

National Programme on Nutrition and Health Enhancing Physical Activity 2015–2025



BP 12: USING PUBLIC PROCUREMENT TO SUPPORT HEALTHY DIETS

Food procurement in public institutions in Slovenia – Procurement tool for effective in intersectoral work

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SG PP Marketplace Workshop on N&PA BP 15th-16th March 2018, JRC - Ispra







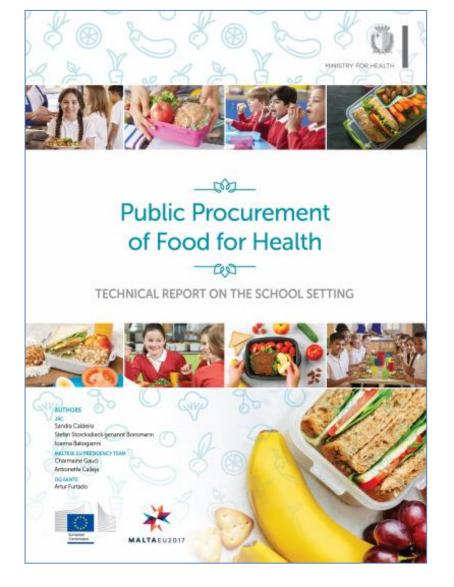
Outline of the presentation:

- 1. Short EU context
- 2. Description of Slovene experience
- 3. Possible replication/expansion and joint developmnet of the approach
- 4. Q&A











Council conclusions

https://ec.europa.eu/jrc/sites/jrcsh/files/public-procurement-food-health-technical-report.pdf







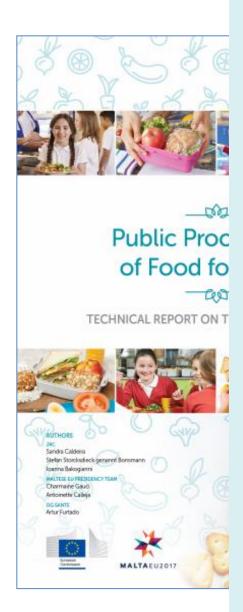


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Executive Summary



An urgent call to action

Childhood and adolescence are periods of development when establishing healthful diet and lifestyle habits is essential. A look at the current prevalence rates of overweight (approx. 15%) and obesity (approx. 5%) among children and youths in the EU shows an urgent need for improvement. Considering the amount of time that children spend at school, as well as the fact that in many European countries students consume at least one daily main meal there, schools are an ideal environment for supporting healthy behaviours.

It is laudable that all EU Member States have school food policies and guidelines in place to define healthy diets and nutritious food offerings. The implementation of such policies through a procurement process for school food that is health-sensitive can have a number of both short- and long-term benefits. These include improved student health and performance at school, increased societal awareness about the links between food and health, and reduced healthcare costs. It can also help steer the market and create economies of scale and spill-over effects in other sectors or age groups.

Benefits of public procurement of food for health

- · Increased availability and accessibility to nutritious and safe food
- Improved dietary habits and reduced incidence of childhood obesity and overweight
- Positive effects on school attendance and performance
- Minimisation of health inequalities
- Development of health-minded children and schools

Harnessing the power of public procurement of food for health

At an estimated €82 billion, the European social food service market is sizeable in both reach and force. Progressive and targeted public procurement of food for health can reward food business operators who provide nutritionally balanced meals and food products, prompting innovation, food reformulation and social responsibility to achieve better diets and positively impact public health. In fact, success stories are already visible, with articles about the health benefits of better school food provision via procurement beginning to emerge in the scientific literature. Another favourable trend is that schools have been quick to apply green public procurement criteria. The same forward-thinking and flexibility should be expected and promoted for public procurement of food for health.



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Executive Summary



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Public procurements in Slovenia







Trigger of change – window of opportunity

- Transposed EU legislation on public procurement in introduced exemption in the national legislative context (ZJN-3);
- "Contracting authorities may conduct public tender for excluded sets
 of foods without respecting the procedures in this Act, if the value of
 excluded sets (per set) without VAT is lower than 80.000,00 € for
 goods or services but overall value of the excluded sets shall not
 exceed 20 % of the total value of all sets to which the of similar
 goods and services has been distributed";
- Main challenge, triggering change: market analysis with the aim of identification the offer for those 20 % - how to identify and categorize foods and how to identify producers and distributors; green procurement regulation was supportive element;
- Different stakeholders identified joint intereses and common benefits if food categories would be defined and clearly and transparently described







Exemption of 20 %

Slovenia the only MS utilising an exemption in public procurement Directive to achieve short food chains, since 2012

- from each lot (food group) up to 80.000 EUR/year of food articles may be excluded; and
- food articles excluded from all lots may represent up to 20 % of total value of all food procurement of that procuring entity;

Added value for EU:

To support the food self-sufficiency rate to the reasonable extent in EU member states;

Self sufficinency rates important in times of natural disasters and crises; Investment in human capital in rural areas;

Rural development and decreasing inequalities;

Maintainance of the arable land - secondary succession on abandoned agricultural lands /grassland;

Food sustainability – upcoming issue in public procurement;







DESCRIPTION OF THE SITUATION IN SLOVENIA



School nutrition – MOH, MESS, MLFSA

School nutrition in Slovenia well established and successful for decades, School nutrition law (last amendment in **2013**, MESS);

- mandatory provision of school meals; Nutrition guidelines are defined by law
- (mainly) public kitchens in all primary schools, up to four fresh prepared meals per day;

Universal proportionalizem (MLFSA, MESS)

- meals subsidized up to 60 % (mid morning snack) and 28% (lunch)

Public procurement - MPA, MESS, MLFSA, MAFF, MoH

- is rather fragmented in Slovenia (more then 3.000 procuring entities per 2 mio state inhabitants);
- all public procurement amounts to almost 4.000 mio EUR per year; represents 8.8 % GDP;
- Public contracts for food represent a bit less then 6 % of all public procurement in Slovenia; in spite of that MPA understand food public procurement as an important segment of national public procurement contracting (cases and value)
- MoH Food procurement guidelines since 2008, revision needed







Intersectoral challenges (1)

Ministry of Public Administration

Coordinator of school food public procurement activity in Slovenia – intersectoral working group established.

- Free movement of goods obligations of EU legislation;
- Since 2010 offered food articles must be evaluated (compared) also by quality not just price criteria;
- Slovenia the only MS utilising an exemption in public procurement Directive to support short food chains, since 2012
- 10 % of purchased food must be organic in line with national Regulation on Green Public Procurement (might increase import from third countries);

Ministry of Agriculture, Forestry and Food

Good intersectoral cooperation established via School fruit scheme.

Local sustainable food suply national priority in NP-NPAH 2015-25, linked with rural development strategy:

How to source local foods/regional products in food public procurement without breaching the principle of free movement of goods?

How to build **short food chains** (from farm to fork) and incorporate local food in school food procurement in a non-discriminatory manner?







Intersectoral challenges (2)

Ministry of Education, Science and Sport

The school system - its core task (teaching) is overloaded with other tasks, school nutrition is one of them;

- Human resources:
 - The same person is responsible for food supply (food procurement) and for teaching in school – limited knowledge, skills and time capacities
 - schools have difficulties rejecting delivered food as they have to offer meal till noon; stocks are very limited; clear guidelines and knowledge capacities for rejection foods missing
- High and increasing take-up of meals (capacities),
- National regulation defines (relatively low subsidized) price of school meals.

Ministry of Health

Coordination of the National action plan on nutrition and physical activity 2015-25 within HiAP, food procurement in all public settings important action;

Issue school nutrition guidelines;

Participate in preparation of the guidelines for public procurement; Considering inequalities.







Intersectoral challenges (3)

Chamber of Commerce and Industry of Slovenia

Participating in seeking for solutins.

- school staff don't have knowledge how to efficiently order quality food (for instance "tuna" has to be described according to quality criteria) - Catalogue of food products missing
- hygiene criteria to be included;
- interest mix has to be considered;

Other stakeholders

Complex problem / "spoiled-choosy" children -> parents in Slovenia intervene a lot with the implementation of the nutrition programme in schools;

(digital) marketing pressure a huge hidden issue.







SUMMARY Issues

Supplier

Time of delivery,

Specific items require additional purchase - uncompetitiveness

Only criteria = price (stimulate import)

Ratio price vs quality \rightarrow 90:10 (should be changed in right direction, 80:20)

Institution (e.g. school)

Preparation of tender documentation for public procurement

• knowledge, qualification, ...

Big institutions – large amount of supplies, storage capacity

Resolving complaints

Support

•Management/lead, municipality

Questionable quality of product







Developing harmonized solutions in intersectoral working group







Possible solutions (1)

Establishment of the **intersectoral working group**: public administration, agriculture, education, public health, economic development and technology (in broader group including Agriculture chamber and Chamber of commerce and industries as the umbrella organizations).

Systematic/institutionalized approach -> action plan

Market research and very practical flexible cataloug of foods - list and description of products, available on the market; categorization of products;

Definition of simple measurable quality criteria for food products,

Share examples of relevant procurement tenders that have addressed the standards - preparation of procurements templates.

Educational training (skills) for institutions and individual workers, Training of local primary producers, too; stronger **role of cooporatives**; Seasonal calendars







Bad practice(s) in the past were identified

- too comprehensive sets,
- the defined amount of food in the public contract is not realized,
- ordering of "non-standard products," (mass, volume, packaging, ingredients,...)
- defining requirements for additional services (plastic cutlery, straws,...)
- price dumping ect.

Summary: main problems were not legislative issues but content issues







Starting points for problem solving

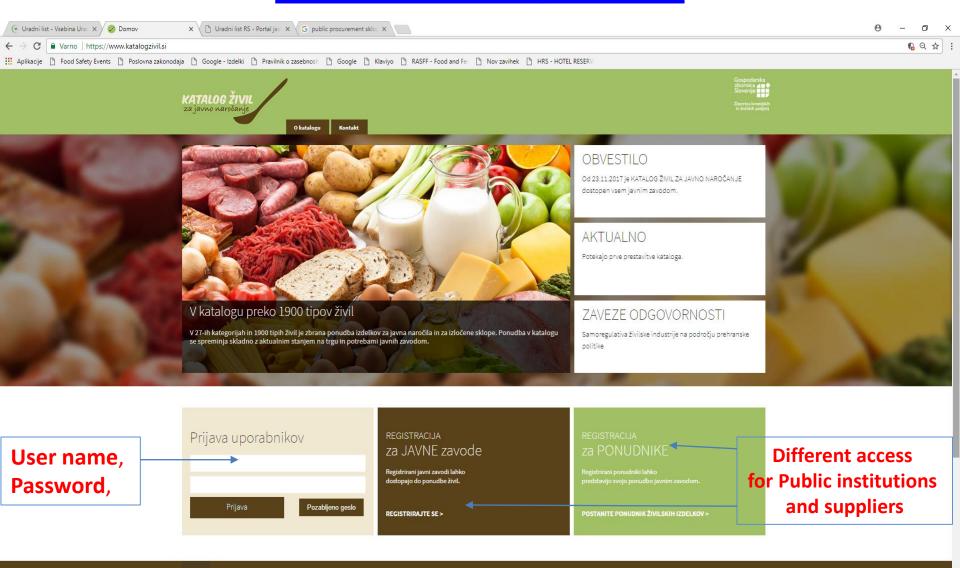
- Gathering of problems in public procurement (on the side of contracting authorities and suppliers),
- review of abuses in the public procurement procedure,
- defining lists of food products for schools including data of mass, volume, nutritional value, allergens,...
- Cooperation in local projects to get familiar with the practices regarding public procurement procedures in different public institution (hospital, schools, kindergarten, retirement home)
- Workshops for exchanging of information with the Ministry of Agriculture, Ministry of Health, Ministry of Education, National Institute of Public Health,...
- Organizing events to present of good and bad practices between different public tendering stakeholders.







www.katalogzivil.si





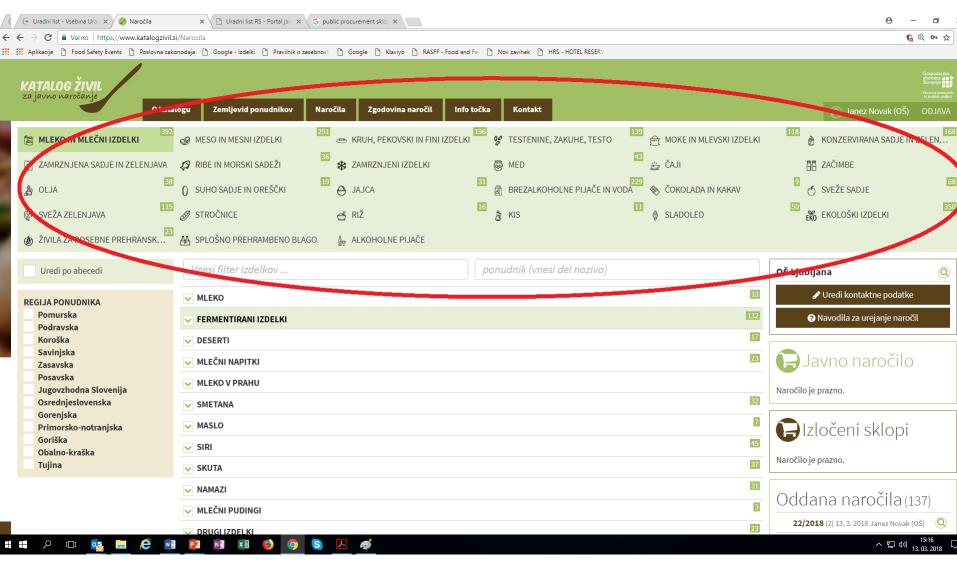
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Categories! of food products

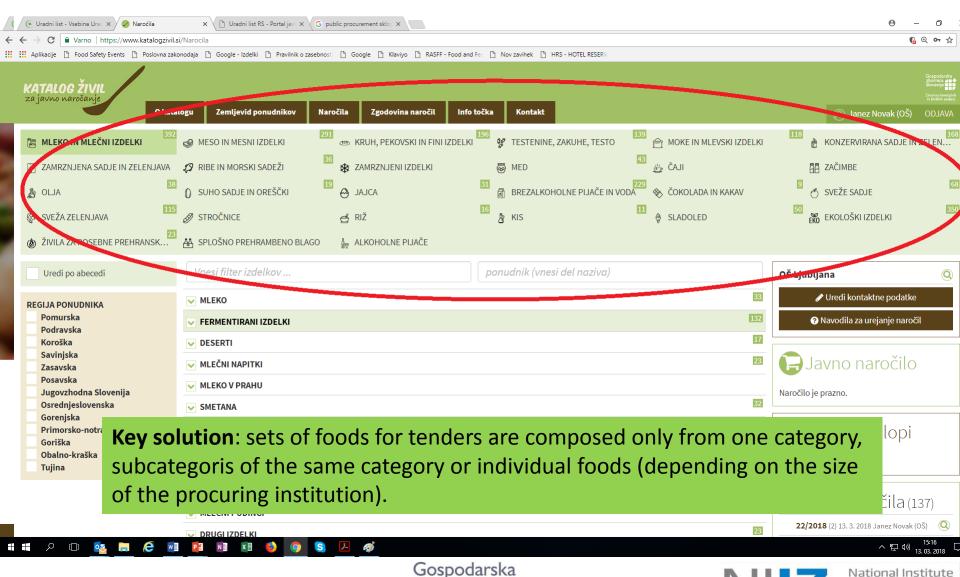








Categories! of food products



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Slovenije

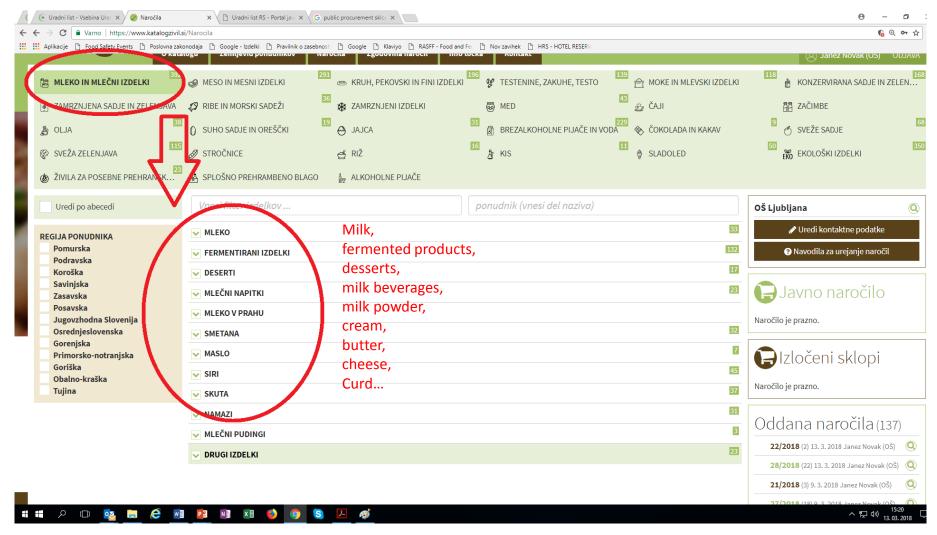
REPUBLIC OF SLOVENIA

MINISTRY OF HEALTH

National Institute

of Public Health

Choose categorie (for example milk and milk products) and you get opened subcategories

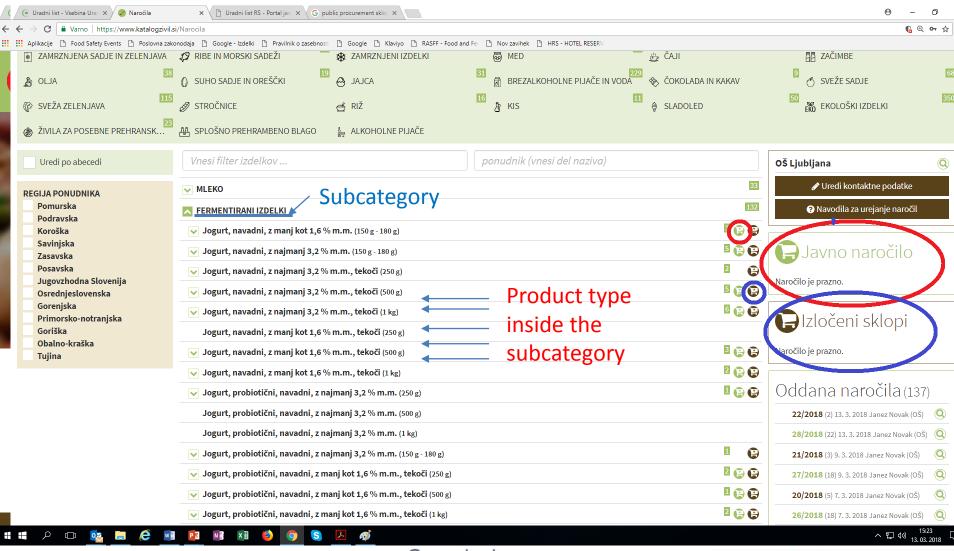








- 1. Choose the subcategory and you get opened product types
- 2.Choose the green basket for design public tender or choose brown basket to design excluded sets

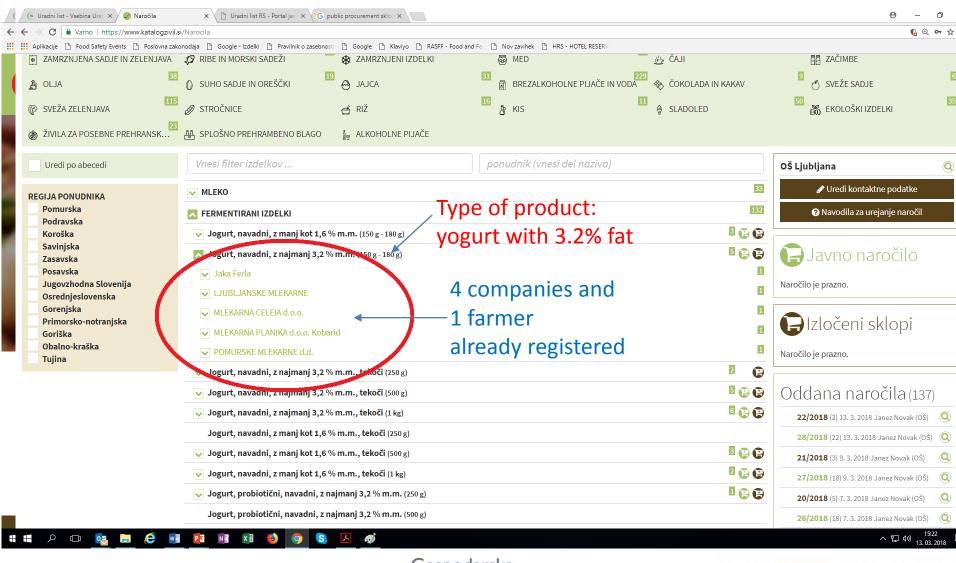








Choose the product type and you get suppliers already registered



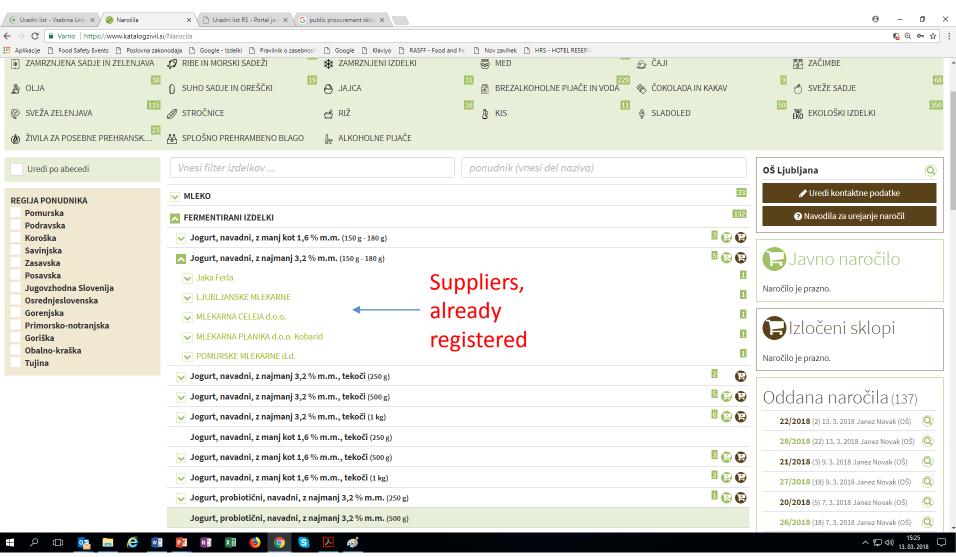






National Institute of **Public Health**

Choose the product supplier and you get his products!



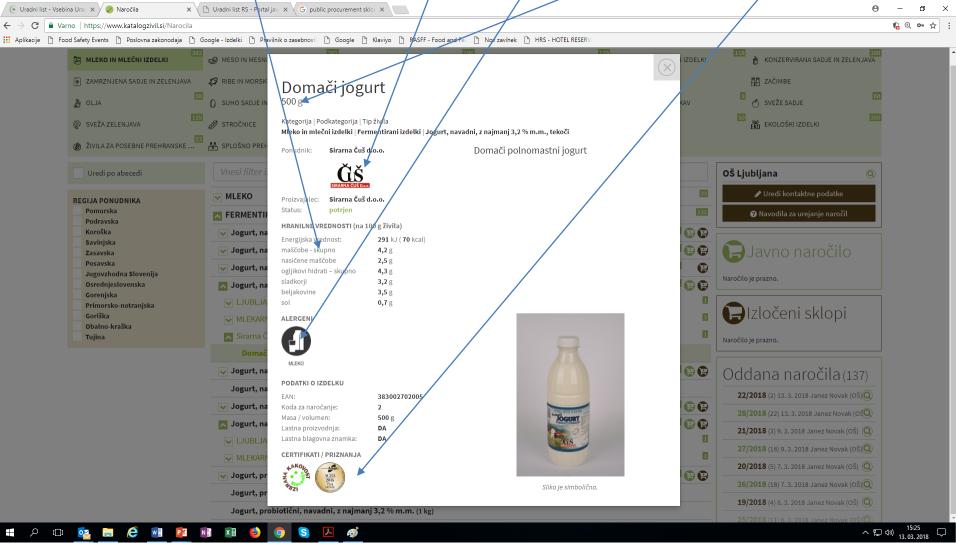








Home made yogurt, data of supplier, quantity (kg, l, item), nutrition value, allergens, quality schemes...

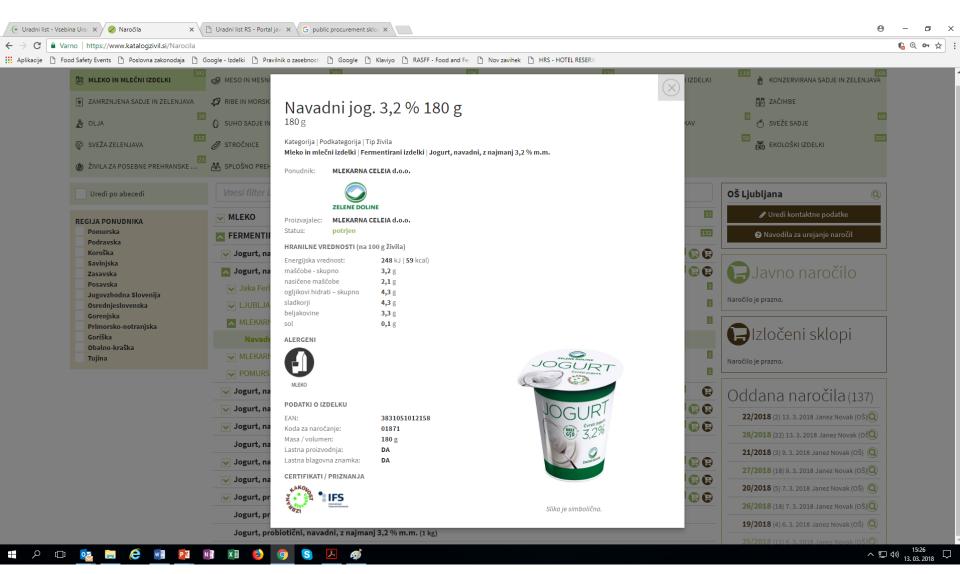








Yogurt, 3.2% fat, 180 g

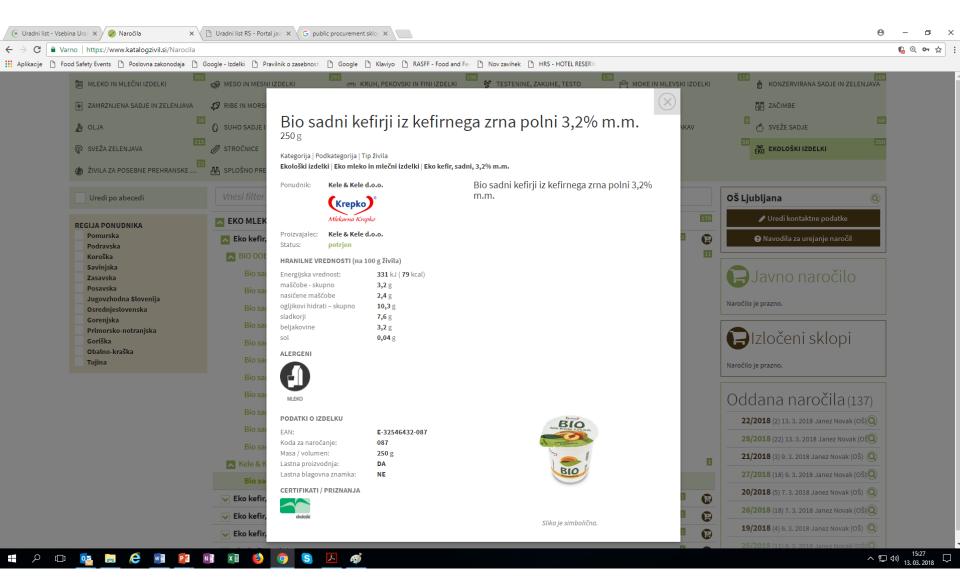








Organic fruit kefir from kefir grains, 3.2% fat, 250 g

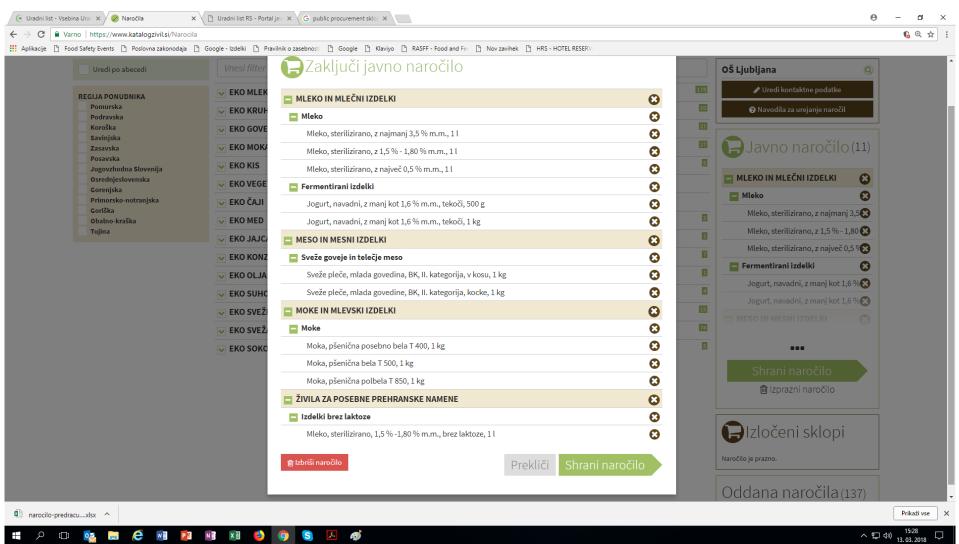








Conclude the procedure for shaping public procurement (green basket)

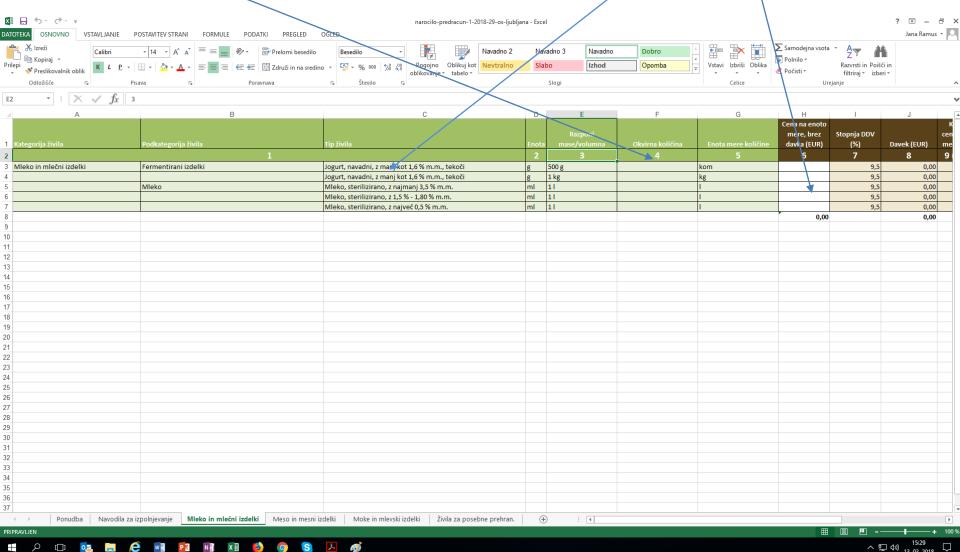








Export data to an excel table, form sets and add amounts of food you needed, add prices

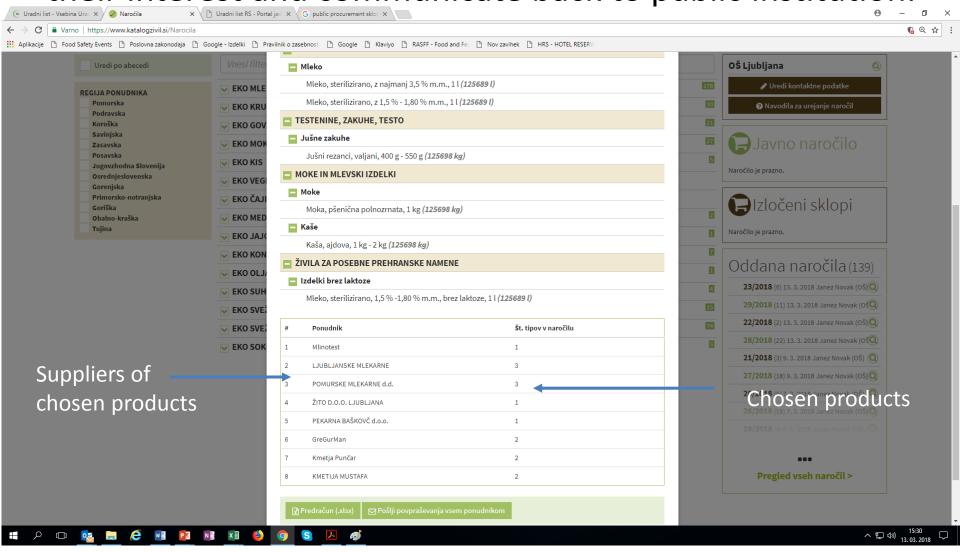




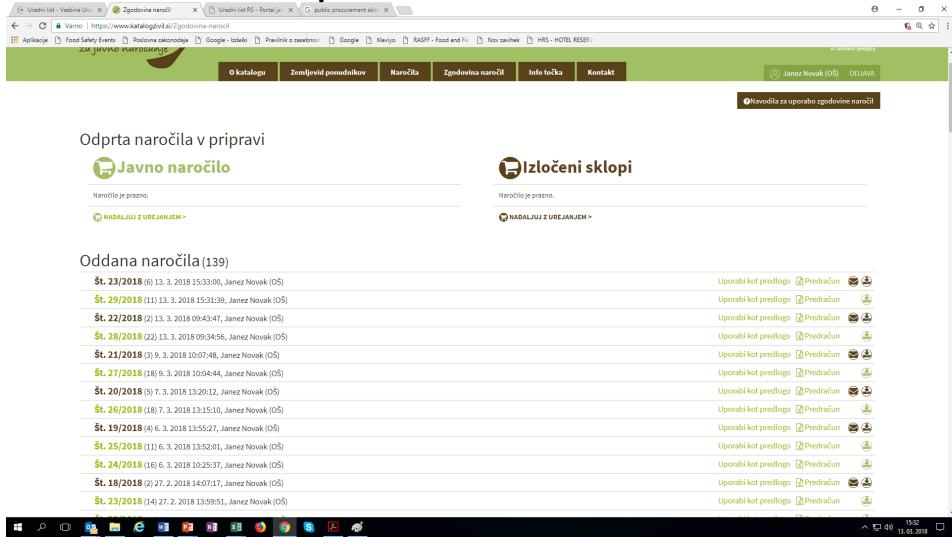




After selecting food products for excluded sets, you can close brown basket and the suppliers of chosen products automatically receive a demand via e-mail and can confirm their interest and communicate back to public institution.



History – can be used again for the next procurement









BENEFITS FOR PUBLIC INSTITUTIONS

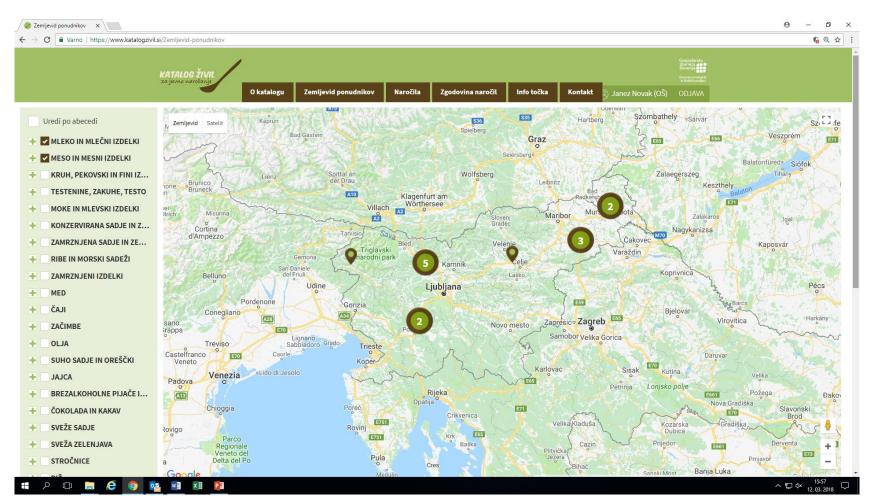
- market analysis of potential suppliers and their food products,
- selecting and exporting of selected correct named food products, with set mass or volume data,
- forming sets in a frame of each food category,
- **setting of award criteria** (price, EU + national + private scheme, distance between public institution and supplier,...), not just price!
- forming of excluded sets,
- Using transparent information about nutrition value, allergens and implemented quality schemes.
- Google map about potentional suppliers and their products.







Google map about potentional suppliers and their products









Developed web tool for public tender stakeholders

On 23. of November 2017 all public institutions in Slovenia received access code for this web tool (Catalogue of food products for public tenders),

Statistic since November 2017 to March 2018:

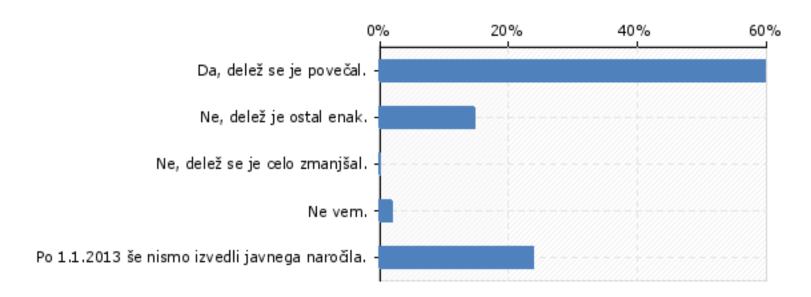
- 754 registrations of public institutions,
- 263 public institutions already use tool out of approx 800,
- 67 concluded tenders,
- 2246 food products of 114 producers (food industry producers, farmers, cooperatives).
- Broad range of uprgades planned in the next years







Short food chains since 2012



60 % of schools have increased the share of locally produced foods in public procurements since 2012

Source: MAFF and NIPH, web survey 2016







BENEFITS FOR SUPPLIERS

- Identity card of the supplier and contact data —
 presentation to the public food procuring institutions
- Presentation od food products with descriptions including nutritional value, allergens and quality schemes,
- Providing information about demand of 20 % excluded sets from public institutions (automaticly generated emails)
- Quick information exchange about modification of offered food products – incentive for reformulation,
- Google map of contract expired dates of public institutions.







Potentional upgrades of web tool

- Data transfer to material bookkeeping applications,
- Data transfer to nutrition management applications (recipes, design and evaluation of menus),
- Data transfer to logistic management applications,
- Data transfer to tender assessment application (award criteria- price, distance, quality schemes),
- Statistics upgrades.

Basic tool for Single dynamic purchasing system







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Possible solutions (2)

- »Public Procurement Single dynamic purchasing system for all schools, developed and maintained by the MESS/Government«, tested for the future
 - only verified suppliers (taxes, criminal offences, liquidity) and verified food articles (certification) may enter the system
 - each procuring entity will open competition amongst qualified supplies for each purchasing order or time period







Possible solutions (3)

Enforcement of contractual penalties and contract termination in practice in public kitchens (to enable kitchen staff to reject low quality food)

Linking smaller number of schools in local comunity, use of local comunity legislative services.

Privat providers in public schools should be transparent, with similar obligations as valid for public schools; public versus private – huge differences in administrative and other burdens







Highlights from the experience – Slovene perspective

- Defining food categories, criteria and practical conditions to increase the quality of purchased foods
- Linking sectors, engaging stakeholders
- Understanding of the EU law

Possible replication/expansion – Slovene perspective:

- develop/adapt /adopt guidelines for procurement ,
- develop/adapt/adopt a template contract plus procure via a webbased e-Gov tool
- link the e-Gov tool with the tools of different sectors to compose an unified, more transparent, cost efficient model, enabling provision of high standard foody to the pulic foos procuring sistem
- Networking at the EU level is essential; EU added value







Costs and benefits

Costs:

Visit to Slovenia plus follow up visit(s) – team of people with IT, public procurement, food technology, dietetics, logistic and market knowledge (travel, accomodation); P/M for Slovene team

Translation of the tool to the national language (20. – 30.000 Eur?)

Implementation at the national level: approx. 5 people working on the food database of food products, available on the market

Benefits:

Increased transparency and links of different sectoral procedures and tools, substantial lowering of time, needed for procuring foods, far less staff needed in public institutions,

higher quality of foods in public kitchens, driver of reformulation, support to farmers and rural development, supporting care for environment,

healthy children and future workforce of EU









National Programme on Nutrition and Health Enhancing Physical Activity 2015–2025

Q&A Clarifications needed? Are you interested?





