



Values-Based Procurement of Food in Health Care:

**A Primer for Anchor Institutions to Harness their Buying
Power for the Health of Patients, People, and Planet**

Written by:

Amy Ford, Hayley Lapalme,
Dan Munshaw, and Wendy Smith

March 2023



NOURISH

Table of Contents

1.0 Introduction	.3
1.1 What is Nourish?	.3
1.2 What is Values-Based Procurement?	.4
1.3 Context for Values-Based Procurement.	.4
2.0 Readiness Scan	.7
3.0 Understanding the Current State of Procurement in your Organization	.8
3.1 Strategic Reflection Exercise: Mission Alignment	.8
3.2 Requests for Proposal	.9
3.3 Strategic Reflection Exercise: Organizational Food Culture Scan	.9
4.0 Learning More About Your Food System	.12
4.1 Identify the Key Actors in Your Organization's Food System	.12
4.2 Identify the Regulations that Influence Purchasing in your Jurisdiction	.12
4.3 Get Out Into the Farm Field	.14
5.0 Translating your Values into Action	.15
5.1 Strategic Reflection Exercise: Next Steps for Putting Values into Action.	.16
6.0 Conclusion	.17
Acknowledgements	.18



1.0 Introduction

1.1 What is Nourish?

Nourish started with a simple idea: how can the hospital tray be a platform to dream big and transform our food and health systems?

We believe that food is a powerful way to build health for both people and the planet, by providing comfort and healing to patients, creating more resilient communities, and addressing climate change.

Our vision is a future where health care leverages food to advance health for people and planet. Our mission is to empower health care to embrace food as medicine to advance health equity, climate action, and community wellbeing.

Starting in 2016 as a community of practice incubated at the McConnell Foundation, Nourish has grown to a national network of leaders, organizations, philanthropic partners, policy-makers, and communities, shifting our focus upstream to work on anchor leadership through food in health care. In the Fall of 2021, Nourish became a registered charitable organization.

Working across community, institutional, and policy scales through national cohorts and action learning programs, we work to equip and empower bold leaders to steward the transition to more sustainable food and health systems.



1.2 What is Values-Based Procurement?

Every health care food purchase has an economic, environmental, sustainable, and social impact, whether intended or not. Health care food purchasers can purposefully improve the health of their patients, residents, and the planet through changing the food they buy. Early signals indicate that Canadian public institutions are experiencing readiness to shift away from the existing procurement model, towards sustainable or values-based procurement (VBP). VBP leverages established budgets to achieve organizational, social, ecological, and economic sustainability goals. This promising pathway finds opportunity in the Request for Proposal (RFP) process, as well as further upstream, in the goals, processes, and relationships that scaffold food procurement decision-making. Values-based procurement is an opportunity to use health care purchasing to create health and wealth in the community your organization serves. This is a form of anchor leadership: leadership that harnesses the mission, long-term presence, and economic and social influence of a place-based organization like a hospital to create value for patients, staff, community, and planet, and act as an anchor for greater sustainability.

This primer will help you move past common barriers (see sidebar) to take control of your food purchasing and get better value for your money while creating value in food and health systems. It covers why VBP is relevant in today's food system and - through a readiness scan - outlines realistic next steps and links to resources to support your organization in getting to its desired future state.

This primer is the first in an envisaged series of resources Nourish will produce that will go deeper and support health care anchors to better align their food purchasing and culture with their missions.

Common barriers to VBP can include:

- Traditional mindsets of "price only" shopping
- Policy, legislation, or agreement constraints (perceived and real)
- Gaining access to appropriate, adequate, and efficient suppliers
- Lack of organizational priority
- Unclear starting point or path forward

1.3 Context for Values-Based Procurement

Food is not a commodity like others; it has cultural, spiritual, and healing dimensions, and it is a human right. Unfortunately, the current model of procurement is most focused on cost and availability of supply, without taking into account the other attributes that make food different from buying MRIs or office furniture.

Current norms in procurement practices create many degrees of separation between the producer and buyer, concealing harmful impacts of the current food system on producers, farm and food manufacturing workers, animals, and the environment.

These purchasing decisions can generate impacts that are detrimental to farming and labour conditions, the quality of soil, animal husbandry practices, and ecosystems. They can also contribute significantly to climate change and to reduced biodiversity. Notably, they also play into the phenomenon that more than 40% of the food purchased by hospitals in Canada is wasted. Canadian health care's four billion dollar annual food service spend represents a significant opportunity for improvement: to improve patient experience and organizational efficiencies, and to invest in food systems that contribute to a healthier, more sustainable and socially responsible future. VBP is an opportunity to be intentional about the "externalities" of purchasing decisions, and not only reduce harm in the food system but invest in improvements for people and the planet.

There are currently fragmented national and regionalized efforts to build a more meaningful food supply chain and more thoughtful procurement practices. This primer aspires to help spread and scale those practices. Progress can be made with improved tools and education for purchasers. For example, Kaiser Permanente hospitals in the United States pooled their purchasing power to develop an organic, hormone- and antibiotic-free chicken supply chain to increase its availability and accessibility. They were successful and the price for sustainable chicken became cost-competitive and more widely available.

Incorporating values into procurement practices requires first defining these terms. Organizationally important values may include food being culturally appropriate, local and community-based, ecologically sound, humane, ethical, socially just, or sourced with Indigenous or diversity and cultural inclusion goals in mind. (See sidebar next page).

Food is not a commodity like others; it has cultural, spiritual, and healing dimensions, and it is a human right.

Definitions of Common Terms in Values-Based Procurement:

Values-Based Procurement involves the incorporation of organizational mission and values (community wellbeing, social justice, environmental impact, etc.) within a procurement process for the express purpose of building health for people and the planet.

Culturally Appropriate Foods will vary by geography and demographics to reflect the historical and traditional preferences of the population.

Local & Community Based* can be defined by a kilometre range, regional boundary, ecological boundary, "foodshed," etc. Your region may have an established definition of local. In general, these foods can be traced to nearby farms, ranches, and businesses that are locally owned and operated. Supporting local, small, and mid-sized businesses challenges trends toward consolidation in the food industry, and builds resilience in the local food system and economy.

Ecologically Sound* food operations can include farms, ranches, and other parts of the food supply chain that consistently practice environmental stewardship through conserving biodiversity and ecosystem resilience, reducing the use of fossil fuels, and preserving natural resources, including energy, wildlife, water, air and soil. These practices minimize toxic substances, greenhouse gas emissions, natural resource depletion, and environmental degradation. They also make purchasing and disposal decisions that seek to honour the interconnectedness of people, animals, and plants.

Humane* practices are evidenced by animals having their mental, physical, and behavioural needs met in a low-stress environment. This includes restricting the use of non-therapeutic antibiotics and hormones on livestock, which in turn lessens antibiotic resistance. Instead

of animals being kept in confinement, living in spaces only big enough to eat and produce (e.g. feedlots and battery cages), animals are raised in contexts that are closer to their natural behaviours (i.e. grassfed and free range).

Socially Just (or Fair)* goods and services support an equitable society in which all individuals have equal access to rights, wealth, opportunities, and treatment. Socially just foods are produced by individuals who work in safe and fair conditions, receive fair compensation, are ensured the right to organize, the right to a grievance process, the right to adequate health care, and have equal opportunity for employment. Particular attention in Canada can be given to the conditions of the significant population of migrant farm labourers or temporary workers in food manufacturing.

Diversity & Inclusion goals seek to harness buying power to contribute to supporting equity-deserving groups in an intentional way, for example supporting businesses led by women or People of Colour (POC).

Indigenous Procurement involves choosing Indigenous-led businesses to meet cultural needs, build relationships, and contribute to economic reconciliation and to building Indigenous food sovereignty.

Ethical foods are produced in a way that incorporates many of the above definitions, minimizing social and/or environmental damage. Ethical foods are chosen with consideration to the moral consequences of harms like animal suffering, environmental destruction, food shortages for others, or exploitative labour practices.

**Adapted from the Real Food Guide definitions*

2.0 Readiness Scan

Do you have the needed elements to successfully develop your organization's Values-Based Procurement strategy?

Use this quick checklist for your reflections and to assess your current state.

An initial framing of how values-based procurement would help your organization to bring its health-promoting mission more fully to life.

Interest and commitment from senior leadership and your procurement team to explore improvements to your procurement process.

Communication channels to engage internal key players such as loading dock staff, quality assurance teams, dietitians, and patients who are willing to share their opinions.

Interest and operational commitment from the Food Services team (e.g. willingness to consider changes to menus).

Willingness to build relationships in your local food system and to develop a more value-centric food chain.

Demand from patients/ residents/ consumers (e.g. patient satisfaction scores and feedback).

A willingness to dive deeper into better understanding your entire food supply chain.

Other factors or relationships that would be important in managing change at your organization.



3.0 Understanding the Current State of Procurement in your Organization

After completing your readiness scan, the journey to more values-based food procurement continues with deepening your understanding of your organization's food procurement culture and practices.

A strategic starting point is to understand your organization's mission, vision, and values. Get to know which strategic priorities or Key Performance Indicators (KPIs) can guide your work. Some organizational values that may align with VBP include: contributing to climate change mitigation through reducing environmental impact, supporting community wellbeing through increasing social justice and inclusivity, and promoting Indigenous representation. You may also find alignment with goals like budget adherence (food waste can be an untapped source of revenue), patient or resident satisfaction, and emergency preparedness related to supply chain and climate change.

3.1 Strategic Reflection Exercise: Mission Alignment

1. What is your organization's mission?

2. List any strategic directions, KPIs, or similar corporate directions that might be amplified by a more values-aligned food procurement culture at your organization.

3. Cross-reference some of the definitions in section 1.0 and list some food values that align with your organization's mission and strategic priorities.

4. What opportunities do you see emerging?



Once you know roughly what you might want to accomplish and how it fits within the larger landscape, the next step is to understand the current context and state of your organization's food service operations and purchasing. This will help you to assess where the opportunities lay for your organization in the short and long term.

3.2 Requests for Proposal

All organizations, regardless of the nature of their food service operations, can build their values into the Request for Proposal (RFP) processes for a distributor, a food service operator, or a food producer or manufacturer. You do so by asking providers to share information on the desired values-based attributes of their offerings and then scoring these responses as part of the evaluation process. For example, an organization interested in meeting climate leadership and community wellbeing objectives might choose to evaluate ecologically-sound agricultural practices and community-based sourcing.

It's important to emphasize that to have a meaningful impact, information that is requested from vendors about the values-based attributes of their offerings must be part of the evaluation matrix for the bids as well as being an active part of the ongoing contract management with the successful vendor.

All bids should be fairly assessed and the clearer the health care buyer issuing the RFP is about the attributes they are looking for, the more effective they will be in collaborating with the value-chain to advance their goals.

Sample contract language and evaluation matrices will be shared and discussed in future materials.

3.3 Strategic Reflection Exercise: Organizational Food Culture Scan

Improving the food culture at your organization requires some exploration. Any goal-setting process typically begins with establishing a baseline. Use these prompts to get a sense of the current state of your organization's food services.

What are you buying?

- What is your overall current food spend?
- How has spending on food changed over the years?
- What type of food service(s) does your organization operate?
- What foods do you buy and in what quantities?
- What are patient satisfaction scores? What are the pain points or strong points?

Who are you working with and how?

- Is your food service self-operated or contracted? (see sidebar)
- Who are the main food service partners you work with? Do you work with any of the following?
 - A food service operator, like Aramark, Sodexo, or Compass
 - A food service distributor, like Sysco, GFS, Summit
 - A regional specialty distributor like Discovery Organics or 100 KM Foods
 - A public non-profit or for-profit group purchasing organization
 - Farmers who provide direct sales or are contracted through forward purchasing agreements
 - Indigenous food vendors
 - Indigenous or non-Indigenous hunters, harvesters, or producers who provide donated foods
 - Other specialized relationships with food service partners
- What contracts are in place with your food service partners? How aligned are they with your organizational goals? How much have you communicated your values with them?
- What do or don't these contracts cover (e.g. exclusions of operational areas like cafeteria food or categories of food like produce)?
- What quantity commitments do these contracts include?
- What provisions do contracts include for managing sustainability goals and how actively are these being managed?
- What are the duration and reporting requirements of your current contracts? Do they include sustainability metrics? Who within your organization is responsible for these contracts and how actively are performance goals managed?
- When do the contracts renew or expire?




Self-Operated versus Contracted Food Services

There are opportunities to advance values-based procurement within both self-operated and outsourced or contracted food service operations.

Opportunities in a contracted context will focus on critical moments when new contracts with food service operators are negotiated and in the ongoing measurement and management of these contracts. There is more at stake in negotiating a strong values-based agreement at the outset of a new contract relationship and key moments of measurement or renewal.

For in-house, self-operated food services, the opportunities for values-based procurement are potentially more frequent and accessible, as the organization retains a greater degree of agency and control over its food service.



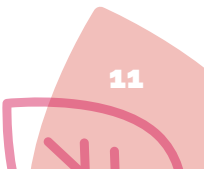


What organizational structures or practices shape your organizational food culture?

- > What organizational priorities or mandates are in place that impact food services at your organization and what metrics do they track?
- > What is the nature of the relationship between the clinical team, the food and nutrition services team, the procurement team, and the people who oversee receiving and stock management?
- > Does the food and nutrition services team report to a clinical services executive or an ancillary support services executive? How do the reporting relationships around food in your organization shape the culture and norms around food?
- > What purchasing policies and processes are currently in place? How are corporate values translated into procurement practices?
- > What teams or individuals are engaged in the organization to guide changes to food services, whether menu redesign, special food days, etc?
- > Do you currently track any of the positive or negative external impacts of your food services, e.g. employment creation, community benefits, food waste, or greenhouse gas emissions?
- > What is the general perception of food at your organization by staff both directly and indirectly working on it? By patients and families?

Once you have completed the internal scan above, consider:

1. What opportunities do you see emerging? Are there specific food categories, contracts, vendors, management, or other opportunities you see emerging?
2. Share your reflections from these 3.1 and 3.3 Strategic Reflection Exercises with two to three colleagues to get their reactions.
3. Consider if this is the right moment to host a conversation within your organization to pursue some of the opportunities you see emerging. Who should be involved?
4. If you need to do more research before continuing, make a list of questions and contacts to engage.



4.0 Learning More About Your Food System

Moving toward greater incorporation of your organization's mission and values into your procurement process also benefits from an external scan. It is important to understand your regional food system and the regulatory environment that guides procurement in your province or territory.

4.1 Identify the Key Actors in Your Organization's Food System

Each of your food system partners present an opportunity to influence your food service culture. Start by identifying who the major players are in your organization's food system. Is your organization involved with a broadline distributor or Group Purchasing Organization (GPO), who are they and what is their role? It can be helpful to sketch a map. Know and understand the terms and conditions of these relationships: what is and isn't under contract, whether the volume commitment is for 100% or a lesser amount, and so on. Learn about major players' missions and current strategic priorities. You may be able to find affinities if they too have some aspect of sustainable procurement as a current focus.

Spend time educating your team about your current vendors and partners, and similarly, educate your vendors and partners about the direction your procurement vision is heading. This relationship-building will go a long way in achieving your procurement goals.

4.2 Identify the Regulations that Influence Purchasing in your Jurisdiction

Each hospital must navigate the cascading rules and regulations for public procurement (e.g. regional, provincial/territorial, national and international).¹² For example, Ontario's Broader Public Sector Procurement Directive outlines the process for entering into purchasing contracts at specific purchase value thresholds. Ontario also has a Local Food Act which encourages procurement of local food by public institutions. The same jurisdiction can have multiple regulations that provide a clear picture of how to proceed, or at times, it can leave things ambiguous. This is where it becomes important to build a clear picture with your organization's procurement team about the real and perceived barriers and enablers to advancing values-based procurement.



Talking with other organizations also navigating the regulatory environment around VBP is essential to answer key questions such as:

What trade agreements, government directives and buying thresholds are you subject to? How do these impact your “room to play” when choosing suppliers? What enabling regulation supports values-based procurement? Who are the leaders in your jurisdiction? What are the most strategic ways to frame your values as criteria? Are there already efforts underway in your jurisdiction to develop certain value-chains that fulfill your goals, like the hormone and antibiotic-free chicken in the earlier example from Kaiser Permanente in California? Learn which organizations certify public buyers and how that process affects your decisions.

Some values-based purchasing criteria might trigger a need to understand trade regulations, such as preferring local producers. Other criteria will be simpler to include in an RFP, for example, searching for foods with the attributes of being free of the routine use of antibiotics and hormones; these are attributes of the food that you would evaluate like any other characteristics, such as bone-in versus boneless chicken thighs.

Regardless of what criteria you ask for in pursuit of your goals, it is strategic to link them to your organizational mission. If you are interested in purchasing more local food, one of the trickiest with respect to the regulatory environment, it is strategic to reflect on why this matters to your organization. Is it for the community benefits? The reduced greenhouse gases from transportation? The ability to have the farmers come into the hospital for a food fair? Any of these motivations could help to sharpen the ask you make in an RFP context and simplify the regulatory implications of your criteria.

Developing a clearer understanding of why your organization is setting out certain criteria and understanding the related regulatory environment will build your organization's agency and ability to chart a path forward. There can be a lot of ambiguity around the interpretation of trade regulations and it is imperative not to be discouraged. Dan Munshaw, former Manager of Supply Management for the City of Thunder Bay, says it best: “Others are saying it can't be done. I'm finding ways within the rules that it can be done.” Nourish is here to support you.

4.3 Get Out Into the Farm Field

Begin to explore what could be possible. It can be inspiring to set aside intentional time to familiarize yourself with local growers. Which farms exist within your area and what do they specialize in? Some organizations find that allowing what's growing locally to shape their menu is the best strategy. Others choose to use their established menu as a launching point for seeking producers. Setting up introductory farm tours will both energize your team and lay the foundation for an emerging partnership. Your provincial Ministry of Agriculture can be a valuable ally in this journey.

Scan your nearby producers and vendors to find out who might align with your organization's values, for example, producing food with a focus on ecological or social justice elements, or finding new opportunities to work with an Indigenous-led business. If you are interested in learning more about culturally-appropriate Indigenous foodways and the power of traditional and country foods in health care, we encourage you to consider signing up for [Food is Our Medicine](#), a self-paced, online learning journey.

Try sketching a map of all the players in your food system.

5.0 Translating your Values into Action

Now that you've taken time to understand values-based procurement, perform a gut check on your readiness, and scan the environment both internally and externally it's time to take a first try at translating your organizational values into actionable procurement language!

In public procurement, vendor relationships are most often secured through a competitive process. As alluded to above, this means you will need to create language around defining your values and weigh the importance of each factor in your bid. Typical factors are cost, ability to fulfil delivery expectations, and minimum quality markers. These are undeniably still necessary elements but can be joined by other considerations like food being locally sourced, or the organization's interest to support humane practices. It is imperative to understand the need to evaluate bids on what you're asking for, and to feel competent in making those evaluations.

Again, the first step is qualifying what is most important to your organization. Refer back to the earlier exercises. Which values resonated with your team? Which of them will contribute to the future you want to see, related to the health of people and the planet?

As you review how you want to transform your procurement process, your objectives will shape the criteria for your agreements. Each consideration will hold a certain 'weight' so the next step becomes determining what *weight or value* to assign to each of your *values*.

Consider statements like "socially just" defined by "goods and services that support an equitable society in which all individuals have equal access to rights, wealth, opportunities, and treatment."

Regulations may present pressure points but in many cases, trailblazers have encountered and conquered common hurdles. For example, Dan Munshaw, former Manager of Supply Management for the City of Thunder Bay, encountered a regulation against seeking a specifically local supplier but found success in developing bids that specified foods coming from local sources which did not prohibit any type of supplier - local, provincial, or national - from bidding on the contract.



Buy Social Canada provides the example of Madison Metropolitan School District's RFP for Fresh Fruit & Vegetable Program in 2017. Seeking fresh, local produce snacks for elementary students, they included the following criteria and weighting:

Criteria*	Weight	
	Points	%
Meets Product Specifications	10	10%
Provides Distance Documentation	10	10%
Provides Traceability Documentation	10	10%
Geographic Preference	30	30%
Cost	40	40%
Total	100	100%

Example taken from [Buy Social Canada](#)

Each organization must choose what weighting for each term of evaluation should hold to properly convey its values.

5.1 Strategic Reflection Exercise: Next Steps for Putting Values into Action

Take some time to digest what you have surfaced as you've worked through this primer and set out some next steps.

1. What were some of the big insights you had about the culture and practices around food at your organization while working through this primer?
2. What next steps do you see to advance your organization's journey in values-based procurement?
3. Who are the key departments and individuals to engage to advance this journey within your organization? What insights might be the most relevant or compelling to each of them?
4. Are there any discoveries you made while working through this primer that are worth celebrating at your organization to contribute to forward momentum around values-based procurement?
5. What external partners are important to engage to support your organization on this journey?
6. What outstanding questions do you have to continue on this journey?

6.0 Conclusion

If you've made it this far, congratulations! We would love to hear what next steps are emerging for your organization and how Nourish might be able to support you.

This resource is just one of many forthcoming offerings of Nourish's Planetary Health Menus action learning program. You may also be interested in exploring the Sustainable Menu Guide in parallel with your values-based procurement journey. You can learn more about the Planetary Health Menus program and its growing number of offerings on the Nourish [website](#). Nourish regularly adds videos and recorded webinars on our blog and [YouTube page](#); the best way to find out about these is by signing up for our newsletter. Check back frequently for updates, including a forthcoming calculator to track food purchasing-related climate impacts (coming later in 2023).

The network of health care professionals ready to leverage the power of food to better the health of people and the planet is growing. You are now part of a national community of practice. Take time to nurture connections with fellow peers, innovators, and mentors and get involved with Nourish!

A follow-up to this primer resource will be created and distributed in late Spring 2023 to follow up with a deeper dive into Values-Based Procurement. Sign up for the Nourish [newsletter](#) to be alerted to its publication.

Acknowledgements

This primer represents the tip of the iceberg of the work that is underway across Canada around values-based procurement. It draws from the learnings of two cohorts of Nourish health care leaders, advisors, and mentors, and our peers in the public sector. The national collaborative project on values-based procurement from the first Nourish cohort laid the foundations for this primer, which continued with the second cohort's sustainable procurement working group, and we find inspiration from across the food system in Canada.

Leaders from Meal Exchange in the farm-to-campus movement provided critical leadership and inspiration for our definitions section through their work to develop the Canadian Good Food Challenge and the Good Food Guide, in partnership with the US-based Real Food Challenge. Nourish's past collaboration with Buy Social Canada to produce the [National Food RFP Models for Healthcare](#) 2019 report provided an important step in this work. Wendy Smith's presentation on behalf of the national values-based procurement Nourish collaborative at the 2019 Food for Health Symposium "[What's Cooking in Healthcare](#)" is a great first read, and outlines how the RFP process can differentiate between best value and lowest price approaches. [A toolkit](#) by Sustain Ontario was designed to advance changes in local food systems by working with regional and municipal food groups to accelerate the implementation of initiatives and policies necessary for reform. The Greenbelt's [Farm to Institution](#) case study shares helpful insights into how public institutions can better leverage their procurement and food system relationships to develop more sustainable value-chains and better food for patients. The 2015 paper [Public Sector Purchasers as Curators and Value Creators in the Food System](#) explores the theory of the institutional food system, what holds it in place, and the important role of institutional purchasers as agents of change.

Harnessing their influential positions as anchor institutions, values-based procurement allows health care organizations to shift away from the harms of traditional procurement that we can no longer afford to ignore to advance health for people and planet.

