

Procurement approach

This purchase procedure was carried out by SCR S.p.a. on behalf of the 12 Health Authorities belonging to the Piedmont Region. SCR S.p.A. has been identified as an aggregator with the task of stipulating agreements for the purchase of certain categories of works, goods and services for the public bodies of the Piedmont Region, in order to create economies of scale and reduce procurement costs. SCR S.p.a. collaborates with the Metropolitan City of Turin and ARPA Piemonte within the APE Network.

The new Italian Procurement Code stipulates mandatory minimum environmental criteria (CAM) for some categories, including collective catering services and the supply of food.

The tender is divided into the following 6 geographical lots covering a large part of the regional territory:

Lots	Hospitals Names	Province	Tender maximum based value	Number of annual meals	Number of months + renewal	Cook method
1	Città della Salute	Torino	€ 102,441,860.65	2,019,680	84 + 24	Cook and chill
2	Mauriziano e Martini	Torino	€ 44,299,547.05	959,494	75 + 24	Cook and freeze
3	ASL TO3 e TO5	Torino	€ 58,466,657.72	1,274,547	77 + 24	Cook and chill
4	ASL TO4	Torino	€ 59,828,862.14	1,179,852	84 + 24	Cook and chill
5	ASL AL, Maggiore e ASL NO	Alessandria e Novara	€ 65,822,883.13	1,439,438	84 + 24	Cook and freeze
6	ASL VCO e ASL VC	Verbania e Vercelli	€ 40,885,528.74	799,337	84 + 24	Cook and chill
TOTAL			€ 371,745,339.43	7,672,348		

ASL: Local Health Authority .

The maximum value estimated for each lot, including the optional two-year renewal period, was calculated on the basis of the reference prices of the catering service in the healthcare sector.

The contract will be valid and in effect until 31/12/2025.

The announcement was published by SCR Piedmont on 30 December 2017 in the Official Journal of the EU. Tenders must be received by 11/05/2018.

The award will be based on the most economically advantageous bid, identified on the basis of the best quality / price ratio. The score will be expressed in numbers up to two decimal places, with a maximum score of 100 points (split between a maximum of 70 points for the technical offer, and 30 points for the economic offer).

Joint Procurement

SCR Piemonte S.p.A., a fully owned capital company of the Piedmont Region, aims to rationalise public spending and optimise the procedures for selecting contractors for regional tenders. Each of the Health and Hospital Authorities will use the centralised agreement to stipulate its contract with the chosen economic operator.

INNOVATIVE SOLUTION

This is the first experience of a single high value competition for different hospitals, which considers both environmental specifications and economic value .

The "Joint Procurement" approach was applied for several reasons:

- to reduce administrative costs for participating organisations,
- to obtain reductions in the price of the supply and service (i.e. achieve economies of scale), and
- to collectively send a strong demand signal to the catering market.

Needs Analysis

For the drafting of the announcement a working group was set up, coordinated by SCR, with the representatives of all the hospitals the previous contract managers, in order to analyse the tenders in place and rationalise the distribution of meals according to geographical area. More focus was placed on refrigerated meals (four out of six batches), while the traditional "fresh and hot" system was maintained in two lots.

The choice of the cooking method was made by the individual Contracting Administrations (and was made with regards to the suitability of the location or already owned equipment and other related investments).

Market engagement

The economic operators in the sector were involved in two preliminary consultations, both announced in the European Prior Information Notice (PIN). At the first meeting, held on 21st December 2016, about 20 operators from the collective catering sector participated. The initiative was presented and first documentation regarding the tender was delivered. The results of the consultation were used to draft the notice that was made available to interested operators during the second consultation meeting on the 6th of November 2017. During the second meeting the

criteria for the call for tenders were analysed on the basis of the requests of the participating economic operators.

The operators were also obliged to carry out a mandatory inspection at the offices of the Contracting Administrations, during which they could survey the state of the premises, the equipment and furnishings, and any other material owned by the Contracting Administrations relating to the operation of the catering service.

Tender specifications and verification

Each tenderer is required to have a certified ISO 14001 Environmental Management System or be registered with the Eco-Management and Audit System (EMAS).

TECHNICAL SPECIFICATIONS

- Fruit, vegetables, legumes, cereals, bread and oven products, pasta, rice, potatoes, polenta, tomatoes and processed food products, cheese, UHT milk, yoghurt, eggs, extra virgin olive oil must meet the following specifications:
 - at least 40 % (by weight of the total), must come from organic farming, in accordance with European Regulation 834/2007/CE and its associated regulations,
 - at least 20% (by weight of the total), must come from “integrated production systems” (referring to the UNI standard 11233:2009), PGI (protected geographical indication) , PDO (protected designation of origin) or STG (Guaranteed Traditional Specialty) products.
- Meat must meet the following specifications:
 - at least 15% (by weight of the total), must originate from organic farming in accordance with the European Regulation 834/2007/CE and its associated regulations,
 - at least 25% (by weight of the total), must originate from PGI and PDO products.
- Fish must meet the following specifications:
 - at least 20%(by weight of the total), from organic aquaculture.
- Dishes: Plates and cups for employees must be made from ceramic or porcelain, glasses from reusable materials and cutlery from stainless steel. For in-patients, plates and cups must be made from ceramic or porcelain, and glasses from reusable materials.

- All tissue products shall fulfill the EU Ecolabel requirements or equivalent.
- Cleaning products must have a low environmental impact and fulfil the EU Ecolabel requirements or equivalent.
- Freight transport and the meal delivery must be carried out with vehicles with a low environmental impact.
- The supplier must use equipment with energy labels certifying (in accordance with the European Regulation and its associated regulations):
 - Category A+ for refrigerating appliances
 - Category A for washing machines, dishwasher and ovens.

If the appliance concerned is “for professional use”, and therefore does not possess the abovementioned energy label, the tender specifications must include an award criterion for the tenderer using equipment with the lowest energy consumption, which can be deduced from the relevant technical documentation.

- The supplier must ensure the proper management of the separated waste collection, minimise the amount of packaging and containers, and have a preference for recyclable packaging and distributing the uneaten food for solidarity purposes.

AWARD CRITERIA

Five out of 70 points were awarded to cases where the food and drinks provided were cultivated and/or produced within a radius of 100 km from the place where the meal will be consumed.

Results

Environmental impact

It is challenging to calculate the precise impact of the future contracts in terms CO2 emissions reductions, not least as this heavily depends on the composition of the different meals.

Based on a standard hypothesised vegetarian meal (with 40% organic content) it is estimated that 2,310 tonnes of organic food will be purchased annually leading to calculated savings of **84.1 tCO₂/year** (756.9 tonnes over the potential 9 year period of the contracts).

This is likely a highly conservative estimate. It does not take into account the use of organic meat (with much higher CO2 savings), and other products such as yoghurt and eggs, which will be 100% organic. The final impact is therefore likely to be higher. Other environmental criteria included in the call for tender (reusable plates, glasses and cutlery, tissue and cleaning products that meet the requirements of the EU Ecolabel, transport of goods and meals with low environmental impact vehicles, and energy efficient equipment) will certainly also contribute to a substantial reduction in CO₂ emissions.

CALCULATION BASIS

- Average meal (lunch and dinner) = 998g
- 5,786,874 meals served each year
- 5,775.30 tonnes of food consumed annually
- 2,310.12 tonnes organic food consumed annually (40% of total amount)
- Assumed split of 92% fruit and vegetables, 8% bread
- Conversion factors:
 - Fresh vegetables – 0.04 kgCO₂ saving per kg of organic produce used
 - Bread – 0.11 kgCO₂ saving per kg of organic produce used
- Calculation made using the tool developed within the GPP 2020 project (www.gpp2020.eu), and refined within the SPP Regions project. Available on the SPP Regions website.
- (More detailed calculation tables are included in the Annex below).

Financial impact

Considering the price of a single meal (breakfast, lunch, dinner), net of investments/equipment and maintenance, it is possible to estimate a minimum annual saving of almost €5 million (see table

below). This saving will be necessary to renovate the catering areas and replace less efficient equipment.

Current costs of single meals indicated in the table are the average of those detected in the last year in the participating local health authorities.

The future costs of single meals are indicated in the tender as the maximum value at auction base that cannot be exceeded.

The single meal cost will be lower than the current one, except for breakfast in the cold/warm method (+€0.01/meal).

cooking methods		annual meals	average current single cost [€]	maximum future single cost [€]	average current single cost [€]	maximum future single cost [€]
cold/warm	breakfast	562,162	0.47	0.48	264,216	269,838
	lunch/dinner	1,836,770	5.9	5.78	10,836,943	10,616,531
cook and chill	breakfast	1,323,312	1.05	0.48	1,389,478	635,190
	lunch/dinner	3,950,104	7.56	6.55	29,862,786	25,873,181
Total					42,353,423	37,394,739
Savings [€]					4,958,684	

Social impacts

This tender will involve a large number of people who make use of hospital catering, and patients and employees will be kept informed about the low environmental impact management of the service, which will contribute to increasing environmental awareness and educating canteen users on sustainable consumption.

The tender dimension could affect the development of the organic product market in the future.

Contract management

Each hospital can conduct inspections, both at the contractor and at their production plants, periodically, without prior notice or statement of reasons, to verify the compliance of the provided

food service with the contract. Penalties ranging from €50 to €10,000 are laid down in the event of non-compliance.

Lessons learned and future challenges

- Securing the necessary level of supply for large quantities of organic and local products, and for fish from sustainable aquaculture systems, does contain challenges, and highlights the importance of setting appropriate technical specifications.
- It is important to evaluate the previous situation in collaboration with all the procurers from each hospital and engage the market on the new environmental criteria.

CONTATTI

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Annex 1 - Calculation of environmental savings

Calculations made using the tool developed within the GPP 2020 project (www.gpp2020.eu), and refined within the SPP Regions project. Available on the SPP Regions website.

CO₂ savings

Input & Results		Lifetime of the measures implemented in the course of the contract		9 years		
		Conventional	Organic	Conventional	Organic	
INPUT DATA						
Energy source	Baseline		Green tender		Conventional tender	
	Amount of food purchased		Amount of food purchased		Per year	Per lifetime
	Conventional	Organic	Conventional	Organic	CO ₂ -emissions (t CO ₂ /year)	CO ₂ -emissions (t CO ₂)
poultry					0,0	0,0
poultry (deep frozen)					0,0	0,0
beef					0,0	0,0
beef (deep frozen)					0,0	0,0
pork					0,0	0,0
pork (deep frozen)					0,0	0,0
vegetables (fresh)	2.125.000		2.125.000		318,8	2.295,0
vegetables (canned)					0,0	0,0
vegetables (deep frozen)					0,0	0,0
potatoes (fresh)					0,0	0,0
potatoes (dried)					0,0	0,0
pommes frites (deep frozen)					0,0	0,0
tomatoes (fresh)					0,0	0,0
bread, rolls, white bread	185.000		185.000		120,3	899,1
bread - mixed wheat and rye					0,0	0,0
noodles					0,0	0,0
butter					0,0	0,0
yoghurt					0,0	0,0
cheese					0,0	0,0
milk					0,0	0,0
eggs					0,0	0,0
TOTAL					439,00	3.951,00
SAVINGS						
Savings (Baseline / Green tender)						
Expected results	Per year	Per lifetime	Percentage			
Reduction of CO ₂ emissions, (t CO ₂)	84,10	756,90	19,16%			

About SPP Regions

SPP Regions is promoting the creation and expansion of 7 European regional networks of municipalities working together on sustainable public procurement (SPP) and public procurement of innovation (PPI).

The regional networks are collaborating directly on tendering for eco-innovative solutions, whilst building capacities and transferring skills and knowledge through their SPP and PPI activities. The 42 tenders within the project will achieve 54.3 GWh/year primary energy savings and trigger 45 GWh/year renewable energy.

SPP REGIONS PARTNERS



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