

# Study on BC Food Procurement in BC's Public Post-Secondary Sector

## Executive Summary

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Prepared for the BC Ministry of Agriculture

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# EXECUTIVE SUMMARY

## Background and Approach to the Study

The BC Ministry of Agriculture (“the Ministry”) engaged MNP LLP (“MNP”) to conduct a study on the procurement of BC food within BC’s public post-secondary sector. The purpose of this study was to describe the current means along with level of BC food procurement in the sector as well as some of the barriers and opportunities to increasing such purchasing amongst BC’s public post-secondary institutions (“PSIs”).

In carrying out this study, MNP undertook the following activities:

- **Secondary research** through publicly available sources on 19 PSIs explored as part of this study.
- **Telephone interviews** with PSIs, key food distributors, food service management companies and suppliers. Telephone interviews were conducted with representatives of 16 PSIs, three food distribution companies, three food service food companies, and one food supplier. The purpose of these interviews was to gather information on the current approaches to, level of, barriers facing, and opportunities for furthering BC food procurement in the provincial public post-secondary sector.
- **A facilitated focus group** with four PSIs and one food supplier to validate barriers and enablers related to increasing BC food procurement at PSIs as well as to identify related opportunities.

Please note that the terms “BC food” and “local food” are used interchangeably throughout the report.

## State of Food Procurement in the Public Post-Secondary Sector

### Overview of the Food Procurement System in BC’s Public Post-Secondary Sector

The food procurement system in BC’s public post-secondary sector is intricate, involving many organizations with different processes, drivers and linkages. Through MNP’s consultations, the following businesses and operations in BC’s public post-secondary food procurement system were identified:

- **Food growers, producers and processors.** Most food growers, producers and processors do not have a direct relationship with PSIs and supply their products through several intermediaries, including wholesalers (or brokers), regional and specialty distributors, and broadline distributors.
- **Broadline distributors.** Broadline distributors are used by PSIs as a “one stop shop” for food procurement with the related benefits of offering a large inventory of products, having efficient and cost-effective transportation capabilities, carrying large volumes, and ensuring high food quality along with safety standards. The two main broadline distributors used by PSIs are Sysco Corporation (“Sysco”) and Gordon Food Services (“GFS”).
- **Regional and specialty distributors.** Regional and specialty distributors operate similarly to broadline distributors, but usually provide a more focused product offering such as protein or produce.
- **Food service management companies.** Food service management companies are engaged by some PSIs to manage all or a share of their food service outlets on their campuses. Depending on the scope of work under such contracts, the management of food service outlets may include tasks such as menu development, food procurement, negotiation of food prices, maintenance of facilities and retail spaces, managing staff, and ensuring regulatory compliance. Chartwells, Aramark, Sodexo, and Dana Hospitality are the main food service management companies used by PSIs.

## Approaches to Food Service

Each PSI is unique in their approach to food service, which typically entails food procurement. Through MNP's consultations with PSIs, two distinct approaches to food service emerged:

- **In-House/Self-Operated Food Service.** Under this approach, the management of most of the PSI's food service operations is carried out internally.
- **Outsourced/Contracted Food Service.** Under this approach, a PSI contracts out the management, including food procurement, of most of its food service operations.

Of the 19 PSIs explored in this study, seven self-operate the majority of their food services and 12 outsource the majority of their food service operations.

## Factors Impacting Food Procurement Decisions

Through MNP's consultations with PSIs, MNP identified a number of factors that impact PSIs' food procurement decisions. Examples of these factors include:

- Types of food service outlets offered at the PSI.
- Size of the PSI.
- Mandates of the PSI.
- Proximity to off-campus food providers.
- Student populations and food volume requirements.
- Customer demands and demographics.
- Institutional procurement policies.
- Remoteness of the community, as marked in part by limited access to a wide range of food sources.

## Food Procurement Tracking and Reporting

The following findings were made in association with food procurement tracking and reporting at PSIs:

- The majority of PSIs, or their respective food service management company, track food procurement for operational purposes, but only a few monitor the purchasing of BC food. For these few institutions that are able to report on BC food procurement, their efforts to measure such purchases are typically driven by their campus' sustainability efforts and goals.
- Those institutions that do not track BC food procurement indicated that a lack of human resources to take on this function is a contributing factor.
- The best way for BC food procurement to be monitored and reported by a PSI is to imbed tracking requirements in contracts with food service management companies (if a PSI's food service is contracted) or with broadline distributors (if a PSI's food service is self-operated).
- Some PSIs use facilitative tools for reporting on sustainable food service initiatives, which indirectly influence the tracking and measurement of local food procurement. These tools are Sustainability Tracking, Assessment & Rating System administered by the Association for the Advancement of Sustainability in Higher Education and Good Food Calculator administered by Meal Exchange Canada.

## Barriers and Enablers to BC Food Procurement

MNP's consultations with representatives from PSIs, food distributors, and food service management companies led to the following findings on factors that hinder and support BC food procurement in the provincial public post-secondary sector.

### Barriers to BC Food Procurement at PSIs

- **Higher cost of local food compared to non-local food options.** The higher cost of local food was cited by many PSI representatives interviewed for this study as one of the main barriers to

procurement at their institutions. Many PSI representatives indicated that the price of food sourced from within the province is often more expensive than food sourced from out-of-province.

- **Lack of availability of BC food products year-round along with misalignment to the academic calendar.** Many PSI representatives interviewed for the study noted that during the standard academic school-year spanning from September to May, the range of available local produce options is limited, and volumes are small. This was particularly the case with produce.
- **Lack of awareness among PSIs of available BC food options and producers.** Several PSIs indicated that they are sometimes unaware of local producers from which they could procure and/or of the seasonal availability of BC products. This impacts their ability to increase procurement of BC food.
- **Lack of consistency on the definition of “BC food”.** Several PSI representatives noted confusion over what is considered a “BC or local food”, as there are many definitions which vary depending on whether the interest is driven by preserved health, or environmental, economic or community benefits.
- **Misalignment between student demands and the availability of BC food products.** Several PSIs indicated that their students have wide-ranging culinary demands, including products that cannot be procured from within the province (e.g. bananas).
- **Limited ability by PSIs to increase BC food procurement due to contracts with food service management companies.** PSI representatives whose institutions’ food service and procurement functions are outsourced to a food service management company stated that this limits their influence and, as a result, may constrain their ability to increase the procurement of BC food.
- **Limitations related to local food producers’ knowledge, volume along with scale, and food safety certifications and/or licensing requirements.** According to several food distributors and food service management companies, many local producers find it challenging to meet a PSIs’ food requirements due to their lack of knowledge on how to enter the distribution chain, limited capacity to meet the desired volumes, or the absence of food safety certifications and/or licensing requirements.

### Enablers and Initiatives Supporting BC Food Procurement at PSIs

- **Access to information on what food products are considered “local”.** The most commonly cited facilitator to help PSIs increase their procurement of BC food is having access to information on what products are considered “local” from food distributors and food service management companies.
- **An active sustainability department as well as related targets and goals.** Active sustainability departments along with sustainability-related targets and goals, were cited by several institutions as factors that enable them to make progress in their BC food procurement efforts.
- **Procurement policies with criteria pertaining to BC food procurement.** Some PSI representatives indicated that institutional procurement or purchasing policies with criteria regarding BC food has helped them increase their levels of related ordering.
- **Local food purchasing requirements embedded in contracts with food service management companies.** Several PSI representatives raised that embedding local food purchasing requirements and/or targets in their contracts with food service management companies has enabled them to increase their related procurement.
- **Access to on-campus food sources and collaborating with local food producers through on-campus farmers’ markets or food hub initiatives.** Several PSI representatives stated that on-campus gardens, greenhouses and farms, which are typically run by students, have the potential to increase their institution’s procurement of BC food.

## Recommendations

Based on the findings, MNP identified the following four recommendations for increasing BC food procurement in the provincial public post-secondary sector:

- 1) Increase the awareness among PSIs of available BC food producers, product categories and procurement options coupled with strengthening the identification and tracking of local food in the supply chain.
- 2) Review the supports and incentives that are, and should be, made available to:
  - BC food producers to participate in, and maintain, the supply of products to PSIs (e.g., pricing, education, licensing and certifications); and
  - PSIs, food distributors and/or food service management companies to source more BC food.
- 3) Develop performance measures and targets for BC food procurement in the provincial public post-secondary sector.
- 4) Establish regional food aggregation initiatives (e.g. food hubs or other models) with distribution networks to facilitate BC food producers access to, and more integrated purchasing with, the supply chain for PSIs.

Action items under each of the four recommendations along with their feasibility assessment can be found in **Section 6** of the full report.



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