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Discrepancy between theory and practice: procurement of local and organic food in public catering

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Core Organic II Project „HealthyGrowth - from Niche to volume with Integrity and Trust“



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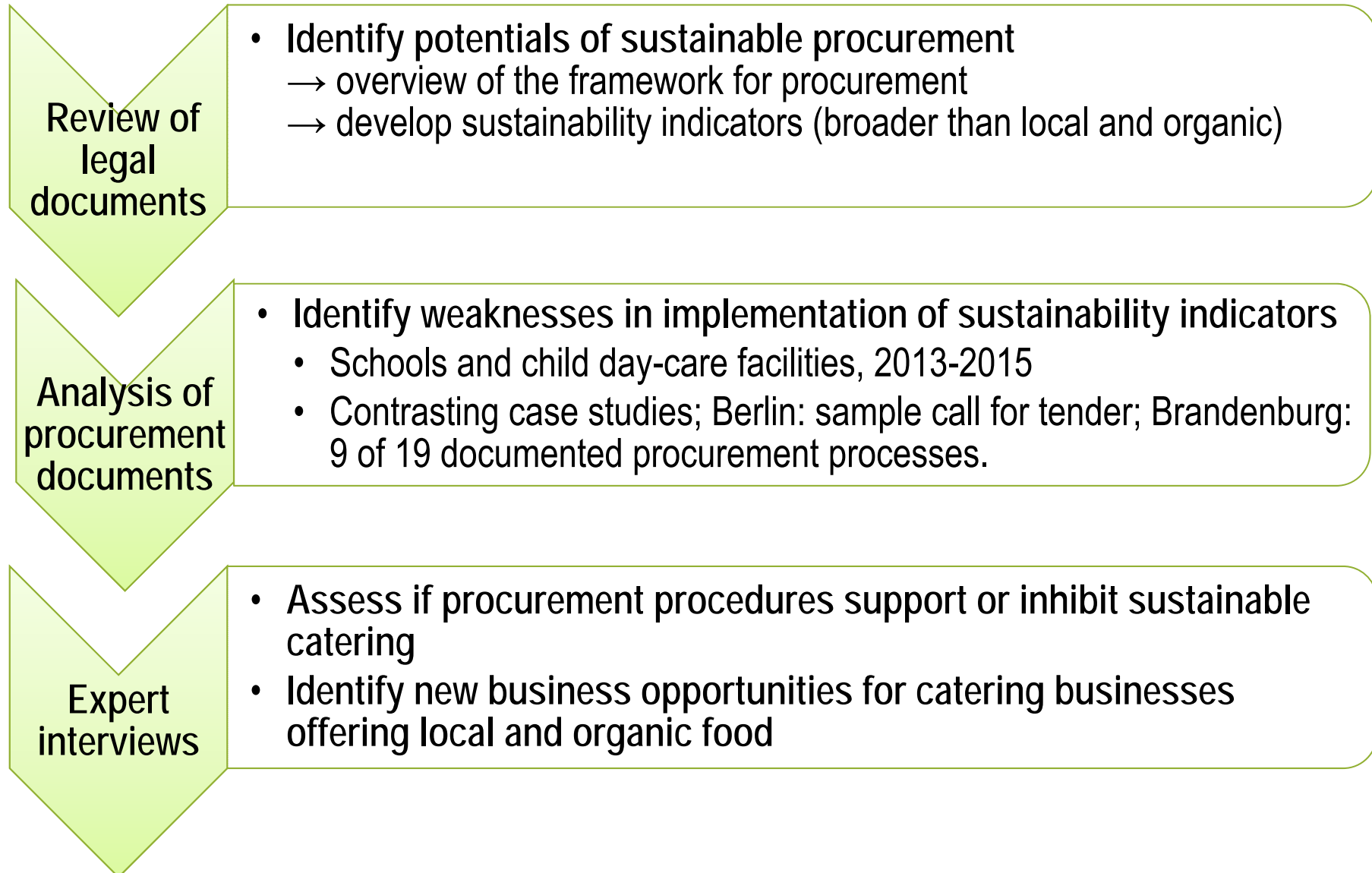
Background

- European public procurement legislation introduced sustainability aspects in 2004 & 2014
- Public authorities do not use their potential to procure sustainable goods, e.g. local and organic food
- Reasons for insufficient implementation of sustainability criteria:
 - ✓ a lack of political directives, e.g. procurement targets
 - ✓ insufficient political support
 - ✓ knowledge deficits, e.g. on legal aspects or benefits of sustainably produced goods
- By tapping into the potential of procuring local and organic food, SME and regional supply-chains could be promoted (policy priority)

Objective

- Identify suitable approaches to overcome the barriers in public procurement of local and organic produce
- Provide policy recommendations on how to implement procurement of local and organic produce in public procurement

Approach



Analysis of legal and tender documents

Organic produce

- Minimum share can be defined (also for specific product group)
- Higher share can be useful to gain a contract

Regional produce

- Preference of regional enterprises against anti-discrimination legislation
- HOWEVER: legislation refers to “regional enterprises” not to “regional produce”
- Difficulty: clear definition of “regional”
- Opportunity: focus on seasonal produce, ban frozen food

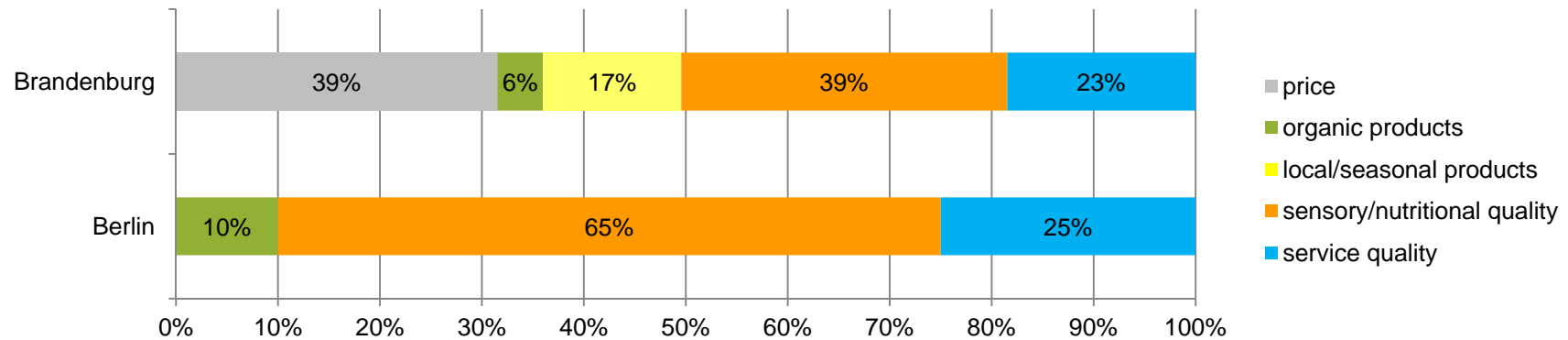
Support of SME

- Large contract volumes and lots can be split in smaller lots
- Commensurability of definition of economic prerequisites

Implemented criteria in procurement procedures (1)

- Only organic food is specifically mentioned
 - ✓ Berlin: 15% compulsory
 - ✓ Brandenburg: in one call for tender

- Applied weighing of award criteria



Source: Haack (2016)

Implemented criteria in procurement procedures (2)

- Contract volumes and lot sizes
 - ✓ Berlin
 - ✓ 100.000 meals per day
 - ✓ divided into lot sizes of 300 meals

 - ✓ Brandenburg
 - ✓ up to 2200 meals per day
 - ✓ often not split up into smaller lots

Expert assessments

(1) Regulated price of 3,25 Euro in the “Berlin Model”

- Quality vs. price competition: e.g. share of organic produce increased to >40%

(2) Uniform award criteria in the “Berlin Model”

- Transparency - equal opportunities for all enterprises
- but: suitability and weighing of the “test-meal” should be reassessed

(3) Regional sourcing

- origin of produce irrelevant - no incentive for catering enterprises to source regionally
- „regional“ difficult to define and monitor

(4) Support participation of SME in tenders

- Berlin: many SME competed for and gained contracts
- Brandenburg: entrance barrier for SME due to large contract volumes / lots

Conclusions and Recommendations

- Legal framework enables the implementation of sustainability goals in public procurement processes - full potential has not been tapped into
- Clear political signals / policy directives in terms of desirable product qualities
- Agreement on a fixed or minimum price
- Define procurement criteria, that are transparent, can be defined and monitored
 - “regional”?
- Split contract volumes or lot sizes
 - appropriate volumes?
- In order to meet these challenges, public authorities could use legal instruments such as “competitive / technical dialogue” with catering businesses to develop solutions

*Thank you for listening and
challenging questions!*

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BÖLN

Bundesprogramm Ökologischer Landbau
und andere Formen nachhaltiger
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Bundesministerium
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