boundaries are best. Kate Clancy and Kathy Ruhf assert in their 2010 paper *It Takes a Region*, that advocates must “reward government leaders who reach across political boundaries in the interest of regional initiatives.” Authors of the *New England Food Vision*, a bold sketch of a pathway to 50% of the region’s food supplied from regional sources by 2060, advocate a regional approach that best takes advantage of available cropland to fill population demand. When applied, these theories suggest that if Massachusetts accepted New Hampshire farm products alongside its own, both states’ constituencies would likely benefit.

There are a few models for this expanded definition already in place. Vermont considers “local” food anything produced in the state or within 30 miles of the border. “Reciprocity,” in the case of procurement laws, has historically referred to reciprocal *penalties* applied to the products of a state that has preferential purchasing policies for its own goods. What if collaborations and agreements turned this practice on its head, transforming reciprocity into a positive exchange of markets open to farmers? The regional or miles-based approach can also open up new opportunities that have been considered legally off-limits to proponents of local food. As researchers Denning, Graff and Wooten present in an article from the *Journal of Agriculture, Food Systems, and Community Development* (August 2010), “Locally grown food laws that require, or provide incentives for, purchasing food grown within a defined geographic boundary are vulnerable to challenge” under the U.S. Constitution’s Commerce Clause. They recommend the broadest possible definition of local production, “especially to include out-of-state territory.” For policy-makers that may be concerned about the commerce clause, or weakened local-purchasing mandates that result, a broader definition may open up the possibility for tougher requirements that stay comfortably within legal bounds.

Purchasing efforts are already following the suit of advocates in this regard. In 2011, USDA awarded \$250,000 to the Northeast Regional Steering Committee of the National Farm-to-School Network to “expand and coordinate farm-to-institution work” throughout the six-state region.<sup>2</sup> If states’ policies and contracting language become compatible with these strategies, the expanded scope could benefit the region as a whole.

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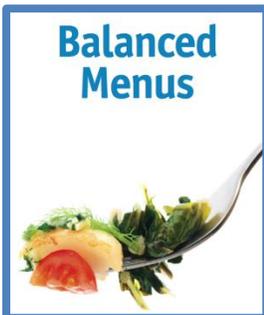
<sup>2</sup> *Connecticut Weekly Agricultural Report*, CT Department of Agriculture Marketing and Technology Bureau, February 23, 2011. [http://www.ct.gov/doag/lib/doag/marketing\\_files/bulletin/Wednesday\\_February\\_23\\_2011\\_issue.pdf](http://www.ct.gov/doag/lib/doag/marketing_files/bulletin/Wednesday_February_23_2011_issue.pdf)

**BARRIER: Contracting often lumps potentially locally-grown foods (e.g., apples) in with food that is not produced locally (e.g., oranges).** Most state-level food procurement is accomplished through food commodity or service contracts that require a long list of items, as we have mentioned. This can complicate efforts to pin down appropriate requirements for local sourcing of products that can be found regionally at a reasonable price point. And it can make tracking and accountability mechanisms difficult for the local purchasing that is taking place.

**RECOMMENDATION 6: Engage vendors in a multi-year project to increase local food spend.**

Time horizons for contracting changes are long. This is not necessarily detrimental to local farmers, as a slowly-shifting market allows for adaptation. And from a procurement perspective, one of the worst outcomes is overly-ambitious contract requirements resulting in a failed bid, which multiplies a procurement agent's work, sounds all the alarms, and fosters ill-will that will make future work difficult. To move toward local purchasing but maintain a successful bidding process, it may be useful to set a target percentage of locally-sourced food by a future date, or one that increases over time. This allows for flexibility that is needed to address seasonal availability. The Real Food Challenge is shooting for 20% "real food" (local, humane, fair, etc.) by 2020 in a university context. Campuses not only have a higher price point in most cases, but they also have a more active, engaged constituency that is more easily able to use non-policy levers such as campus media campaigns. As a result, for a state government, closer deadlines with lower thresholds may be more realistic and allow for greater accountability and information sharing.

**RECOMMENDATION 7: When providing or contracting for food services, think creatively and expansively.** The biggest, best-known food service companies in the country, Aramark, Sodexo and Bon Appetit/Chartwell's, have seen the local and sustainable writing on the wall, and have begun to offer environmentally preferable, healthy food across the country – mostly in higher-end contexts, such as universities. Though change can sometimes be difficult, food service companies have more internal options, because they balance profitability in a number of areas – from labor to equipment to cleanup to marketing to food. This diversity may be of use to proponents of locally-sourced and sustainable food service, because these companies are able to change techniques of food preparation, menu planning, sourcing, serving, even food disposal to cut costs, improve efficiency, and better manage the resources they have. Resources can then be used for local and sustainable food purchasing efforts. A few examples:



- The Balanced Menus Initiative of Health Care Without Harm has worked in health care environments to reduce meat and poultry purchases by 20%, and to use the resulting savings to buy sustainably-sourced meat. This is a blended food procurement and food service strategy that can be employed by self-operated food services program or a food service provider. A purchaser might ask a provider for a "Less Meat, Better Meat" Plan, as a part of a Request for Proposals (RFP) or contract renewal process.
- Trayless dining cuts costs dramatically by discouraging carefully prepared food from going to waste. Food audits at Yale University's colleges found that trayless diners waste 40% less food than those using trays. Cost savings can contribute to local and sustainable food budgets, and less waste means less food releasing greenhouse gas methane from landfills.
- Many school food groups have made progress in local procurement and building relationships with nearby farms. Of particular interest to a regional approach is School Food FOCUS' Upper Midwest Regional Learning Lab. Their work on "supply chain discovery" to increase regionally-produced foods includes broad outreach, including "growers, processors and products not currently in the K-12 market." They also shifted a geographic preference in the contract strategically – instead of seeking a local vendor with a local product, they allowed for any vendor that would sell a local product. This focuses the requirements on the priority, and may have even brought the price down.<sup>3</sup>

<sup>3</sup> Mutch, Kymm, Tammy Harmon and Mary Beth Flowers. *Resources for Model Specifications* PowerPoint presentation. July 15, 2013. School Nutrition Association, Public Health Solutions/School Food FOCUS.

These best practices, and other creative approaches, can be used by a state for self-operated food service, or written into a food services contract. If savings are realized in either context, it will be important to make sure they are documented and, ideally, used to facilitate greater local or sustainable food purchasing.

Food service companies, or large commodity providers, may be able to more easily provide tracking reports, which are incredibly useful for monitoring and expanding local and sustainable food procurement. Due to the seasonal variability of local produce, providers will likely not provide the same local products year-round, which means that more sophisticated tracking methods are useful.



**RECOMMENDATION 8: Handle produce separately.**

A good first strategy is to separate out products that are most likely to be purchased in local or sustainable varieties. If these products are on their own contract, for example, specifications or requirements can be tailored to that group of products, and more easily tracked or assessed for compliance. Contracting separately also can enable smaller vendors to have a better chance at being awarded the bid – and smaller vendors may be the ones most likely to work with smaller suppliers.

States in the region have used strategies similar to this to great effect. For example, Vermont and Massachusetts both allow for some smaller contracts to be negotiated

without the standard competitive bidding process, which can facilitate more focused requirements such as local sourcing. In VT, local fruit, vegetables and dairy are exempted, which is a great incentive. In MA, purchases under \$25,000 qualify. Also, the MA Prime Grocer contract (GRO30) separates produce items onto a different tab in the spreadsheet list of products, adding columns to the produce tab for local and organic varieties and prices. This demonstrates to the vendor that organic and local produce are important to the state, and provides an easy way for the vendor to show compliance with preferences. (Of course, it is up to the state to monitor this information and hold the vendor accountable.) These strategies can be replicated or adapted.



**BARRIER: Price points for local and sustainable food products can be higher than conventional.**

Global agricultural trade and high-input agribusiness systems have developed and grown in part because they lower the price of food for purchasers, and enable large-scale conventional producers to increase profit. That is, they are often cheaper than more sustainable, healthier production techniques. However, this is not always the case. State purchasing that has begun to shift to “greener” options has, up to this point, mostly shifted toward options with smaller price tags. These include purchasing strategies that either take advantage of competitive prices (for example, in-season, plentiful local produce can be affordable) or take into account the economic benefit of providing business (an informal lifecycle cost assessment of local food might include the additional tax revenues, etc.). However, some sustainable food alternatives can be significantly more expensive than conventional versions currently purchased by government agencies. This forms a barrier not only for the institutions that would like to buy sustainable food, but also for farmers as they consider selling. If a farmer can get \$3 for an organic heirloom tomato at a farmer’s market, the farmer is less likely to be interested in the institutional market for tomatoes that might end up in soup or sauces. The price point for institutions can be as low as \$2.80 per meal,<sup>4</sup> including not only food costs but also staff preparation, kitchen equipment, etc. So when agricultural producers make decisions about which products to invest in, the ones that suit institutional purchasing are not the ones that appear most lucrative for the farm.

**RECOMMENDATION 9: Develop simple specifications for market-appropriate, price-competitive sustainable varieties.**

A major task for those “greening” contracts is to define what counts as sustainable – in a way that takes into account volume and prices required by purchasers. For example, if there are only three small organic egg producers in a state, a requirement that all eggs purchased be produced in-state and certified organic could quickly run into problems of volume, not to mention price. Massachusetts addresses this issue with their own definition; “(f)or purposes of the RFR, ‘sustainability’ may mean foods grown in line with certified organic methods, and/or without the use of pesticides, or maintained using Integrated Pest Management practices.”<sup>5</sup> Broadening the definition beyond organic certification is to be lauded, given the mismatch between organic volume and price availability and the needs of institutional purchasers. However, without a clear definition of “small” farm or verification of pest management methods, this definition is difficult to monitor or enforce. One strategy that will be attempted in the coming year by the State of Maryland is to require eggs purchased by the state to be produced in the state or within 30 miles of the border, by a producer that holds up-to-date waste management permits.<sup>6</sup> Because of lacking enforcement and concerns about agricultural runoff into the Chesapeake Bay, this represents a step toward sustainability that takes into account the realities of local egg farms, most of which are not certified organic.

**RECOMMENDATION 10: Emphasize common ground between food procurement goals, such as benefits to the local economy, nutrition and environmental health, when advocating for sustainable food.**

Proponents of environmentally preferable purchasing (EPP) often reference general lifecycle cost assessments (LCAs) showing environmental or health benefits that accrue after a product is purchased, using dollar amounts (e.g. showing energy efficiency savings). Unfortunately, these figures would be much more complex and subjective for food products. In addition, expecting LCAs to be part of the contracting process is unrealistic and unnecessary. State governments often make purchasing decisions about products, including food, based on factors other than cost, such as promoting their values or improving the lives of their constituents. For example, the state may purchase preferentially from a minority- or woman-owned business. If a policy-maker wants to get something done, there is sometimes a way to incorporate the goal into procurement policy.

<sup>4</sup> Interview with Simca Horowitz, Farm to School MA, Oct 2012, and Correctional Food Services Director, name and specifics withheld, Oct 2012.

<sup>5</sup> RFR Prime Grocer, GRO30, Commonwealth of Massachusetts.

<sup>6</sup> Draft fresh shell egg specification, 001B3400168, State of Maryland. Technical assistance provided by RPN.

Noting political priorities can help when advocating for changes. For instance, some policy-makers respond better to health benefits than environmental ones. But this doesn't mean that local or sustainable purchasing goals have to be set aside. Executive Order 509 in Massachusetts requires the increased use of nutritional guidelines for food purchases, and vendors must fill out a form showing how they will comply. Included on that form is a question about how the company will provide locally-grown, in-season produce, presumably because implementers realized the synergy between goals of increasing consumption of minimally processed produce and increasing consumption of local produce. In this way, complementary goals can be achieved together – and, ideally, with streamlined bureaucracy (e.g. by a shared form that asks vendors both about nutritional and local-purchasing compliance),.

**RECOMMENDATION 11: Use contracting strategies that increase availability and reduce the price of goods purchased most often.**

There are many lessons from environmentally preferable purchasing that can be adapted to food procurement. For example, adding preferable products to a market basket or core list (the list of high-volume items on which contract awards are decided) can often successfully secure deep price discounts and ensure specifications are followed. For purchasing locally-grown items, this practice could be used for products that might have the most consistent prices year-round, such as onions, potatoes, dry beans, apples, eggs, cheese and meat. However, this must be done with care to preserve flexibility, in case a product becomes unavailable or experiences a price spike. (Overall percentages may be more effective in the long run, as they allow vendors to be responsive to availability.) In terms of sustainability specifications, regional leaders have already shown in isolated cases how growth-hormone-free dairy products (Massachusetts) and chicken raised without non-therapeutic antibiotics (Maine) can be specified. This can be replicated and expanded upon elsewhere in the region.

When using service contracts, procurement agents should secure the right to purchase local products from an alternate vendor (an “opportunity buy”) without a penalty if a current vendor cannot supply them. This strategy can help take full advantage of prices and availability in your local market. For more strategies to lower prices and increase selection, ask green purchasing specialists such as RPN.

**RESEARCH RECOMMENDATIONS:** Attempts to increase local and sustainable food procurement by state governments could be aided by the following research, resources and materials:

- State Food Procurement 101 (for advocates.)
- Model Bid Solicitation Language for Local Food Procurement by States (for procurement agents.)
- Best Practices for Local Food Procurement by States (for all stakeholders.)
- Survey of Food Purchasing by Individual Government Agencies and Facilities in New England – Adoption of Local Purchasing, Awareness and Application of Relevant Policies, Mechanisms for Change
- Making it Measurable: An analysis of sustainability criteria met by New England farms, and additional tools that could be used to identify measurable aspects (ideally certifications) that could be used to write purchasing preferences for sustainable practices
- A Report on the Total Food Procurement Budgets of New England States, Broken Down into Product Category (Dairy, Meat, Produce, Frozen vs. Fresh, etc.). This would include indirect food purchasing such as through food service agreements. Ideally, it would be cross-referenced with an analysis of how much of these commodity categories could be supplied with agricultural products from the region at current output, and project potential expansion into available farmland to estimate how much could be supplied in the future.

# Credits

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