Wholesaler of sustainable food for schools and elderly care homes
City of Helsingborg (Sweden)

Background

The City of Helsingborg is located on Sweden’s southern coast, with about 108,000 inhabitants. The city purchases food for the whole region, focusing on providing organic and good quality food to its citizens. Helsingborg is also working on reducing food waste and increasing the share of vegetables. Their ambition is to halve their climate impact from food consumption between 2018 and 2024.

Procurement objectives

In 2016, Helsingborg needed a wholesaler who could provide €690,000 (60 million Swedish kroners) worth of food for schools and nursing homes. They used an open procedure for a framework agreement with an initial duration of two years - October 2016 to 2018 - with the opportunity to be extended for two further years.

The City of Helsingborg has set a general target of serving a minimum of 40% eco-labelled food in public institutions (in cost terms). Each user of the framework agreement, however, acts as its own contracting authority, selecting the food that they want to serve from the list of approved products displayed on the wholesalers’ webshop. The City wanted to ensure that the wholesaler was capable of providing sustainably certified food (i.e. organic or responsible produced palm oil), which is nutritious, ethical, and delivered in packaging that would be easy to recycle.

Criteria used

Subject matter of the contract: Food wholesaler for schools and nursing homes

Technical specifications:

A range of environmental requirements was included as technical specifications, including:

- All organic products provided should fulfil the requirements in the regulation (EC) 834/2007 on organic production and labelling of organic products, with verification given to the procuring organisation.

  Verification: Certificate or equivalent showing that the product is approved by KRAV or controlled by an EU inspection body or by a body approved as equivalent to EU inspection bodies in accordance with Regulations EC 882/2004 and 889/2008 on organic production, should be sent promptly to the buyer upon request.

- The food packaging should be easy to recycle. If additional costs apply for one-time use packaging, this price must be included.
• Transport of food to the inner city can only be carried out by vehicles fulfilling the criteria for the city’s environmental zone. This zone imposes emissions requirements on heavy vehicles (over 3.5 tons), passenger cars, buses and light trucks that operate in the central city. Heavy vehicles must, as a minimum, meet emission standards of Euro V or Euro IV with retrofitted equipment, and light trucks must fulfil the emission standard Euro 5. If new heavy vehicles/ light trucks are purchased during the contract, emissions standard Euro VI / Euro 6 is required.

Verification: The supplier should be able to present a list of registration numbers for the vehicles that will be used for the delivery, one month before the start of the contract. During the contract, the city may request that the supplier submit an updated list every 6 months. The list shall indicate which vehicles have been newly acquired.

• Products containing palm oil should be responsibly produced in line with the Swedish agency for public procurement’s ‘Spearhead Criteria’ on certified palm oil, which states that fats from palm oil used in products must be produced in a manner that satisfies the following:
  • Fair working conditions\(^1\)
  • Protection of local peoples’ land, rights and influence
  • Protection of primary forest and against the conversion of HCV (High Conservation Values) areas.
  • Wildlife protection on the plantations

Compliance is assured through a separated value chain (principle Segregated\(^2\) or Identity Preserved\(^3\))

Verification: Certification system that meets the above requirements, e.g. Roundtable on Sustainable Palm Oil (RSPO) Segregated or Identity Preserved, KRAV- certified or equivalent

• Products branded as ethically produced in the offered product list should be produced in accordance with the rights and standards of the ILO and UN, and working conditions in the country of origin.

Requirements for transparent supply chain and animal welfare were also included:

• Information about which country the animals were bred in, slaughtered and processed is required for food products containing more than 10 % meat, and should be delivered upon request.
• Information about country of origin and production site for dairy products, eggs, fish and vegetables, and for products containing more than 20 % milk products, should be delivered upon request.
• All fresh eggs should come from free range hens, labelled in accordance with regulation \(557/2007/EC\).
• The transport time of animals for slaughter should be a maximum of 8 hours (12 hours for chickens).
• Requirements were also set for the usage of antibiotics, treatment of the animals and living conditions (including cage size, number of animals per m\(^2\), restrictions on cruel practices etc.).

During the evaluation of the tenders and during the contract period, the tenderer and supplier must be able to submit a written declaration (supplier’s self-declaration) showing that each individual product meets the requirements.

For contract management, the right to carry out local control of the requirements was included in the tender.

\(^1\) Minimum compliance with ILO’s core conventions on forced labour, child labour, discrimination, freedom of association and right to organize (numbers 29, 87, 98, 100, 105, 111, 138 and 182) as well as the UN Declaration on Human Rights.
\(^2\) Sustainable palm oil from different certified sources is kept separate from ordinary palm oil throughout supply chain.
\(^3\) Sustainable palm oil from a single identifiable certified source is kept separate from ordinary palm oil throughout supply chain.

“For success on your sustainability goals, you need to have political ambitions, the engagement of the kitchens and time to approach the issues in a broad way.”
Selection criteria:
Tenderers should have an environmental management system like EMAS, EN ISO 14001 or equivalent.

Verification:
• Environmental policy
• Routines for constantly improving environmental measures
• Procedures to ensure compliance with laws and regulations

The contract was awarded based on lowest-price for the total of offered food products.

Results
The City of Helsingborg sees market engagement as an ongoing process; it has close contact with the market before and during the contract period. Based on the feedback they receive before a tender, the procurement team decides together with the organisations that are going to use the contract, which criteria to include in the tender. They do not want to set too low or too high demands to avoid excluding suppliers, or that the contract would be too expensive for the organisations. As a result of the market engagement before this food procurement, the procurers knew that they could include their desired sustainability criteria in the tender, and that the suppliers would be able to reach their organic food target.

Three bids were received for the contract, and all of them fulfilled the specified requirements in the tender. The framework agreement was extended by two years, running from 2016 to 2020.

Environmental impacts
By requiring organic food, the hazardous impacts from pesticides and stress on agricultural land are reduced. To ensure that the internal goal of 40 % organic food (in cost terms) is achieved, the amount of organic food ordered by the schools and elderly care homes is measured every four months. This percentage is calculated by dividing the value of purchased organic food by the total value of purchased food. In 2018, 45 % of the food provided was organic (higher than the city’s target). The city of Helsingborg also demands certificated palm oil to make sure that its procurement does not contribute to deforestation and loss of biodiversity, and due to its requirements on ethically produced food, the supplier now provides Fairtrade certified bananas, cacao, tea and coffee.

Delivery of food contributes to local emissions. By including requirements for the transport of food, local air quality was improved as a result of reduced emissions from vehicles, while the supplier was encouraged to improve its transport fleet. And as it was specified that food packaging was recyclable, an overall reduction in the waste sent to landfill was also achieved.

More generally, Helsingborg has also began measuring the food disposed of in schools everyday in order to continuously reduce food waste. In 2019 they achieved a reduction of 40 % compared to 2017.

They are also working on reducing the CO₂-emissions from food used in the schools by reducing the amount of meat and setting up climate-friendly menus based on RISE Climate Database, in addition to reducing food waste. The goal of reducing the CO₂-emissions to 1.5 CO₂-eq/kg purchased food was achieved in 2019. Now, they are aiming to reach the target set in Helsingborg’s Climate and Environmental plan of 1.1 CO₂-eq /kg food.
Over the last eight years, the City of Helsingborg has been using its procurement of food more strategically. The city has a Food Controller that controls the quality of the food, who is in contact with the schools and elderly homes almost every day. For monitoring their food procurement, Helsingborg has a dedicated person responsible for follow up of all contracts on food, with a total value of 10 million Euro.

For success on your sustainability goals, you need to have political ambitions, the engagement of the kitchens and time to approach the issues in a broad way. The employees in the kitchens receive training on how to make climate friendly food and how food waste can be minimised. You cannot focus on eco-labelling without thinking of quality or costs, you cannot focus on costs without thinking of nutrition content, and so on. While there are some differences in the price of organic food, actions such as reducing the total amount of meat served can reduce overall price increases, while also having environmental impacts. It is important to focus on how the contracts function on a daily basis in the kitchens, not only during the procurement phase.

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For related information, please see European GPP criteria for Food Catering services and vending machines and the Technical Background Report.