



STAFF REPORT ACTION REQUIRED

Proposed Local and Sustainable Food Procurement Policy and Implementation Plan

Date:	May 1, 2008
To:	Government Management Committee
From:	Richard Butts, Deputy City Manager
Wards:	All
Reference Number:	P:\2008\Cluster B\TEO\GM08004

SUMMARY

In July 2007, Council unanimously adopted the *Climate Change, Clean Air and Sustainable Energy Action Plan*, the “Climate Change Action Plan”. Included in that plan are directions to take action to promote the production and consumption of locally grown food, including a review of the City’s own food procurement policy. This report offers recommendations for establishing and implementing a local and sustainable food procurement policy for all City operations.

With respect to local and sustainable food, “local” is being defined as food that is grown in the GTA, Greenbelt, and other regions in Ontario, “sustainable” is food produced by farmers who are utilizing food production and processing processes that are environmentally and socially responsible and which will guarantee the lands will be viable for agricultural production for future generations. “Food” includes fruits, vegetables, meats, poultry, dairy products, eggs, fish and seafood, grains, legumes, nuts, seed, beverages, oils, fats and sweeteners, as well as foods made from a combination of these ingredients.

There is well documented evidence that there is significant greenhouse gas and smog causing emissions associated with the growing, transportation, processing, packaging, and storage and preparation of food. One study in the United States found that of the energy used in the food system, 36% is for production, 24% for transportation and 40% for processing and packaging. In order to achieve the greenhouse gas emission reduction targets of the Climate Change Action Plan, action must be taken on all sources of emissions. A shift in consumption to food that is grown locally and in a sustainable manner will help reduce the emissions associated with food transportation and production.

RECOMMENDATIONS

Deputy City Manager, Richard Butts recommends that:

1. City Council adopt the Local and Sustainable Food Procurement Policy as presented in Appendix A of this report, which establishes that it is the policy of City Council to progressively increase the percentage of food being served at City owned facilities or purchased for City operations from local farms and food that is grown in a sustainable manner; and

subject to the adoption of Recommendation Number One, it is further recommended that:

2. the Director of the Toronto Environment Office, the Director of Purchasing and Materials Management and the Division Heads of the five City Divisions (Children Services, Homes for the Aged, Facilities & Real Estate, Parks, Forestry & Recreation and Shelter, Support and Housing Administration) that have the greatest role in implementing this policy provide in May 2009 a report that: 1) establishes a benchmark as to what products currently being consumed are produced locally; 2) establishes annual targets for each Division for the purchase of locally produced and certified local and sustainable food; and 3) identifies estimated financial and operational implications;
3. the Division Heads of the five City Divisions (Children Services, Homes for the Aged, Facilities & Real Estate, Parks, Forestry & Recreation and Shelter, Support and Housing Administration) that have the greatest role in implementing this policy include in their 2009 operating budget submissions, requests for funds to support implementation of the Local and Sustainable Food Procurement Policy;
4. the Local and Sustainable Food Procurement Policy be applied on a go forward basis for upcoming RFPs and RFQs for food related procurement and that for existing contracts staff enter into discussions with the vendors to determine where and how the policy could be implemented within the context of existing contracts;
5. the Province of Ontario be requested to partner with the City of Toronto in this effort and provide funding to help address any increases in operating costs that may occur in City operations that receive significant funds from the Province through implementation of this policy;
6. the Director of the Toronto Environment Office on behalf of the City of Toronto be authorized, at no financial cost to the City, to enter into for a two-year period a Memorandum of Understanding with the non-profit organization Local Food Plus, in a form and content satisfactory to the City Solicitor, for the purpose of engaging Local Food Plus in assisting the City in identifying food and products that are local and sustainable;
7. the Director of the Toronto Environment Office, with the assistance of the City Manager's Office, initiate work with the appropriate City's Agencies, Boards,

- Commissions and Corporations to develop a similar policy for their operations and report to the Executive Committee on this work in 2009;
8. the Director of the Toronto Environment Office be authorized to allocate funds up to \$100,000 in 2008 from the approved operating budget for the Live Green Toronto program to assist City Divisions in meeting any cost increases associated with implementation of the Local and Sustainable Food Procurement Policy in 2008; and
 9. the Budget Committee be requested to support potential operating budget increases that may be required to accommodate implementation of the Local and Sustainable Food Procurement Policy in subsequent years.

Financial Impact

In order to estimate the financial implications of adopting a local and sustainable food procurement policy, staff have drawn from the experience of the University of Toronto (U of T) which adopted a 10% local and sustainable procurement policy in 2006. The University found, on average, a 15% increase in the cost for procurement of food that is local and sustainable. This increase was only experienced on the percentage of the budget allocated to the purchase of local and sustainable food.

The U of T in its procurement policy set a target that 10% of the food would be certified as local and sustainable and they interpreted this as 10% of the food budget should be spent on these purchases. For example, if the total food budget was \$1 million, then \$100,000 should be allocated for local and sustainable food purchases. The average 15% cost increase would be on that \$100,000, representing a \$15,000 increase in the food budget.

If the City of Toronto were to follow a similar approach for its current \$11 million annual food budget it would result in an increase of \$165,000 in the required operating budget (10% of \$11 million equals \$1.1 million times 15% equals \$165,000).

The U of T example provides an indication of what might be the financial implications. However, City Operations are very different in terms of client groups, the amount of food being prepared on-site and food preparation operations. As the City gets more experience in implementing a local and sustainable food procurement policy it will be able to more accurately identify and quantify probable cost changes.

Estimating what the financial implications might be on contracts with vendors operating food concessions out of City facilities is also difficult at this time. There is a possibility that it may result in less revenue being generated for the City from these contracts because the vendor may have increased operating costs.

To address potential cost pressures in 2008, it is recommended that an amount up to a maximum of \$100,000 be allocated from the approved 2008 operating budget of the Toronto Environment Office for the Live Green Toronto program. This money would

only be accessed to support any identified cost increases associated with the implementation of the local food procurement policy in 2008.

For 2009 and beyond the financial implications of implementing the Local and Sustainable Food Procurement policy should be identified and integrated into the operating budget submissions of the engaged Divisions and appropriate City Agencies, Boards and Commissions. The budget submissions should clearly articulate what is the local and sustainable food objective and the estimated cost comparison to alternative purchases.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

In 2001, the City of Toronto adopted unanimously the *Toronto Food Charter*, a proclamation stating City Council's commitment to food security and that every Toronto resident should have "access to an adequate supply of nutritious, affordable and culturally acceptable food". Included in the Toronto Food Charter is also a commitment to "adopt food purchasing practices that serve as a model of health, social and environmental responsibility" (http://www.toronto.ca/food_hunger/pdf/food_charter.pdf).

At its meeting of July 16 – 19, 2007, Council unanimously adopted the Climate Change, Clean Air & Sustainable Energy Action Plan: Moving from Framework to Action - <http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-07-16-cc11-dd.pdf>. Included in that Action Plan was Recommendation 5d:

- "to establish an Enviro-Food Working Group to develop and implement actions to promote local food production, **review City procurement policies**, increase community gardens and identify ways to remove barriers to the expansion of local markets that sell locally produced food."

In addition, the Executive Committee referred the following motions of the Parks and Environment Committee for the consideration of the Deputy City Manager, Richard Butts:

- "immediately review upcoming food service contracts with the intent of a minimum of 10% locally grown food purchase."; and
- "the Enviro-Food Working Group immediately begin to develop a plan with Children's Services for including locally grown food in all City-owned daycare centres."

More recently, the Parks and Environment Committee at its meeting of November 28, 2007 adopted the following motion:

- “the General Manager, Shelter, Support and Housing Administration, advise the Director of Purchasing and Materials Management to not exercise the option years for the contract on Supply and Delivery of Meat and Cooler Products to various Hostels, in order to allow for a change in specifications that would require 10% of goods to be produced locally; and request a new Request for Quotation be issued to the marketplace through to the appropriate Committee of Council.”

This report responds to the recommendations and motions associated with the development and implementation of a local food procurement policy for City operations.

ISSUE BACKGROUND

Food, Climate Change and Clean Air

There are significant environmental effects associated with the growing of food, the processing and packaging of food, transportation, preparation and disposal. From a climate change perspective, there is large use of petroleum in the production of fertilizers and pesticides, the machinery used in food production and processing and in transporting food around the world. This in turn generates greenhouse gas emissions and also contributes significantly to air pollution and the associated health problems.

In addition to climate change, there are a number of other reasons for being concerned about our food systems. The Metcalf Foundation recently published a discussion paper, “*Food Connects Us All: Sustainable Local Food in Southern Ontario*”, which outlines the major economic, environmental and health factors of concern (<http://www.metcalffoundation.com>). These include:

- climate change and greenhouse gas emissions associated with food transportation and production;
- harmful effects of agricultural chemicals, in particular pesticides and fertilizers;
- the long term effects of large scale monocultures; and
- increased reliance on imported food and food security issues related to breaks in the food chain due to emergencies or natural disasters.

Additional studies of interest are:

- a study by the Region of Waterloo Public Health (2005) on the generation of greenhouse gases due to food imports that traveled an average distance of 4,500 kilometers (<http://chd.region.waterloo.on.ca/web/health.nsf/4f4813c75e78d71385256e5a0057f5e1/54ed787f44aca44c852571410056aeb0!OpenDocument>);
- a 2006 Ipsos Reid survey on the perceived benefits of locally grown food (<http://www.ipsos-na.com/news/pressrelease.cfm?id=3298>);
- The Friends of the Greenbelt Foundation listing of restaurants in Toronto and area which contain an ‘eat local’ menu (www.ourgreenbelt.ca); and

- a U.S. food study that identifies that transportation represented 24%, agricultural production 36% and processing and packaging 40% of the energy use and associated emissions (http://attra.ncat.org/new_pubs/attra-pub/PDF?foodmiles.pdf?id=other).

COMMENTS

In September 2007, the Toronto Environment Office initiated work on reviewing the City's food procurement practices. An inter-divisional work group was organized involving staff from all the City Divisions that would have the greatest responsibility for implementing a local food procurement policy. Those divisions are: Children Services; Facilities and Real Estate; Homes for the Aged; Parks, Forestry and Recreation; and Shelter, Support and Housing Administration. In addition, staff from Legal Services; Purchasing and Materials Management; and Toronto Public Health (from both the Healthy Living Section and the Toronto Food Policy Council) were engaged in the project.

The work group met with staff from U of T which is the first major institution in Toronto to adopt a local and sustainable food procurement policy. The work group also met with staff from Local Food Plus, which is a local non-profit organization that certifies local farmer and food processors as providing products being grown locally and in a sustainable manner.

In addition, staff also met with representatives of the GTA Agricultural Action Committee and held a consultation session attended by the following organizations: the Greenbelt Foundation; the Toronto Food Policy Council; and the Toronto Environmental Alliance. An information session was also held with representatives of the companies that currently hold food supply contracts with the City.

1) Current Food Procurement Practices for City Operations

There are three City Divisions, (Children's Services, Homes for the Aged, and Shelter, Support and Housing Administration) which make the majority of the City's food purchases. These three divisions spend approximately \$11 million a year on purchasing food to feed approximately 7,000 people per day. A summary of their respective food budgets and current business practices is presented in Appendix B to this report.

Identifying how much food is currently being purchased that is produced locally is extremely difficult to determine. Discussions with key staff do suggest that food produced in Ontario is included but how much and how often is difficult to determine because no systems exist today for tracking where the food being purchased was produced.

A percentage of food currently being purchased is probably produced within Ontario because of the way the Federal and Provincial Governments regulate milk, eggs and other poultry products. Through quotas and trade agreements the Federal Government has

essentially guaranteed a price and market for producers of these products. Therefore a majority of these products being purchased are produced in Canada and given the nature of the product most likely from nearby sources. One study estimated that about 10% to 15% of all Ontario food production is for direct consumption in Ontario (<http://www.metcalffoundation.com>).

Whether these products are being produced in a sustainable manner is also very difficult to determine because it is not something that has been tracked.

2) Restaurant, Café and Snack Bar Contracts and Other Food Operations

2a) Food Concessions

In addition to the direct purchase of food, the City leases space in City Hall, Metro Hall, the Civic Centres, other office buildings, Community and Recreation Centres, Indoor Arenas and other sites to operators of restaurants, cafes, snack bars and other food concessions. These leases are primarily managed by the Facilities and Real Estate (F&RE) and the Parks, Forestry and Recreation (PF&R) Divisions. Currently PF&R leases space to six restaurants/cafes as well as 57 snack bars while F&RE has leases at seven locations.

None of these existing contracts include specific requirements to provide a certain percentage of the food from local and sustainable sources.

2b) Other Food Related Operations

In addition to its direct operations, many of the City's Agencies, Boards and Commissions lease space to operators of food concessions. The two largest operations are the Toronto Zoo and Exhibition Place. Discussions with staff at Exhibition Place and their current food vendors have started and there is an interest in increasing the supply of local and sustainable food being used because they are seeing increased demand for this from their clients. Staff will continue to work with the staff at Exhibition Place and other Agencies, Boards and Commissions and report back to Council on how to integrate a local and sustainable food procurement policy into their operations in 2009.

Other City operations related to food include contracts for vending/snack machines, operation of the St. Lawrence Market, organization of farmer's markets on City owned space, permitting of street food vendors, licensing and permitting of park vendors and support of student nutrition programs in 500 Toronto schools and community sites.

3) Policy Definition and Implementation Issues

3a) Why Local and Sustainable?

There are significant greenhouse gas emissions associated with both the food transportation and the food production and processing processes. In some cases food

which is produced in a sustainable manner but travels a long distance may produce lower greenhouse gas emissions than foods which are produced locally but in an unsustainable manner. Since the goal of this procurement policy is to utilize the City's procurement powers to reduce greenhouse gas and smog causing emissions, it is important that it address both production and transportation issues.

3b) How to define local and sustainable?

The definition of local is food that is grown in the Greater Toronto Area (GTA), the Greenbelt and other regions of Ontario.

Sustainable means utilizing food production and processing processes that are environmentally and socially responsible and which will guarantee the lands will be viable for agricultural production for future generations. This means being able to show that production processes are reducing and minimizing greenhouse gas and smog causing emissions; that the processes are financially viable over the long term for all stakeholders; and production processes that keep pesticide and fertilizer usage to a minimum.

3c) Guaranteeing the food being purchased is grown locally and in a sustainable manner – Local Food Plus

Because the local food movement is relatively young, there is no established Provincial, National or International process or bodies to certify which foods are grown locally and in a sustainable manner. However, in Toronto there is a local non-profit organization Local Food Plus (LFP) which provides independent third party certification that farmers and food processors are utilizing sustainable production practices and are local. A growing number of restaurants, grocers and institutions are purchasing, providing and promoting food that has been certified by LFP as being grown locally and in a sustainable manner (<http://www.localfoodplus.ca/>).

To be certified as sustainable LFP requires local farmers and processors to agree to:

1. Employ sustainable production systems that conserve soil and water while displacing harmful synthetic pesticides and fertilizers;
2. Avoid the use of hormones, antibiotics and genetic engineering;
3. Protect and enhance wildlife habitat and biodiversity on working farm landscapes;
4. Provide safe and fair working conditions for on-farm labour;
5. Provide healthy and humane care for livestock; and
6. Reduce food-related energy consumption and greenhouse gas emissions through energy conservation, recycling, minimal packaging, and local sales.

LFP and organic certification are not the same. Unlike organic certification, LFP requires farmers and processors to sell locally in order to certify their products. In addition, LFP certifies producers for labour practices, animal welfare, biodiversity, and energy use. LFP certification is achievable for "conventional" farmers and processors who employ sustainable production systems such as Integrated Pest Management, that are not

acceptable for organic certification. LFP works with and certifies organic farmers who also desire LFP certification in order to recognize their additional social and environmental practices, as well as conventional farmers who employ sustainable production systems that meet LFP standards.

LFP is a not for profit corporation that receives no fees from those purchasing food and currently charges only a nominal fee to farmers and food processors to be certified. While there is no independent body to evaluate LFP's certification process, the certification process was developed by researchers at York University. The LFP staff who conduct the farm audits are also certified for inspecting operations to meet the requirements of organic production. As currently organized and funded, LFP does not derive any financial gain from certifying farmers and processors and promoting the purchase of LFP certified food products.

Utilizing the LFP certification as the method of identifying foods as being local and sustainable is advantageous to the City in that a separate process is not required to source and verify food products as being local and sustainable. There is no financial charge to the City as a purchaser, for the LFP certification process. In addition, LFP is willing to work with the City in helping identify suppliers who are willing to become certified and meet the City's purchasing needs.

While LFP certification process is currently the only known local and sustainable certification process in Ontario, the possibility exists that a supplier(s) may come forward that can substantiate that their products meet the definition of local and sustainable.

This report recommends that the City enter into a two-year memorandum of understanding with LFP to govern the relationship between the City and LFP, the role of LFP in helping identifying food products that are local and sustainable and the utilization of trade-marks and promotions.

LFP would not be the supplier, nor would it negotiate any contracts on behalf of the potential suppliers or the City. With the knowledge of the City's business needs it would seek to develop suppliers and make suggestions to the City on alternative business practices. LFP would be a facilitator.

3d) Potential Cost Increases

Determining exactly what might be the cost increases associated with a local and sustainable food procurement policy is difficult. There are a number of factors ranging from the type and volume of food being purchased, the season, changes in the global economy and the business processes followed by the supplier and operator.

As discussed earlier in the Financial Implications section of this report the only benchmark that exists are the experiences of the University of Toronto, which has implemented a 10% local and sustainable food procurement policy. If the City of Toronto were to adopt a similar policy an increase of \$165,000 would be required in the annual operating budget.

While the experiences of the U of T give an indication of what might be the budget impact their food operations are very different from the City's food operations. Food operations at U of T have a different client group, a greater percentage of the food is prepared on-site, there is a significantly larger use of fresh produce and larger volumes of food being served in the student resident cafeterias.

The City will probably see cost increases, greater than those experienced by U of T because there is less on-site food preparation at the City meaning potentially increased labour costs. Therefore, it is proposed each Division be given the time to evaluate its business practices and develop an approach that meets the policy goal in balance with existing financial resources. This is particularly important to those City Divisions where the funding formulas and agreements with the Province of Ontario may limit available financial resources.

To help address potential cost increases in 2008 and to pilot and test potential products, it is recommended that an amount up to a maximum of \$100,000 be allocated in 2008 from the approved operating budget of the Toronto Environment Office for the Live Green Toronto program. This money would only be accessed to support any identified cost increases associated with the implementation of the local food procurement policy.

For existing contracts, such as the Meat and Cooler products contract with the Shelter, Support and Housing Administration Division, staff will initiate discussions with vendors on where and how they can make changes to accommodate the direction of the Local Food Procurement policy.

For 2009 and beyond, the financial implications of implementing the local food procurement policy should be identified and integrated into the operating budget submissions of the Divisions. The budget submissions should clearly articulate what is the local and sustainable food objective and the estimated cost comparison to alternative purchases.

The three City Divisions which purchase food to serve to their clients are funded significantly by the Province of Ontario. Successful implementation of a local food procurement policy in these operations will require the involvement of the Province. The proposed local food procurement policy supports a number of key Provincial objectives, in particular those associated with climate change, air quality, protecting the Greenbelt and supporting the economic viability of Ontario farmers.

As noted in the Financial Implications section of this report, Divisions will include the cost implications of proposed targets in 2009 and future year operating budgets. Those Divisions with cost sharing arrangements with the Province will include any proposed cost increases in their submissions to the Province. Through the budget submissions and the annual progress report, any service implications of increased costs that are not funded will be identified for consideration by Council.

3e) Business Practices

Another major challenge that may be faced with implementation of a local food procurement policy is that it may necessitate changes in business practices and operating procedures. In Children's Services and Homes for the Aged in particular the majority of the food being purchased is processed and ready to serve. It may be difficult for companies bidding on these contracts to find sources that can guarantee the food is produced locally and in a sustainable manner.

Implementing the local and sustainable food procurement policy may require a change in business processes, which may necessitate an increase in labour costs.

At its meeting of March 31 and April 1, 2008 City Council endorsed the request of the Toronto Environment Office to establish in 2008 a three year temporary Business Analyst position which, with the assistance of LFP, will be focused on working with relevant City Divisions, suppliers and contractors on developing appropriate business processes to implement this policy.

As business process changes and the potential financial implications of implementing those changes are identified, these will be integrated into the operating budget submissions of the Divisions. The budget submissions will identify the business process change, the rationale for the change and estimated financial costs.

3f) Ensuring Supply can Meet the Demand

While Local Food Plus is increasing the number of certified farmers and food processors, it is still a small number of suppliers. Therefore, while the goal is to increase the supply of local and sustainable food utilized in City operations, it is expected that in the short term City operations will increase the supply of locally produced food and in the longer term increase the volume of local and sustainable food.

Ensuring there is an ample supply of food to meet daily operational needs is especially critical where the City purchases food to feed clients. The clients of Children's Services, Homes for the Aged and Hostel Services are amongst the most vulnerable and implementation of the proposed local and sustainable procurement policy should not compromise the ability of the City to meet client needs.

To allow for situations when locally produced or certified local and sustainable food products can not be found to meet operational needs, food procurement contracts will include contingencies that allow for products that are not defined as local and sustainable when it can be demonstrated that supply was not there to meet requirements.

3g) Food Concessions

As mentioned earlier, the City through its Facilities and Real Estate and Parks, Forestry and Recreation Divisions leases space in City buildings to the operators of food concessions. There are a number of leases/contracts ending in 2008 or 2009 and RFPs

will be prepared for these operations. The local food procurement policy should apply to these operations also and with onus on the operators to redefine their business practices to accommodate the policy.

3h) Setting a Target

Because of the uncertainty around what can be purchased and how business practices will need to change, it is not recommended that a specific target be set for how much food will be purchased that is local and sustainable at this time. Rather it is proposed that the City articulate that its goal is to increase the amount of food it purchases from local and sustainable sources.

As the affected City Divisions, with the assistance of the Business Analyst and LFP, identify opportunities, costs and required changes it is recommended that each Division establish minimum thresholds and short term targets that are appropriate to each business unit's situation. This would allow staff the flexibility to initially focus its efforts in areas where changes can be made relatively quickly and at a reasonable cost before moving into the potentially more difficult changes required to significantly increase the volume of local and sustainable food.

Initially it is expected that given that the supply of food certified by LFP as local and sustainable is still relatively small, initial short term targets may focus on just increasing the supply of locally produced food, with longer term targets looking to increase the supply of local and sustainable.

Once that work is done, each Division will set appropriate targets which will be reported to City Council as part of a report to be prepared for May 2009.

3i) Trade Agreements and Legal Implications

Establishing a local food procurement policy does have implications for inter-provincial trade issues and the policy could be interpreted as discriminatory in relation to the Agreement on Internal Trade, the Discriminatory Business Practices Act, and the Competition Act.

This policy is being developed and recommended for environmental and health reasons and the goal is to reduce the greenhouse gas and smog causing emissions associated with the food transportation and production processes. The policy is not being in put place to reduce competition. The potential for a challenge does exist but the City should be able, as it did with the Pesticide Bylaw, to show that it has the right to adopt a policy of this type because of the environmental and health issues of concern.

4) Monitoring Implementation

The Toronto Environment Office and the Purchasing and Materials Management Divisions and the five City Divisions with the greatest responsibility for implementing

the policy will monitor implementation and when required make recommendations to City Council on required policy changes and implementation approaches.

5) Conclusion

City Council has established very aggressive greenhouse gas and smog causing emission reduction targets. Achieving these targets means addressing all sources of emissions, of which food production, transportation, processing and packaging is a significant source.

With a Local and Sustainable Food Procurement Policy that applies to City operations that purchase food for their clients and which lease space for food concessions, the City will be taking action and setting an example for other public agencies and governments. Implementation of this policy does come with financial and business processes implications and these must be managed and considered.

Therefore the proposed policy:

- establishes the City's commitment to increasing the use and provision of local and sustainable food in City operations and City owned space leased to operators of food concessions;
- places an emphasis on the procurement of food grown locally and in a sustainable manner, but provides a default policy in favour of locally grown food where food grown in a sustainable manner is limited;
- provides flexibility for the business units providing meals to clients to determine the best ways to work towards this goal, recognizing the necessity to provide continuity in the supply-chain to provide on-going daily services to over 7,000 clients; and
- sets a May 2009 reporting date for the establishment of local and sustainable food procurement targets and identification of associated financial implications.

To assist City business units in the short-term, it is proposed that:

- the Toronto Environment Office re-allocate a sum of \$100,000 from the approved 2008 Operating Budget for the Live Green Toronto program to assist in addressing any cost issues in 2008; and
- the City establish a partnership with Local Food Plus through a two-year memorandum of understanding (MOU), to assist in the identification of food sources that are local and sustainable.

Outside of the City's direct operations, a number of the City's Agencies, Boards and Commissions (ABCs) also have large food concessions. The Toronto Environment Office will work with the City Manager's Office to identify and work with the ABCs where a local and sustainable food policy may be appropriate and report back to Council on this work in 2009.

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Richard Butts, Deputy City Manager

ATTACHMENTS

Appendix A: Local and Sustainable Food Procurement Policy.

Appendix B: Summary of Existing Food Procurement Operations: Children's Services, Homes for the Aged and Shelter, Support and Housing Administration.

APPENDIX A

LOCAL AND SUSTAINABLE FOOD PROCUREMENT POLICY

Adopted by City Council: --, 2008 (see ----)

Purpose:

To reduce greenhouse gas and smog causing emissions by increasing the production, awareness and purchase of food that is grown locally and in a sustainable manner.

Policy:

All City Divisions engaged in the purchase of food for operational needs or engaged in leasing City owned space to operators of food concessions will ensure appropriate specifications are included that requires and increases the volume of food or categories of food purchased or sold be produced locally and in a sustainable manner.

In cases where supplies of local and sustainable food is limited, the default policy will be to ensure appropriate specifications are included that requires and increases the volume of food or categories of food purchased or sold be produced locally.

Definitions:

Local is defined as food that is grown in the GTA, Greenbelt, and other regions in Ontario.

Sustainable is defined as food production processes that are environmentally and socially responsible and which will guarantee the lands will be viable for agricultural production for future generations and which:

- Reduce food-related energy consumption and greenhouse gas emissions through energy conservation, recycling, minimal packaging, and local sales;
- Employ sustainable production systems that conserve soil and water while displacing harmful synthetic pesticides and fertilizers;
- Avoid the use of hormones, antibiotics and genetic engineering;
- Provide safe and fair working conditions for on-farm labour; and
- Provide healthy and humane care for livestock.

Procedure:

All RFPs, RFQs and tenders to provide food for City operations or for leasing of City owned space to operators of food concessions will include language that indicates that it is the policy of Council to increase the volume of food that is grown locally and in a sustainable manner. Each Division issuing purchasing documents will, according to their situation and business needs, define specific criteria and targets that must be addressed by potential vendors and which will be used in evaluating successful proponents.

The purchasing documents should require vendors to:

- 1) indicate how they can meet the policy objective and defined criteria;
- 2) the expected costs in comparison to items which may not be produced locally or certified as local and sustainable; and

- 3) report at least once a year or more on the origins of the food purchased to meet the City's requirements as outlined in the purchasing documents.

To reduce the effort required by the City to verify that the food being supplied is local and sustainable, the purchasing documents should require that the vendors identify what third party certification process they will use to provide evidence that the food is local and sustainable. Currently that will probably require utilizing food from producers and processors certified by Local Food Plus but the possibility exists that other alternative methods may emerge. The purchasing documents will indicate what is expected in terms of tracking, monitoring and reporting by the vendor to provide evidence that the products being supplied and provided meet the objectives and criteria as outlined in the purchasing documents.

Exemptions:

City operations that will be outside the scope of the local and sustainable food procurement policy due to the nature of the operations or the already inherently high local food content include, farmers' markets, licensing and permitting of street food vendors, vending/snack machines, licensing and permitting of park vendors and operation of the St. Lawrence Market and similar facilities.

Monitoring:

The Toronto Environment Office, the Purchasing and Materials Management Division and the City Divisions (Children Services, Homes for the Aged, Facilities & Real Estate, Parks, Forestry & Recreation and Shelter, Support and Housing Administration) directly responsible for implementing this policy will review implementation of this policy and report accordingly to City Council on status.

APPENDIX B.

Summary of Existing Food Procurement Operations: Children's Services, Homes for the Aged and Shelter, Support and Housing Administration.

Children's Services

- Annual food budget of \$2.2 million for 57 directly operated child care centres, providing lunches and snacks to approximately 2,900 children daily.
- In addition, through purchase of service agreements with 700 privately operated child care centres providing subsidized spaces for approximately 24,000 children, Children's Services, as part of these contracts, provides an estimated \$23.5 million a year to these centres for food purchases.
- Two different types of food service contracts are in place for the 57 directly operated child care centres:
 - Catered – an external caterer and internal operations from Homes for the Aged and Hostels provides the food ready-to-eat. There is no preparation done on-site.
 - Food prepared on-site - a prepared food system is used where many of the food items are purchased cooked, ready-to-assemble and heat and serve. A limited amount of in-house preparation and production occurs.

Homes for the Aged

- Annual food budget is \$6.8 million for ten long-term care homes providing over 2,600 residents three meals per day , snacks and nutritional supplements in addition to meals prepared and served for cafeterias, Meals on Wheel programs, Adult Day Program clients, supportive housing and Children's Day Cares.
- Currently the funding formula with the Province of Ontario provides \$7 a day per resident for all meals, snacks and supplements. In addition, there are many Ministry standards around menu planning and the offering of variety to residents. Menus must meet standards around Canada's Food Guide and have nutrient analysis meeting the Dietary reference intakes established by Health Canada and be approved by Resident's Councils, Registered Dietitians and the Ministry of Health and Long Term Care (MOHLTC).
- Each of the Homes have large fully operational kitchens. Some of the food being purchased is ready-to-serve but the large majority requires varying degrees of food preparation. It is important to note though that there is a minimum of staffing hours available for food preparation.
- Fresh produce is served seasonally but canned and frozen fruits and vegetables are generally served.
- Currently the Food and Nutrition departments for Homes for the Aged receive their food supplies from five different vendors.
- Infection control is a mandatory requirement in Homes for the Aged, and food suppliers must assure that they operate in a manner that satisfies Hazard Analysis Critical Control Point (HACCP) principles.

Shelter, Support and Housing Administration

- Annual food budget is over \$2 million for seven City-operated shelters providing meal service.
- Food service is provided to a wide diversity of clients including infants, children and adults.
- On average 1,000 people are provided with three meals per day, as well as snacks. Bag lunches are provided.
- Food preparation takes place at each of the shelter locations and menus are designed according to Canada's Food Guide; to meet the Food Safety and Nutrition Standards within the Toronto Shelter Standards; and to meet the needs of the particular client group being sheltered.
- There is one cook at each location and food service workers who help to serve the food, prepare sandwiches, wash dishes, and so on.
- Approximately 60% of the food is fresh and 40% is processed food.
- The Division also funds 53 shelter sites operated by community organizations. These shelters are responsible for delivering their own food service programs within the Food Safety and Nutrition Guidelines set out in the Toronto Shelter Standards.