The Power of Contracts for Institutional Procurement of Local Food

With Health Care Without Harm,
University of Pennsylvania Health System,
Cleveland Clinic, Ohio
We believe that strong relationships & mutual trust form the solid foundation needed for transformation.

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Customizable Services
- Organization & Network Development
- Program Creation & Project Management
- People & Info Management
- Communications
- Grant Writing & Research

www.LocalConceptsLLC.com
VISION

A sustainable, resilient, inclusive, and equitable regional food system that supports healthy communities, land, and waterways.

www.ChesapeakeFoodshed.net
Chesapeake Farm to Institution Work Group

The Chesapeake Farm to Institution Work Group (FTI) is a collaborative effort between the Chesapeake Foodshed Network and Health Care Without Harm. Stakeholders representing Farm to Institution initiatives across the region focus on regional challenges & solutions.

Co-chairs:

**Kristen Markley**, Mid-Atlantic Regional Coordinator for the Healthy Food in Health Care program at Health Care Without Harm

**Patti Miller**, Grow with the Flow, LLC- Local Food Systems Development Advocate, Coach/Consultant, Facilitator
Morgan County Association for Food and Farms
CONTRACTING FOR SUSTAINABILITY

Working towards a cafeteria that reflects your institution’s mission.
Overview

1. Connecting the values of your organization to food service and procurement
2. Incorporating Your Values into the RFP Process
3. Inserting Your Values into Contracts
HCWH creates change among hospitals and health systems through sustainability research, innovation, education, and piloting solutions. Aggregating the influence and purchasing power of the health sector, our network drives the entire marketplace toward sustainability and advocates for policies that will create worldwide social change.

Greenhealth Exchange is a purchasing cooperative that makes it much easier to buy products and services that are good for people, the planet, and the bottom line.

Practice Greenhealth is the leading nonprofit leadership and networking organization for sustainable health care, delivering environmental solutions to more than 1,100 U.S. hospitals and health systems.
Why focus on contracts?

- Contracts are the space where you can communicate your needs to distributors, food service management companies and/or group purchasing organizations.

- Contracts are enforceable.

- Contracts have a track record for increasing access to regionally produced, sustainable foods.
1. Connect to your values

• How can your procurement support your organization’s mission for health?
  • Supporting wages
  • Supporting diversity
  • Supporting the local economy
  • Supporting the environment
2: Incorporate your values into the RFP

1. Balance bid specification rigor with market realities
2. Utilize evaluation rubric
3. Include summary of the institution’s philosophy and operation
4. Description of services required and plans for the project, including the operating schedule and desired end result
5. Ask for supply chain partner list and detailed sourcing practices overview
2. RFP Process – Description of Services

• Provide clear definition of local and sustainable. Specificity matters.

Example:
• Local is defined as any product produced within 250 miles of the purchasing institution.

• Local is defined as any product grown/raised and processed within 250 miles of your facility. For processed foods with multiple ingredients, including breads and other bakery items, only products with the majority of ingredients (>50% by weight) grown/raised and processed within the 250-mile radius may be considered local.
2. RFP Process – Description of Services

• Suggested questions

1. Please provide a list of all local items currently available.
2. Are you able to provide town or state of origin for the products you offer?
3. What requirements must a farm or food business meet to be approved by your FSMC? A. Do they need a Good Agricultural Practices (GAP) certification? What level of liability insurance must they carry?
4. What, if any, support do you provide to farm and food businesses to meet these requirements?
5. Do you currently have plans to expand the availability of local products in New England? If so, please explain.
Questions:

1. Are local items clearly marked on ordering guides by place of origin so the facility can determine if it meets their definition of local?
2. Are local items listed on ordering guides as “preferred” or “on contract” and are they offered at a competitive price compared to the non-local alternatives?
3. Is information about local purchases tracked on invoices or standing reports? If so, what is the definition of local used for this tracking?
4. Are reports that track client purchasing patterns available upon request?
5. How will you educate both customers and staff about sustainable food?
3. Contract Elements

- Definitions of local and sustainable

- **Overall local and sustainable** food purchasing goals with percentages based on total dollars spent on food and percentage goals for individual product categories.

- A scale of priorities or tiers showing most ideal product attributes (first choice) to least desired attributes (last choice).

- A timeline for achieving the above benchmarks, in addition to targets that increase incrementally based on an annual re-evaluation of market opportunities.

- A commitment to prioritize procurement of regional food when products are not available locally or in the state.
3. Implementing Contracts

- How will purchase data be tracked, and in what detail?

- How will performance data be compiled, reported and evaluated?

- Who will have responsibility for assessing and reporting compliance with the contract?

- How frequently will reviews be conducted?
Health Care Without Harm seeks to transform the health sector worldwide, without compromising patient safety or care, so that it becomes ecologically sustainable and a leading advocate for environmental health and justice.

With offices on four continents and partners around the world, Health Care Without Harm is leveraging the health sector’s expertise, purchasing power, political clout, workforce development, and moral authority to create the conditions for healthy people, communities, and the environment.

This presentation was produced by Health Care Without Harm’s national Healthy Food in Health Care program, which harnesses the purchasing power and expertise of the health care sector to advance the development of a sustainable food system.

Visit healthyfoodinhealthcare.org for more information.

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Local Foods: Cleveland Clinic Case

Jon E Utech
Sr. Director
Sustainability Strategy
Organizing Change

Internal
- CEO
- Chief Wellness Officer
- Executive Director, Patient Support Services
- Sr. Director, Hospitality and Retail
- Sr. Director, Sustainability Strategy
- Supply Chain team

External:
- Food Service Vendors
- North Union Farmer’s Market Association
- Retail food entities
- Local farming community
Getting Local into our Food Contracts

- 2007: Wellness
- 2008-2010: Ban Smoking and Fast Food
- 2011-2012: Healthy Behaviors
- 2013-2014: Buying Local Without Contract
- 2015-2016: Regional Engagement
- 2016-2017: Set Goal
- 2017: Embed Language in Contract

Getting Local into our Food Contracts
Walking the Wellness talk

- Aligning our food offerings with our patient guidance
- Expanding concept of “safe and healthy” to include environmental impact
- Considering food access as a community health issue
- A healthy place to work and heal
2008-2010 Changes

- Public statements against fast food in hospitals
  - CEO national press attention re: McDonalds in hospitals
  - McDonalds exited in 2017
- Banned smoking from our property
  - Applies to patients, visitors, vendors and employees… no exceptions
  - Requires vigilance
- Stopped hiring smokers
  - Offered smoking cessation to employees
  - Expanded cessation offer to county, results are impressive
2011-2013 Changes

- Tie health insurance premiums to healthy behaviors
- Employee benefits
  - Free gym access
  - Free Weight Watchers
  - Free Curves
  - Engaging programs to encourage activity
  - Disease management support
- Became trans fat free
  - Required vigilance
  - Sourcing alternatives was a challenge
2011-2013 Sweeping Change

- Overhauled vending options and retail offerings
  - Removed high-sugar, high-fat, simple carb products (no candy), replaced with nuts, whole grains, baked options, etc.
  - Gift shop offerings similarly modified
  - Used strict guidelines
  - Positive incentive of “Go! Food” labels on healthier offerings at retail foodservice

- Removed fryers unilaterally across system
  - Sourcing alternatives was a challenge
Why local foods?

- Some campuses, including main campus, are within urban food deserts
- Local food scene is strong and vibrant
- Area surrounded by farming communities
- Less than 2% of food dollar spent in Northeast Ohio stays there
- Ag is a regional economic driver
Farmer’s Markets

Several models deployed:

• Market Association managed
• CSA program location
• Farmer Coop managed
• Single farm stand
• Direct management of multiple farmers
Farmer’s Markets

Lessons Learned:

- Everyone wants one!
- “Renegade” markets happen
- Need central control
- Need clear, communicable, nutritional and procurement standards (grower-only? What about consignment?)
- Need a Steering Committee to oversee expansion of program
- Advertising/awareness is key
Improving Community Food Access

• Food deserts primary indicator of premature death in county
• CSA offers low-income rates
• Main Campus Market accepts
  - WIC market coupons offered on site 6x per season
  - Senior farmer coupons issued at local senior centers
  - EBT since 2010
2012-2014 Local Farm Connections

Tried numerous methods for procurement
- Direct-from-farm purchasing
- Farmer’s market remainder-of-day
- Potential for direct auction purchasing
- Farms must grow needed product and meet USDA
Local Farm Connections

Lessons Learned

• Some increased costs
• Market it: labeled local foods in the cafeteria with farm name and distance
• Some product types (i.e. apples) easier than others
• Billing, Food safety and yield checks key issues
• Communicating realistic expectations to farmer’s market vendors re: buys on site
2014-2016 GUC Local Food Collaboration

• Participation by Cleveland Clinic, UH, Cleveland State, Cleveland Foundation, Aramark, Sodexo, Sysco, Sirna and Sons, Farmers, OSU, Oberlin Food Hub

• Initiatives
  - Food Hub Pilot
  - CCLK Products
  - Evergreen Lettuce
Goals and Metrics Make it Happen:

- **Waste Reduction**: 50% Diversion
- **Energy Conservation**: 20% EUI Reduction 2010-2020
- **Local Food**: 25% Food Local/Sustainable
- **Transportation**: Fleet MPG and commuter incentives
- **Toxicity Reduction**: Green Cleaning,
- **Better Buying**: EPP Spend
- **Healthy Buildings**: LEED Gold
- **Climate Change Action**: Carbon Neutral by 2027
- **Finding Champions and Innovators**: Green Team Membership
Local and Sustainable Foods:

- Increase the percentage of local food purchases by 3 % annually OR achieve ultimate goal of 25 % of total.
- Increase the percentage of sustainable food purchases by 3 % annually or achieve ultimate goal of 30 % of total. (Measure=dollars)
Sustainability - Food

- How can you help?
- Less Meat, Better Meat:
  - Reduce meat purchased by 10% per year OR achieve ultimate goal of an average 1.5 oz (0.09375 lbs / meal) per meal served.
  - Increase by 3% per year or achieve ultimate goal of 20% of meat and poultry purchases raised without the routine use of antibiotics. (Meat = beef, pork, poultry and lunch meat; measure=lbs.)
Managing the Goal

- Quarterly Meetings with vendors
- Review of specific products/opportunities
- Getting ahead of the change
Every life deserves world class care.
Healthy Food and Beverage Initiatives at Penn Medicine
Introduction to Penn Medicine

- World-renowned Academic Medical Center comprised of 6 hospitals, 10 multi-specialty ambulatory centers, primary care, home care and hospice services, and urgent care

- 140,000 inpatients, 5.4M outpatients, and ~37,500 employees

- Mission: We strive to improve the health and well-being of people through research, education, clinical care and community service. We are proud of our commitment to service and strive to use discovery and rigorous research to benefit our neighborhoods, our city and our world
Journey to GFHH and Elimination of SSBs

▪ January 2018 – conversations started to eliminate SSBs

▪ Spring – decision to implement GFHH Roll Out and elimination of SSBs across Penn Medicine
  ▪ Developed a committee with representatives from wellness, community health, food service, and communications to put a roll out plan together

▪ August – internal launch message from our CEO and press release to the public
  ▪ Penn Medicine is embarking a healthy food and beverage campaign. We care deeply about your health and well-being and this initiative will impact our employees, patients, and the surrounding communities
  ▪ Each hospital signed the GFHH Pledge
  ▪ Launched 6 week education campaign – “Re-Think Your Drink”

▪ SSB work completed August 30, 2019

▪ 4 out of 5 Standards met in the GFHH program at 3 out of 4 hospitals
Entities aligned 4 areas of focus across the system

SSBs – “Penn Medicine aspires to model an influential environment for the health and wellbeing of patients, their families, our employees, and the community. To demonstrate our commitment to a healthier environment and workforce, we are eliminating the sale and serving of Sugar Sweetened Beverages (SSBs) in all of our facilities, effective June 30th 2019. We will begin phasing out all SSBs in catered events, vending machines, on patient trays, and in the cafeteria.”

Catering – elimination of SSBs, encouragement of offering healthy items at catered events, provides recommendations for the person doing the ordering.

Vending – outlines required nutrition criteria according to GFHH standards and eliminates SSBs

Contracts – Beverage Contract, Vending Machine Contract, Food Service Operator Contracts
HUP Food Service Transition History

- October 2018 – HUP decides to go to the market to select new food service provider to improve safety, service, and quality

- November 2018 – HUP publishes RFP goals and objectives to clearly communicate objectives to market:

  1. Recruits, trains, and retains best in class on-site operational, culinary, and labor-relations leadership
  2. Has demonstrated meaningful and sustained improvements in safety, quality, and patient experience in complex academic medical centers
  3. Embraces sound labor-relations practices, and can demonstrate meaningful and sustained levels of improvement in employee engagement of unionized staff
  4. Leverages robust systems and processes (operational, developmental, and technical) creating a culture high-performance and continuous improvement
  5. Partners with internal stakeholders (Nursing, Clinical Nutrition, Speech Therapy, etc.) to develop strong levels of mutual trust and respect
  6. Has a demonstrated ability to introduce and sustain food service wellness programs consistently with the Good Food Healthy Hospital standards
  7. Will create transparency in operational and financial reporting
  8. Embraces a meaningful risk / reward program ensuring clear accountabilities and performance expectations / incentives
RFP Process

- January 2019 – RFP process begins with operator visioning sessions (5 operators)

- February 2019 – RFP issued to 3 operators with specific response section dedicated to health and wellness programs
  - Good Food Healthy Hospital Standards distributed as part of RFP

- March 2019 – April 2019 – Proposals received, site visits, client references, clarifying questions, final presentations

- May 2019 – Letter of Intent issued to AVI Foodsystems
Contract Negotiation

- May 2019 – Negotiations commenced
  - Negotiated specific contractual language relative to wellness programs
    - Compliant with Good Food Healthy Hospitals “Gold Standard” with first meal served
    - All sugar-sweetened beverages prohibited in accordance with UPHS policy
  - General food specifications:

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<thead>
<tr>
<th>3.1 General Food Specifications:</th>
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<td>AVI culinary practices will focus on fresh, from-scratch preparation at HUP. Culinary standards will meet the Gold Level requirements of the Good Food Healthy Hospitals initiative as presented by AVI. Culinary practices will include, but not be limited to:</td>
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<tr>
<td>- Use of seasonally available ingredients</td>
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<td>- Use of locally available ingredients</td>
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<td>- Soups, stocks, sauces, and dressing made from scratch</td>
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<td>- Hand-cut and hand-breaded tenders and cutlets</td>
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<td>- Abundance of vegetarian and vegan options</td>
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<td>- Locally-sourced rBST-Free Milk</td>
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<td>- House-made breads, pastries and desserts</td>
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<td>- Fresh, not canned or frozen vegetables, where possible</td>
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<td>- Authentic, cross-cultural menu items</td>
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<td>- Hand-cut salad greens and vegetables</td>
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All food purchases by AVI for use at HUP shall meet the following minimum specifications:

- Meat, Lamb, Beef, Veal: USDA Choice
- Pork: US #1
- Poultry, Eggs, Dairy Products: Grade A
- Canned Vegetables: Choice
- Frozen Vegetables: Grade A
- Fresh Produce: #1 Quality
AVI Foodsystems

• AVI Foodsystems presented a custom program that aligned with HUP’s goals & objectives for a foodservice partnership

• Commitment to achieving “Gold Standard” for Good Food Healthy Hospital
The Hospital of the University of Pennsylvania achieved the following Good Food, Healthy Hospitals Components:

- ✔ Standard for Food & Beverages Served in Patient Meals
- ✔ Standard for Food & Beverages Served in Cafeterias
- ✔ Standard for Food & Beverages Served in Catering
- ✔ Standard for Purchased Food & Beverages

Achieved Good Food Healthy Hospital “Gold Standard”
What We Have Learned So Far...

- Senior leadership support and articulation of a clear vision is imperative to success.
- Employees want healthy options and they are more receptive than we anticipated.
- The phased approach caused very little disruption.
- All the key stakeholders at the table has made this a smooth process.
- Communication is KEY.
- Flexibility and buy-in of business partners is a critical factor influencing overall success of program.
- Policies and contracts ensure that the work being done is sustainable and holds partners to goals and standards set forth by your organization.
QUESTIONS?
Good Afternoon Colleagues,

As a leading health care provider, we aspire to provide a model environment for the health and well-being of our staff in addition to our patients and visitors. In early August 2018, Ralph Muller, UPHS President and CEO, introduced the “Good Food, Healthy Hospitals” initiative now being implemented throughout Penn Medicine. As part of this initiative, Pennsylvania Hospital will be launching a series of steps to improve the nutritional quality of the food and beverages we serve. Over the summer, the Wellfocused team ran a Re-Think Your Drink campaign as the first step to create awareness of Sugar Sweetened Beverages and encourage drinking water.

According to the Centers for Disease Control and Prevention, sugar-sweetened beverages are the single leading source of added sugars in the American diet and are key drivers of significant public health concerns, with consumption of these drinks tied to increased risk of obesity and type 2 diabetes. Our clinical care for patients with these conditions includes education on healthy dietary choices, and our dining options should mirror those lessons.

Therefore, we will begin reducing, and ultimately ending, the sale of sugar-sweetened beverages over the next few months, starting with removal from the vending machines in January, 2019. Diet or unsweetened beverages, 100% fruit juice, milk, and many flavored-water options will always remain available. While employees and visitors may bring in their own sugar-sweetened beverages, this effort focuses on the drinks we serve and sell in our cafés, vending machines, and on patient menus. For patients, some sugar-sweetened beverages are considered medicinal and will remain available. You will also see healthier offerings in the cafe’s and in the snack vending machines.

Stay tuned for updates on this initiative and changes to the availability of these beverages. The date for ending the sale of sugar-sweetened beverages is planned for June 30, 2019.
Jen Brady, Associate Director of Benefits & Wellness, Penn Medicine, Pennsylvania

Aron Berman, Assistant Executive Director, Hospital of the University of Pennsylvania

Stefanie Erdmann, Registered Dietician, Director of Wellness with AVI Foodsystems, Hospital of the University of Pennsylvania

Jennifer Obadia, Phd, Eastern U.S. Regional Director, Healthy Food in Health Care, Health Care Without Harm

Jon E. Utech, Senior Director of the Office for a Healthy Environment, Cleveland Clinic, Cleveland, Ohio
Additional Resources

**Chesapeake Farm to Institution Work Group**
- Google group

**Farm to Institution New England**
- Leveraging Contracts for Local Food Procurement

**Health Care Without Harm culinary contest**
- Hospital chefs and food service professionals [Submit a plant-forward recipe](#)
- Contest runs from Oct. 1. to Nov. 30. 2019
Thank you, sponsors, presenters and participants!

Please take our survey, we need your input.

Questions? Email sade@chesapeakefoodshed.net