

Food and Catering

Provision of School Food in Bath



Purchasing body:	Bath & North East Somerset (B&NES) Council
Contract:	Provision of School Food for 7,000 meals Awarded: August 2016
Savings:	<ul style="list-style-type: none"> • 6.01 tons of CO2 emissions saved/yr • Primary energy saving – 0.022 GWh/yr • Financial saving (fuel only) - €9,037.60/yr

SUMMARY

- Provision of Fresh Meat and Fruit and Vegetables to Primary Schools within B&NES
- Increased use of suppliers and producers in the region to provide healthy & sustainable products
- Consolidated delivery system to reduce supplier trips
- Dynamic Purchasing System, contract length – five years (20/6/16 to 31/7/21); €600,000 per annum (exchange rate £1=€1.1672)
- Bid winner – various as contract is a DPS; products chosen – fresh meat and fresh fruit and vegetables

Procurement Approach

This contract is for the provision of fresh meat, fruit and vegetables to primary schools and some nursery schools in the Bath & North East Somerset area of the South West of England. Meals at these schools are cooked and provided by the local authority's Catering Service and are cooked fresh on a daily basis. There are some schools who do not have kitchens and, in these cases, schools with larger kitchens act as 'hub' kitchens who cook and deliver the meals to the kitchen-less schools. Over 7,000 meals are cooked daily.

The current contract was let in 2016 to replace a contract which was due to expire. The original contract was let as lots for various categories of produce with a single supplier for each lot. It was anticipated that the new contract would be let on a similar basis. However, for various reasons the type of contract that was let was radically different from the original concept. B&NES started the pre-tender process in March 2015. The three key reasons are:

- 1 B&NES launched its Local Food Strategy in March 2015. This is a council-wide strategy encouraging an increased uptake of healthy and sustainable food, supporting producers and suppliers in the B&NES area, and acknowledging that public sector procurement had a strong part to play in supporting the strategy's aims.
- 2 The key priority of B&NES' over-arching procurement strategy is to encourage procurement from suppliers in the B&NES area (where legally compliant and possible).
- 3 It was thought that the re-letting of this food contract would provide the ideal opportunity to support the two strategies with the outcomes that more healthy, sustainable and seasonal food could be provided to the schools whilst providing greater opportunities to suppliers and producers in the region.
- 4 The B&NES Catering Service (which runs the schools meals service) has been awarded the Soil Association Food For Life¹ Silver Award which means that, in order to retain that award, they need to be using sustainable and organic produce.

The way in which the contract was eventually let is clearly environmentally beneficial. The reason for appointing the organisation that undertakes the order consolidation and delivery (Fresh-Range) is so that only one vehicle delivers to a school with a consolidated order of products rather than individual deliveries by individual suppliers thus reducing emissions and costs (see Annex 2 for illustration). In addition, Fresh-Range has a logistics hub in Keynsham which is within the B&NES area. Accordingly, delivery distances to schools are shorter than for the previous contract.

The contract is broken down into two elements. Firstly, a pilot partnership agreement with an organisation that undertakes order consolidation and delivery (the Agent)

Procurement innovation

Two tier approach to this contract; an innovation partnership linked to a Dynamic Purchasing System

¹ Soil Association Food for Life award - www.foodforlife.org.uk – for more details

and who has extensive knowledge of suppliers and producers in the region and, secondly a DPS (dynamic purchasing system²) with producers and suppliers.

Dynamic purchasing system (DPS)

Following the initial award of the DPS, mini-competitions are run approximately quarterly to fall in line with school requirements and seasonality. The mini competitions are run in order to update prices and products according to the planned schools meals menus. A list of specific products is produced which fit in with what is known to be required. Those organisations registered on the DPS at that time are invited to submit their prices against this list. Following the completion of the mini competition, products are then listed in order of the least expensive first.

Cooks in the school kitchens order directly from the DPS; the orders are then consolidated by the delivery agent in order to minimise trips.

The advantage of the DPS is that potential suppliers can apply, and are actively encouraged, to join as and when they are able to do so. It can also allow for very small producers to be part of a public sector contract as they are not expected or required to the total value of the contract but only what they are able to produce.

Market Engagement

The approach to letting this tender was partly driven by the extensive market engagement that was undertaken at a pre-tender stage. The initial market engagement was held in March 2015 and from that event it was clear that a different approach, from what was proposed, should be considered if the council was to fulfil its obligations under the Local Food Strategy and the Procurement Strategy, to produce a contract that was fit for purpose and one that the producers and suppliers could support.

In order to formulate an alternative approach further market engagement (and internal stakeholder involvement) was undertaken over the next year, both talking to suppliers and producers individually and in groups. Suppliers in this case included logistics providers as well as food suppliers and producers.

In early 2016 the procurement route forward had been decided and another market engagement event was held to present the route to the market. The final element of market engagement was introducing the procurement documentation to the potential suppliers to ensure that they fully understood what B&NES were looking for and what the suppliers needed to do. There has been further engagement with individual suppliers on an as-needed basis.

Extensive market engagement has been key to the procurement approach.

² A dynamic purchasing system is similar to a framework contract with multiple suppliers, but allows new suppliers to join at any time, provided they meet the selection criteria established

Joint procurement

B&NES' neighbouring authority and fellow PIPEN³ member, Bristol City Council, were involved in discussions for the letting of this contract. Whilst their requirement is to service a limited number of schools, they also need fresh meat, fruit and vegetables for elderly peoples' homes and café outlets in various council locations including the many parks in the City. Being such close neighbours B&NES and Bristol potentially use the same suppliers and producers and a joint arrangement could also make it simpler for those organisations. Accordingly, Bristol is named on the contract and is encouraged to use it where and when they can.

Tender specifications and Verification

Technical specifications

- Minimum requirements:
 - UK Red Tractor compliance (meat)
 - UK Lion Mark (eggs)
- Indication of other safety and certification schemes*:
 - Other food safety schemes such as SALSA (Safe & Local Supplier Approval) (All Categories) and BCR Global Standard (All Categories)
 - Organic certification, Leaf Marque and RSPCA Assured where relevant
 - Ethically-sourced products such as Fairtrade, Rainforest Alliance, etc
 - Any other sustainability scheme they were accredited to

Verification

Suppliers were asked to provide evidence of accreditation or equivalent

*These other labels and certifications were not set as minimum standards, however products which carried them are clearly marked as such in the DPS to encourage schools to purchase these. The catering service which currently runs the schools meals have Soil Association Food For Life Silver accreditation, which also requires higher sustainability requirements. In order to keep that accreditation a percentage of produce has to have higher standards (e.g. organic).

³ Partners in Procurement Energy Network - <http://sppregions.eu/participating-regions/south-west-englang-region/>

A regional approach to SPP

B&NES are part of the Partners in Procurement network (PIP) which comprises the core membership of PIPEN. This tender was discussed at length with various PIP/PIPEN members to ascertain whether it was a contract that could be let jointly across several authorities. Whilst Bristol is named as an authority that can use the contract, two other authorities (and PIPEN members) who expressed an interest in joining it were unable to do so due to the timing of their requirements. The approach taken by B&NES is being watched with close interest by other PIPEN members to see if it can be replicated as and when they re-let contracts with similar requirements.

Results

Environmental impacts

As this is a new contract, the environmental savings being measured for this case study relate to the consolidation of deliveries, and consequent reduction in distance travelled and fuel consumed to deliver food to the sites around the city – with positive impacts on both CO₂ emissions and emissions of harmful local pollutants.

An anticipated **6.01** tons of CO₂ emissions will be saved per year through a reduction in total distance travelled by 17,000 miles/yr.

Note: This contract has only been in operation for six months and it is anticipated that the CO₂ emissions savings will be improved as routes are refined even further.

Savings related to the promotion of increased organic and fresh produce have not been calculated.

Table 1: Environmental savings – green tender compared to current solution

Tender	Diesel consumption (l/year)	CO ₂ emissions (tonnes tCO ₂ /year)	Primary Energy consumption (GWh/year)
Benchmark (Previous supplier)	3,716	10.23	0.037
Green tender (Consolidated delivery agent)	1,533	4.22	0.015
Savings (59%)	2,183	6.01	0.022

calculation basis

- Calculation extrapolated from sample of four delivery points to all 37 delivery points
- Reduction in weekly distance travelled for the four sample points from 80 miles to 33 miles (47 miles saved = 59%).
- Calculation made using the tool developed within the GPP 2020 project (www.gpp2020.eu), and refined within the SPP Regions project. Available on the SPP Regions website.
- *(More detailed calculation tables are included in the Annex below)*

Financial impacts

Beyond the fuel saving financial impact, once the contract beds in, it is anticipated that it will be cost neutral except for the effects of inflation. However, having multiple suppliers in the various categories (eg. five suppliers for fruit and vegetables) has helped to mitigate against the impact of inflation.

Social impacts

At the time of writing this case study the contract has been in operation for four months so the impact of the contract is bedding down. Anecdotally it is reported that there has been an increase in the amount of fresh produce (rather than frozen) being purchased; much of this coming from suppliers in the region.

With more regional supplies being used this potentially increases employment in the area. The delivery organisation has increased its staffing levels to eleven people (mix of full time and part time) and moved its main base to be closer to the contract delivery points whilst still successfully maintaining its other business.

The DPS qualification documentation included questions around what social value benefits suppliers could deliver. During the life of the contract, producers will either encourage school children to visit their farms or they will go into schools to teach children where their food comes from.

Market response

The market response was interesting! On the whole the market was very supportive of the procurement approach. The DPS potentially allowed smaller producers and suppliers to provide the public sector with their produce and this was definitely appreciated. However, when it came to completing the DPS qualification document, they became a little more reticent. Whilst B&NES had made the document as simple as it could, it was still seen as bureaucratic and long-winded. With some assistance, however, the majority of potential suppliers completed and submitted their responses.

Contract management

As part of this contract is a DPS there is constant contract management due to new suppliers coming on board and mini-competitions being run on a regular basis. The agent provides a contract management role between suppliers and the schools. There is also a need to sell the benefits of the contract to the schools' cooks and both the authority and the agent are involved in this.

B&NES launched the concept of the approach to the contract at the Bristol Food Connections 2016 – an annual food festival held in Bristol. Have a look at this short video clip for more information - <https://www.youtube.com/watch?v=X0InhF8zNwk>.

Lessons learned and future challenges

- Do take the time to fully think through a procurement approach. B&NES allowed 18 months from initial market engagement to awarding the DPS and, whilst it could have been done a bit faster, this allowed for all avenues to be explored.
- Do get the market on board – face-to-face market engagement was crucial to the way this contract was let.
- Do make the procurement documentation as simple as possible whilst remaining legally compliant.
- Do get all your stakeholders on board very early in the process, including senior leaders and other authorities.
- Don't ignore what is happening in the day-to-day operations of potential suppliers. A number of meat producers/suppliers are based on mixed farms (ie. farming arable and livestock). In order to have the DPS in place for the start of the new school year in September 2016, B&NES asked for DPS documentation to be returned in July/August which is peak harvesting season for arable crops. Accordingly, some farmers simply did not have the

time to complete the initial DPS paperwork and had to wait until the next round. This was frustrating for them and resulted in a lack of responses for the initial DPS.

- This is an approach that could be replicated across the regions. It relies on the agency organisation to understand the supply market as much of the contract's success relies on their relationship with the suppliers and with the schools ordering the produce. It allows for small suppliers to be part of public sector procurement without relying on a large contract, at the same time giving them time to expand to meet growing demand if necessary.
- For a collaborative approach to work, it means that neighbouring authorities need to work together both at identifying their needs but also to ensure that their relevant strategies are aligned for a common purpose.

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Annex 1 - Calculation of environmental savings

	Total for sample of 4 delivery points				All 37 delivery points
	Deliveries/ week	Distance/ week (miles)	Distance/ week (km)	Distance/ year (km)	Distance/ year (km)
Previous contract (Bath - Bridgewater)	4.7	80	128.75	5.021,14	46.445,55
Current contract (Keynsham - Bath)	1.5	33	53.11	2.071,22	19.158,79
Net saving	3.2	47	75.64	2.949,92	27.286,76

Parameters:

- there are 39 weeks in a school year
- Delivery vans used - 3.5t
- There are 37 delivery points within this contract.
- The final figure has been extrapolated from the sample of four delivery points

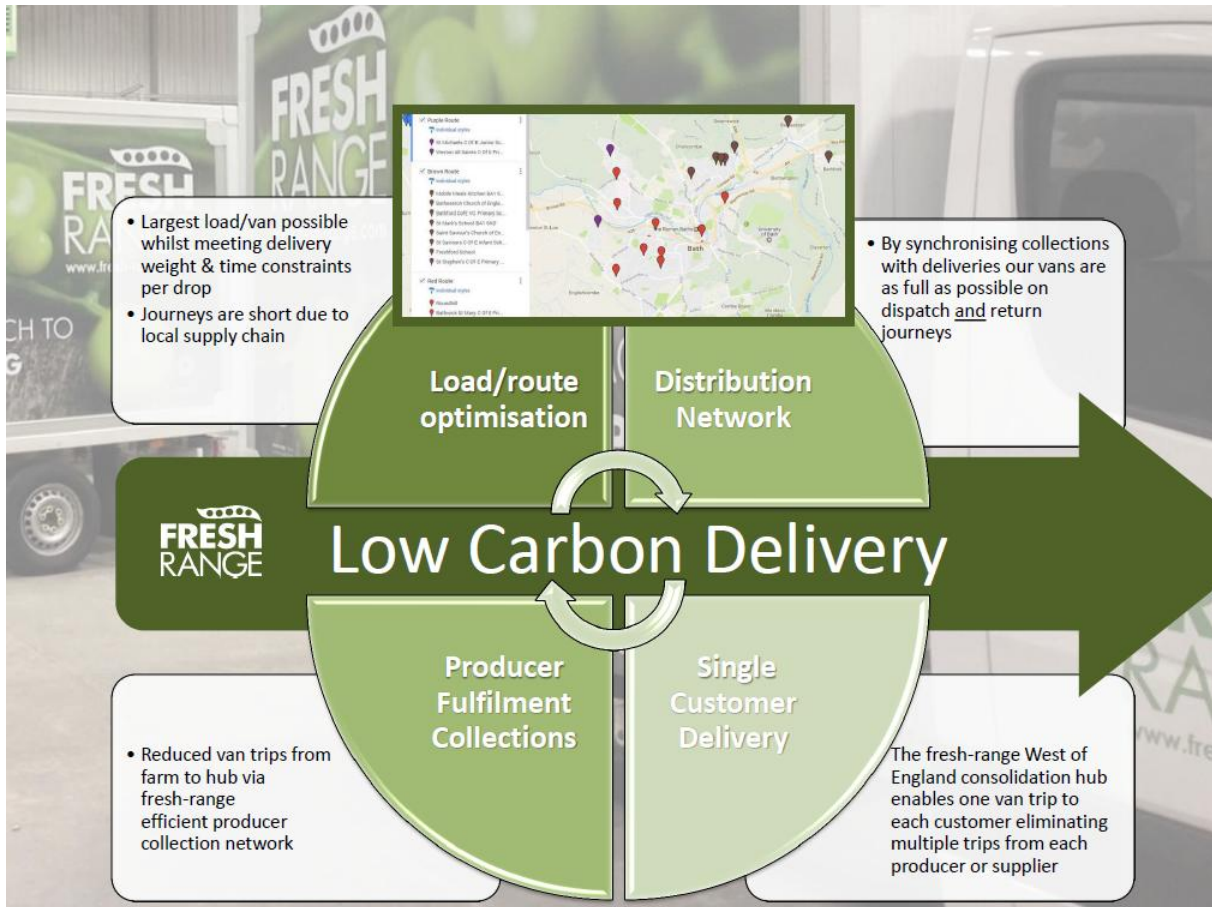
Screenshot from calculation tool:

Input	Baseline				Green tender			
	Quantity of vehicles	Average distance per vehicle per year (km/yr)	Kind of fuel	Amount of fuel per 100 km	Quantity of vehicles	Average distance per vehicle per year (km/yr)	Kind of fuel	Amount of fuel per 100 km
Standard Engine - fuel 1	1	46.446	Diesel	8,0 l/100 km	159	159	Diesel	8,0 l/100 km
Standard Engine - fuel 2			Diesel	l/100 km			Petroleum	l/100 km
Electro Engine			Electricity	kWh/100km			Electricity	kWh/100km
Hybrid Engine								
Electricity (combined test cycle)			Electricity	kWh/100km			Electricity	kWh/100km
Fuel (combined test cycle)			Diesel	l/100 km			Diesel	l/100 km
TOTAL	1	46.446			1	19.159		

Total consumption and emissions	Baseline			Green tender			
	Annual fuel consumption	Energy consumption (GWh/yr)	CO ₂ -emissions per year (t)	Total amount of fuel during the life time of the vehicles	Energy consumption (GWh/yr)	CO ₂ -emissions per year (t)	
Standard Engine - fuel 1	3,716	l	0,037	10,23	1,533	l	4,22
Standard Engine - fuel 2	0	l	0	0	0	l	0
Electro Engine	0	kWh	0,00	0	0	kWh	0,00
Hybrid Engine							
Electricity (combined test cycle)	0	kWh	0,00	0	0	kWh	0,00
Fuel (combined test cycle)	0	l	0	0	0	l	0

Savings	Total savings (Baseline / Green tender)			
	Energy savings (GWh/yr)	CO ₂ -savings (t/yr)	% of energy savings	% of CO ₂ -savings
Standard Engine - fuel 1	0,022	6,013	59%	59%
Standard Engine - fuel 2				
TOTAL FOR THE PROJECT	0,0218	6,013	59%	59%

Annex 2 – Lower Carbon Fulfilment Delivery



About SPP Regions

SPP Regions is promoting the creation and expansion of 7 European regional networks of municipalities working together on sustainable public procurement (SPP) and public procurement of innovation (PPI).

The regional networks are collaborating directly on tendering for eco-innovative solutions, whilst building capacities and transferring skills and knowledge through their SPP and PPI activities. The 42 tenders within the project will achieve 54.3 GWh/year primary energy savings and trigger 45 GWh/year renewable energy.

SPP REGIONS PARTNERS



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