

Equitable Development Toolkit

Local Food Procurement

March 2015

What Is It?

A movement to purchase locally sourced, sustainably grown, and healthy food is beginning to build momentum – and these efforts are already helping families gain better access to healthy food, creating quality food system-related jobs, and supporting local entrepreneurship. Several states including Vermont and New Hampshire, and cities such as Los Angeles and New York City, are leading the way to enact equitable procurement policies that are benefitting low-income entrepreneurs of color, small family farmers and farmer workers, while providing consumers access to healthy food. Growing attention has been paid to the two-fold role of public institutions and government agencies in achieving this goal – both as a major purchaser of goods and services and also in their organizing role in developing regulation and policies around procurement. These efforts complement many popular direct-to-consumer, farm-to-school/restaurant models, and farm-to-institution models, which involve the provision of local, fresh, minimally processed food to public institutions such as public schools, universities, hospitals, prisons, and other government-run facilities.

Food procurement – how and from whom food is purchased by an organization and institution – offers an opportunity for the public sector to harness its purchasing power to create more equitable food systems by expanding the farm-to-institutional model to support small and mid-sized family farmers, food entrepreneurs of color, and local distributors and processors who have historically been unable to access these large institutional markets. A number of local procurement policies and programs have been enacted over the last few years, enabling local municipalities and state governments to institutionalize local purchasing, and in doing so, provide opportunities for small family and mid-size farms to scale up and enter the wholesale market realm (often with the support of community-based [food hubs](#)). It is estimated that 37 states have laws that require some or all state and local agencies to allow geographic preference for purchasing locally grown food.

This toolkit provides an overview of how stakeholders can advocate for and implement local food procurement policies in a manner that ensures the equitable improvement of local and regional food systems. Public sector agencies and local government have begun to adopt and explore such policies, including those that set nutrition standards or vending machine criteria for food sold in government facilities. While these nutrition and vending related policies help to create healthier workplace environments, this traditional approach to procurement retains a largely individual level focus, missing out on important opportunities to leverage institutional purchasing power towards making larger systemic changes to the local food system. By better channeling public funds towards local and regional producers through an equity framework, local food procurement policies dramatically improve food systems by supporting entrepreneurs of color, opening new markets for small family farmers, and providing better quality jobs for farmworkers and other food chain workers, all while revitalizing local communities.

In Los Angeles, the LA Food Policy Council established the [Good Food Purchasing Pledge](#) (GFPP), which commits major institutions to a set of values-driven purchasing guidelines that center on sustainably produced food and valued workforce. Developed in 2012 through a process that engaged over 100 stakeholders, the GFPP has already been adopted by both the city of Los Angeles and Los Angeles Unified School District (LAUSD) and continues to expand its institutional reach.



Why Use It?

When implemented with equity in mind, healthy food procurement policies adopted by public agencies and institutions can bring economic revitalization, food system, public health, and environmental benefits to communities. Procurement laws often require that state, local, or federal agencies engage in a competitive bidding process – called invitations for bids (IFB) – to solicit multiple bids for food contracts, directing public agencies to accept the lowest price offered by a respectable and “responsive bidder.” Traditionally, large public institutions purchase food from national or global food service companies and distributors who enjoy efficient economies of scale and are able to price products lower than smaller farms during the bidding process. Local procurement policies attempt to balance the competition between large, national food corporations and smaller, neighboring farms by creating advantages in the bidding process for local producers. In addition to supporting local producers and distributors, these policies meet the growing demand for locally and sustainably produced food and the desire for consumers to support more equitable food systems.



Economic Benefits

- Government procurement utilizes public institutions’ massive purchasing power to redirect millions of food contract investments into growing local economies. Strengthening local purchasing processes and policies translate into increased sales and revenue for neighboring small and medium-sized farms, farmers and entrepreneurs of color, immigrant farmers, and other local distributors.
- Institutional investments into local businesses help to expand and bring in new food-related jobs in communities in all components of the food system, including production, aggregating and distribution, and processing.

Food System Benefits

- Local government procurement improves access to healthy food and provides fresher produce for residents.
- Sourcing local food improves the quality of meals served to vulnerable populations whose regular meals are supported by government programs.
- Local and regional food systems are strengthened and sustained and better linkages are created between farms and institutional markets when food is sourced locally.

Public Health Benefits

- Local government procurement helps clients, public agency staff, and other consumers gain improved access to healthier institutional meals that have been prepared with fresh, high quality, and locally grown produce.
- Heightened attention to where one’s food comes from helps to bring greater awareness among community members and the greater public about the importance of strengthening sustainable

and equitable local food systems.

- Support for local food provides opportunities for additional programming and policies to encourage healthy eating, including nutrition education, and food/vegetable prescription programming.

Environmental Benefits

- The emphasis on purchasing produce from local producers and distributors mitigates the environmental impacts of emissions associated with food transport.
- Local procurement encourages sustainable food production and farming practices.

Benefits to Multiple Consumers

Local purchasing brings benefits to a wide range of diverse consumers who rely on public institutions for some or all of their meals. These consumers include, but are not limited to, individuals who consume meals at:

- Public schools
- Public hospitals
- Child-care centers
- Senior programs
- Civil and municipal service facilities
- State prison and juvenile facilities
- State colleges and universities
- Nonprofit contracts that provide food for federal programs



How to Use It?

Strategies for Supporting Procurement Policies

There are varying strategies for advocating for healthy food procurement policies, particularly given the complexity of this country's national food system, the division of federal, state, and local government bodies and institutions, and the regional and cultural distinctions that exist nationwide. The varying types of procurement policies necessitate a sophisticated understanding of a given public agency or institution's capacity to implement such a policy. Consequently, there is no one formula to advocate for a healthy food procurement policy or set of policies. Advocates for procurement policies have achieved success by designing their efforts to complement the strengths of the local or regional food system and meeting the needs of purchasers and consumers.

Steps for Getting Started

1. Assess relationships between institutions and food system suppliers.
2. Identify an appropriate model for procurement policy implementation.
3. Connect to small and mid-sized farmers and producers.
4. Address important legal and implementation considerations.
5. Identify stakeholders and partners for advocacy.

1) Assess relationships between institutions and food system suppliers

Advocates must have a practical knowledge of existing local, state, and federal food procurement policies to provide lawmakers and public administrators with examples of how these policies work and benefit local food systems. There are several models for procurement policies, including:

- **The Contract Model:** In this scenario, a public agency, institution, or set of institutions contract out to external suppliers. This process usually takes on the form of a request for proposal (RFP) or invitation for bid (IFB) that is reliant upon a guiding set of principles for proposals and for the review process.
- **The Permit Model:** In this scenario, a healthy food retailer serving in official public spaces (municipal buildings, public parks, recreation centers) requires a permit.
- **The Grant Model:** Here, a public agency or institution providing financial support or resources to a non-governmental organization (NGO) or non-profit entity stipulates in the contract what types of food purchases can be made with these financial resources.

Advocates and stakeholders should identify the large institutional purchasers in their city, state, or region and determine the types of procurement models used by those institutions.



2) Identify appropriate model for procurement policy implementation

New procurement policies can take on a variety of different forms, including:

Procurement Model	Description	Examples
Targeted percentage of local food purchases	A percentage of all food purchases must be from sources within a geographic area (e.g. certain mile radius that defines “local”). This option could take the form of a targeted percentage of all food purchased by a given agency or institution and include additional requirements such as environmental sustainability, workforce initiatives and worker protection, nutrition standards, etc.	Illinois’s Local Food, Farms, Jobs Act of 2009 set a goal that by 2020 all state institutions purchase at least 20 percent of food from local sources, as defined by the legislation.
Mandated percent price preference	This model requires agencies to purchase locally-produced food when its price is within a designated percentage of the cost of similar food that is not sourced locally.	<p>In Alaska, any state entity or school district receiving state money must purchase its agricultural products from farms within the state as long as the in-state product costs no more than seven percent above similar out-of-state products and the in-state product is of the same quality. Known as the State of Alaska’s Local Purchasing Preference Statute, Local Agricultural and Fisheries Products Preference Statute (AS 36.15.050), or the “Seven Percent” statute and the Procurement Preference for State Agricultural and Fisheries Products (Sec. 29.71.040).</p> <p>In Massachusetts, state agencies purchasing agricultural products (defined to include processed foods and seafood) are required to prefer products grown in the state or products made using state-grown products. When given the choice between state and out-of-state produced products, state agencies are required to buy the local products as long as the prices are not more than 10 percent more expensive than the out of state option. (MASS. GEN. LAWS ch. 7, §23B (a and c)).</p>



Discretionary geographic price preference or general geographic preference	States would specify agency discretion to spend more on local products over out-of-state products using discretionary geographic preference laws.	In Montana , using a local food procurement statute, the state gives broad discretion to state institutions (including agencies, schools, prisons, universities, hospitals, etc.) to purchase state produced food directly from farmers and other producers rather than going through the standard procurement procedures in the state.
Resolution or Statement of Support for Local Purchasing	This option affirms the local jurisdiction's or state legislature's support of local food but does not mandate local preference. A resolution might set a targeted percentage goal towards which it encourages state agencies to commit.	In 2010, the Center for Environmental Farming Systems (CEFS) at North Carolina State and a number of partners launched North Carolina's "10% campaign," asking participants to commit spending 10 percent of food dollars locally with resources and tracking tools. Since 2010, the campaign has helped to direct a total of \$64 million towards local food purchases by 7,442 people and 976 businesses.



Other Strategies to Establish Geographic Preference

- Reduction of the price per unit of a certain amount or percentage for suppliers who commit to sourcing locally – subtracts points from the bids of suppliers who source locally.
- Awarding points on a sliding scale depending on percentage of products locally sourced by a bidder.
- “Tie goes to local” preference – if all other factors, such as quality, cost, and quantity, are equal, the state entity would purchase the local product over out-of-state products.

Additional Sources: [The Public Plate in New York City](#); [Local Food Procurement Policies by Puget Sound Regional Council](#); [North American Food Sector, Part 2: A Roadmap for City Food Sector Innovation and Investment](#); [New English Food Policy: Building a Sustainable Food System](#); [Local Food for Local Government](#); [Understanding Healthy Procurement](#); and [Putting State Food Policy to Work for Our Communities](#).

At the state level, these types of procurement policies are often enacted through the following policy actions:

- **Governor Executive Order**

- Massachusetts Governor Deval Patrick signed [Executive Order 509](#) in 2009, mandating that all food purchased by state agencies or sold on state property must adhere to certain nutrition standards.
- In 2010, Tennessee Governor Phil Bredesen issued [Executive Order No. 69](#), “an order promoting healthy food and beverage options in state public facilities,” which sets nutritional,

labeling, and pricing standards for food, beverage, and vending options sold in facilities within the executive state government.

- In 2010, New York Governor David A. Paterson signed [Executive Order No. 39](#), “establishing State Policies for the Promotion of Sustainable Local Farms and the Protection of Agricultural Lands,” which further encouraged state agencies to purchase New York-grown produce “where feasible and without increased cost of burden....to increase the proportion of their total food purchases comprised of locally grown food.”

- **State Legislation**

- Under the [State of Alaska’s](#) Local Purchasing Preference Statute, [Local Agricultural and Fisheries Products Preference Statute](#) (AS 36.15.050), or the “Seven Percent” statute and the Procurement Preference for State Agricultural and Fisheries Products (Sec. 29.71.040), any state entity or school district receiving state money must purchase its agricultural products from farms within the state as long as the in-state product costs no more than seven percent above similar out-of-state products and the in-state product is of the same quality.
- During **Vermont’s** 2009 legislative session, public policy organizations and state legislators worked to gain legislative approval for the establishment of the Farm to Plate Investment Program (F2P), with the aim of building sustainable local and regional food systems. In May 2009, the program was approved by both the Senate and House and finally signed into law by Governor Douglas: [Sec. 35. 10 V.S.A. chapter 15A § 330](#). In 2012, the [State Farm to Plate \(F2P\) Strategic Plan](#) was released, outlining the legislation’s goals of increasing the economic development of the state’s food and farm sector, creating jobs in the food and farm economy, and improving access of healthy local foods. One key objective under “Regulation and Public Policy Strategies – 3.3. Production” is “to increase local food consumption at state-owned institutions and facilities with food service by sourcing as much locally produced and fresh food as possible.” The plan instructs that existing state policy (Act 38, 2007) be enforced, directing the Agency of Agriculture Food & Markets, the Agency of Administration, and the Department of Buildings and General Services to develop a system of local food and dairy purchasing within state government and government-sponsored entities. Additional recommendations include applying this provision to businesses with food service that lease large parcels of real estate and/or receive significant funding from the state and encouraging farming on public lands that are adjacent to public facilities.
- **New Hampshire** recently passed its own Granite State Farm to Plate law on August 1, 2014 with the goal of supporting local food producers, farmers, and fisheries and strengthening local, state, and regional food systems. The law, under [Title XL, Chapter 425, Section 425:2-1](#), affirms the state’s commitment to “encourage and support” local farming and fishing and outlines a set of principles that public agencies and local governments should consider for future agricultural and food policies. The legislation does not include funding or a mandate involving geographic preference, but is a first step in aligning government procurement towards local producers.



- In addition to Executive Order 39, [New York State](#) Finance Law, Section 165.4a, and the General Municipal Law, Section 103, Subdivision 8-a “allows state agency, local government, and school district contracts to require that food be grown, produced, or harvested” in the state.
- In [Massachusetts](#), state law (General Laws, Chapter 7, Section 23B) requires state agencies and institutions of higher education (colleges and universities) to apply a preference for locally and state grown “agriculture products.” State agencies are required to purchase food grown within the state, unless the price is more than 10 percent higher than the price of an equivalent, but out-of-state product

• **State or Local Resolution or Statement of Support for Local Purchasing**

- While not enacting legislation, a [resolution](#) can affirm state support for local purchasing by encouraging – but not mandating – public agencies and the private sector to purchase a quantified percentage of local food.
- [Food Policy Councils](#) at the state or local level can encourage local procurement by pushing resolutions or adoption of procurement policies. The Los Angeles Food Policy Council implemented and encouraged the city of Los Angeles and Los Angeles Unified School District to adopt a [Good Food Purchasing Program](#) with dramatic effects to the regions local economy.



3) Connect to small and mid-sized farmers and producers

While connecting with established farmers will ensure consistent produce to serve institutional needs, consider reaching out to smaller farmers and working to grow their capacity. Aggregating produce from several farmers in a food hub model can help support this smaller production farms and allow them to grow and benefit from local food procurement policies. Similarly survey smaller distributors and entrepreneurs of color and determine how local procurement policies can better grow and support their businesses.

4) Address important legal and implementation considerations

When beginning to think about local food procurement policy adoption and implementation, it is necessary to understand legal considerations.

Legal Considerations

- **Agencies must follow the most restrictive procurement law.** In some cases federal law may offer guidelines for geographic preference, but state or city regulation may require or mandate a certain percentage. In general, federal law grants permission to use geographic preference, but does not mandate it.
- **Federal law does not define “local”** (e.g., specific mile radius). It is up to the municipality to determine the definition of local. The preference may be applied to products themselves and not the location of the bidding firm. Federal law around geographic preference may not be applied to products that are cooked, heated, canned, or have additives or fillers.

- **Food safety and nutrition regulations.** Food served in public institutions must meet food safety and food handling regulations.
- While some have made [legal challenges that geographic preference is not permitted](#) based on interpretations of the Commerce Clause of the U.S. Constitution, which implies states cannot impose laws that discriminate food from other localities, the federal government has interpreted the Commerce Clause to not prohibit geographic preference. For instance, institutions participating in federal programs, such as the Child and Adult Care Food Program, Summer Food Service Program, Department of Defense Fresh Program, etc. can “apply an optional geographic reference in the procurement of unprocessed locally grown or locally raised agricultural products.”
- Additional considerations
 - **Degree of centralization of food service.** Some state agencies have direct control over procurement policies while other decisions are more decentralized, such as among day care workers. These smaller sites may be able to better prioritize local preference for food purchasing, compared to a more centralized system.
 - **Consumer and stakeholder preferences.** It is essential that the community is included in every step of the procurement policy adoption and implementation process to ensure local food procurement is meeting the needs of the community, workers, and consumers it aims to serve.
 - Policies involving public procurement of local food have been presented as **part of larger, more comprehensive food system-wide** plans to address full range of food system issues, including agricultural viability, food insecurity, planning and zoning policy reform, and environmental and economic/business development.
 - **Capacity building and skills training.** Farmer, aggregator, and distributor training and direct exposure to selling to institutional markets are recommended. This could include field visits to programs, targeted technical assistance institutional specifications, production/handling, liability insurance, and more.



5) *Identify stakeholders and partners for advocacy*

Key Players

Creating, adopting, and implementing a local procurement policy requires the buy-in from many different stakeholders representing the entire food system as well as local government, NGOs, community leaders, among others. The following is a list of types of entities to include in local procurement policy planning.

Stakeholders to Engage in Procurement:

- State and local policymakers: elected and appointed officials, county and city health officials
- Task force and/or food policy councils
- Local farmers and growers
- Local residents and consumers
- Producers and distributors that support local growers
- Food entrepreneurs
- Labor organizations
- National and state policy organizations
- Community-based organizations
- Community residents and farmers



National Organizations: National organizations offer resources and technical support around local procurement, such as the development of a buy local campaign or healthy procurement nutrition standards.

- The [National Association of State Procurement Officials](#) is an American nonprofit association formed by the top procurement officials for the 50 states and Washington, D.C. They offer an in-depth resource, [State and Local Government Procurement: A Practical Guide](#), which examines the role of state and local procurement officials.
- [FoodRoutes Network](#) is a nonprofit organization that provides communications tools, technical support, networking, and information resources to organizations nationwide that are working to rebuild local, community-based food systems. They support the development of Buy Fresh Buy Local® chapter and other “buy local” campaigns and marketing efforts.
- [ChangeLab Solutions](#) offers research and technical knowledge in local procurement and healthy procurement. They produced the report, [Understanding Healthy Procurement: Using Government’s Purchasing Power to Increase Access to Healthy Food](#).

State and Local Organizations

- **Food Policy Councils:** City and county food policy councils comprise of diverse stakeholders and government officials and are charged with examining and supporting their local food system. They offer recommendations on food policy changes, which can include local food procurement policies, often as part of a comprehensive food systems-wide strategy. Examples include [Los Angeles](#), [Oakland](#), [Dane County](#) (Wisconsin), and [Cabarrus County](#) (North Carolina) Food Policy Councils. For more information about food policy councils see the [Johns Hopkins Center for a Livable Future](#).

Additional Organizations Involved in Healthy Procurement: Advocacy efforts in this arena may complement the development of local purchasing policy.

- CDC's [National Center for Chronic Disease Prevention and Health Promotion](#) developed a comprehensive resource on healthy procurement: [Improving the Food Environment through Nutrition Standards: A Guide for Government Procurement](#).
- The [Center for Science in the Public Interest](#) has developed fact sheets on government healthy procurement.
- Also see: [American Academy of Pediatrics](#), and [American Heart Association](#), and [Yale Rudd Food Policy Center](#).



Challenges

Equitable local government procurement can lead to a range of positive benefits. However, because procurement involves multiple stakeholders and necessitates institutional resources, support, and infrastructure, the process for creating and implementing a new procurement policy can face challenges, including the following:

- **Sourcing and communication between farmers and institutional buyers.** Starting points for institutions to identify and connect with local farmers and lack of knowledge among smaller farmers about connecting with institutional buyers (regional [food hubs](#) have served as a promising solution).
- **Cost and logistical considerations.** Fresh, whole foods generally cost more than pre-packaged food served in public institutional settings. Potential increased cost for skilled labor to prepare food and finding the right price point can be challenging. In addition, seasonality and limited growing seasons can make it difficult for some local farmers to meet institutional buyers' needs.
- **Lack of capacity, infrastructure, and resources.** It is often difficult for smaller farmers to meet institutional buyers' needs and navigate the bidding and contracting processes of public institution buyers. Smaller farmers also often lack the necessary infrastructure including proper processing, storage, and distribution facilities and equipment to meet institutional needs.

Success Factors

Local and state government agencies are continuing to demonstrate that implementing a local procurement policy is not only possible, but can also have a positive impact for many stakeholders and members of a community. Strategies for elevating a good procurement policy into a great and equitable one include the following.

- **Build a diverse coalition of advocates, supporters, and champions.**
- **Prioritize community engagement and ensure community inclusion throughout the entire process.**
- **Find the right local procurement model to meet the needs of your city, state, or region.**
- **Make the case for local procurement.**
- **Invest resources into developing equity metrics to gauge success and areas needing improvement.**



Highlights

Local Procurement: Los Angeles Good Food Purchasing Pledge

In Los Angeles, the LA Food Policy Council established the [Good Food Purchasing Pledge](#) (GFPP), which commits major institutions to a set of values-driven purchasing guidelines that center on sustainably produced food and valued workforce. Developed in 2012 through a process that engaged over 100 stakeholders, both the city of Los Angeles and the Los Angeles Unified School District (LAUSD) adopted the GFPP, and LAUSD's participation in the program has already redirected \$12 million worth of produce sales into the local economy.

State Procurement: Vermont FarmToPlate

During Vermont's 2009 legislative session, public policy organizations and state legislators worked to gain legislative approval for the establishment of the Farm to Plate Investment Program (F2P), with the aim of building sustainable local and regional food systems. In May 2009, the program was approved by both Senate and the House and finally signed into law by Governor Douglas: [Sec. 35. 10 V.S.A. chapter 15A § 330](#). In 2012, the [State Farm to Plate \(F2P\) Strategic Plan](#) was released, outlining the legislation's goals of increasing the economic development of the state's food and farm sector, creating jobs in the food and farm economy, and improving access of healthy local foods. One key objective under "Regulation and Public Policy Strategies – 3.3. Production" is "to increase local food consumption at state-owned institutions and facilities with food service by sourcing as much locally produced and fresh food as possible." The plan instructs that existing state policy (Act 38, 2007) be enforced, directing the Agency of Agriculture Food & Markets, the Agency of Administration, and the Department of Buildings and General Services to develop a system of local food and dairy purchasing within state government and government-

sponsored entities. Additional recommendations include applying this provision to businesses with food service that lease large parcels of real estate and/or receive significant funding from the state and encourage farming on public lands that are adjacent to public facilities.

Resources

Organizations

[Community Alliance with Family Farmers](#)

[Farm to Institution New York State](#)

[FoodRoutes Network](#)

[National Association of State Procurement Officials](#)

[National Sustainable Agriculture Coalition](#)

[Roots of Change](#)

[Rural Vermont](#)

[Vermont Businesses for Social Responsibility](#)

[Vermont Sustainable Agriculture Council](#)

[Vermont Sustainable Jobs Fund](#)

Model Policies and Programs

[Los Angeles Good Food Purchasing Pledge](#)

[Vermont Farm-to-Plate Program](#)

Readings and Reports

[The Baltimore Sustainability Plan](#), Baltimore City Department of Planning.

[Farm to Institution: Creating Access to Healthy Local and Regional Foods](#), Harris, D. et al. *Advances in Nutrition*, 3 (2012): 343–349.

[*Implementing Local and Sustainable Food Programs in California Hospitals*](#), Community Alliance with Family Farmers and San Francisco Physicians for Social Responsibility, 2009.

[*Innovations in Local Food Enterprise: Fresh ideas for a just and profitable food system*](#), Healthy Urban Food Enterprise Development Center, Wallace Center at Winrock International.

[*Local Food Procurement Policies*](#), Puget Sound Regional Council.

[*Local Food for Local Government*](#), ChangeLab Solutions, 2012.

[*New England Food Policy: Building a Sustainable Food System*](#), American Farmland Trust and Conservation Law Foundation, 2014.

[*North American Food Sector, Part 2: A Roadmap for City Food Sector Innovation and Investment*](#), Wallace Center at Winrock International, 2013.

[*Good Laws, Good Food: Putting State Food Policy to Work for Our Communities*](#), Harvard Food Law and Policy Clinic, 2012.

[*State and Local Government Procurement: A Practical Guide*](#), National Association of State Procurement Officials

[*The Public Plate in New York City: A Guide to Institutional Meals*](#), New York City Food Policy Center at Hunter College, 2014.

[*Understanding Healthy Procurement: Using Government's Purchasing Power to Increase Access to Healthy Food*](#), ChangeLab Solutions, 2011.

[*Sustainable Food Purchasing Guide*](#), Yale Sustainable Food Project, 2008.

