



STAFF REPORT ACTION REQUIRED

Local Food Procurement – Status Report

Date:	July 30, 2010
To:	Government Management Committee
From:	Lawson Oates, Director, Toronto Environment Office
Wards:	All
Reference Number:	P:\2010\Cluster B\TEO\GM10005

SUMMARY

This report is submitted to Government Management Committee to provide the Committee with: (i) a progress update on the City's local food procurement program; and (ii) a status report on staff's response to the direction from the Government Management Committee to formulate strategies to achieve a 50% local food target for corporate food service operations.

Ongoing research into the food service industry in Ontario and our efforts to date have highlighted that achieving a 50% local food purchasing target for City-owned facilities or purchased for City operations from local sources is challenging given the current state of Provincial regulations, the lack of necessary food processing infrastructure in Ontario and the nature of the food service industry in general. To address these issues, City staff are embarking on a Request for Proposals ("RFP") process to attain the services of a consultant to undertake a study that identifies ways to increase the amount of locally grown food being served to clients in City facilities over and above the work that has been completed to date.

Divisions engaged by the local food procurement policy are committed to moving forward with increases of local food in their operations within approved budgets and subject to the City's financial targets.

RECOMMENDATIONS

The Director of the Toronto Environment Office recommends that:

1. The Director of the Toronto Environment Office, in conjunction with the General Managers of Children's Services, Long Term Care Homes and Services, Shelter, Support and Housing Administration (Hostel Services), Real Estate Services and Parks, Forestry and Recreation, report back in Spring 2011 to the Government Management Committee (or its successor committee) on the results of a consultant's report on strategies to achieve a 50% local food target in the City's provision of food services.

Financial Impact

There are no immediate financial impacts arising from the adoption of the recommendation in this report.

The engagement of a consultant through an RFP process to identify strategies to achieve a 50% local food procurement target will be accommodated within the approved Base Budget for 2010 for the Toronto Environment Office.

The consultant's report will identify estimated costs associated with the strategies that are identified. A follow-up staff report will discuss the findings of the consultant's report, including financial implications.

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

DECISION HISTORY

In response to adopted recommendations from the City's Climate Change, Clean Air and Sustainable Energy Action Plan, City Council at its meeting of October 29 and 30, 2008, considered and adopted a Local Food Procurement Policy for City Operations. In that report Children's Services was identified as an initial pilot project partner with the Toronto Environment Office and both divisions were requested to report back to the Government Management Committee on the results of the first phase of implementing the policy. The Committee also requested that the Director of the Toronto Environment Office work with the other key divisions which provide food services to determine the approach required to achieve a local food purchasing target of 50% local food.

The decision document can be viewed here:

<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-10-29-cc25-dd.pdf>.

At its meeting of November 9, 2009, the Government Management Committee received a report dated June 8, 2009 from the Director of the Toronto Environment Office and the General Manager of Children's Services, which described the achievements made to date with the Children's Services pilot project and identified that additional time was required to continue work with the key divisions. The Government Management Committee requested that the General Managers of Children's Services, Long Term Care Homes and Services, Shelter, Support and Housing Administration (Hostel Services), Real Estate Services and Parks, Forestry and Recreation, in consultation with the Toronto Environment Office, formulate individual implementation strategies including timelines and potential financial and operational implications for achieving a 50% local food target and report back in May 2010.

The Committee also requested that the feasibility of coordinated operational and economy of scale changes be investigated by the General Managers of Children's Services, Long Term Care Homes and Shelter, Support and Housing Administration (Hostel Services).

The decision document can be viewed here:

<http://www.toronto.ca/legdocs/mmis/2009/gm/decisions/2009-11-09-gm26-dd.htm>

This report responds to that direction. A delay in the report process arose due to time requirements to discuss and reach a consensus on the plan to hire a consultant to assist in the development of strategies to achieve a 50% local food target.

ISSUE BACKGROUND

There are significant environmental impacts associated with the provision of food. Some research suggests that roughly 30% of the world's greenhouse gas emissions can be traced to food production, processing, packaging, transportation, preparation and disposal. From a climate change perspective, there is significant use of carbon-based fossil fuels in the production of fertilizers and pesticides, the machinery used in food production and processing and transporting food around the world. Reducing carbon emissions caused by food purchased for City operations would assist us in achieving Toronto's goal of 80 per cent reduction in greenhouse gas emissions by 2050.

As identified in the May 2008 report presented to Government Management Committee, and reiterated in the adoption of the Local Food Procurement Policy by Council in October 2008, staff have been directed to move forward on a local food procurement policy for city operations. In addition to the strong linkage between greenhouse gas emission reductions and the food chain, there are numerous additional social and economic benefits of the policy, including supporting Ontario farmers, increased food security, and building a stronger local agriculture economy.

The City's Local Food Procurement Policy endeavours to reduce the greenhouse gas emissions associated with the provision of food purchased for City operations and facilities while supporting local producers and processors.

Implementation of the Local Food Procurement Policy began in 2008 with a pilot project in Children's Services. Research work identifying the sources of food purchased for Children's Services determined that approximately 20% of purchases were locally grown and that there were opportunities to increase local food purchases at a minimal cost. The results of these efforts were presented in the staff report to the November 9, 2009 Government Management Committee meeting. Through 2009 and early 2010, Toronto Environment Office staff worked with other key divisions to determine the source of food purchased for their operations, conducted staff workshops and assisted with the facilitation of the implementation of the local food procurement policy in general.

At the June 1, 2010 Board of Health meeting, the Medical Officer of Health brought forward the "Toronto Food Strategy – Cultivating Food Connections" report, which speaks to the benefits of local food procurement and recommends the exploration of additional funding opportunities to support the expansion of our current efforts.

COMMENTS

1.0 CHILDREN'S SERVICES PILOT PROJECT RESULTS

1.1 Operations Overview

Municipal Child Care Services ("MCCS") provides services to Toronto families and communities at risk, providing care for approximately 4,000 children through the operation of 57 child care centres and one home child care agency. MCCS offers integrated and inclusive programs providing a full range of before and after school, part-time and full-time care.

Nutrition is an important part of the service provided by MCCS. Lunch and snacks are provided daily and food related activities are incorporated into the children's program. There are 37 child care centres where food preparation facilities are located on-site, 14 centres with limited kitchen facilities that utilize the services of an external caterer for all food services, and 6 centres that are located in long-term care homes (3) and hostels (3) and the food is catered through the kitchens in those facilities.

1.2 Pilot Project Results

As the partner in the pilot study for the first phase of the Local Food Procurement Policy, Children's Services worked for the majority of 2009 to understand the source of the products they are purchasing on a regular basis. A local food purchasing baseline was established at 20%, which incorporated Ontario sourced milk, eggs and most meats. An

additional \$15,000 was provided to accommodate any potential cost increases related to the direction provided to the supplier to purchase certain Ontario grown produce items and cheese regardless of price differential.

In addition to direction to suppliers to provide Ontario grown products, Children's Services has made menu adjustments to increase the percentage of Ontario grown fruits and vegetables served to its clients.

As reported to Government Management Committee at its meeting of November 9, 2009, the first phase of the Children's Services pilot project saw notable success. An increase in local food purchases of 13.4% over the baseline was realized in the first quarter of 2009. Currently, Children's Services is approximately 21.9% over baseline, for a total of almost 42% local food content in its menus. Three items that are being investigated for the next menu cycle are Ontario canned tomato products, an Ontario applesauce and an all Ontario wheat cereal.

2.0 DIVISIONAL ACHIEVEMENTS, RESEARCH TO DATE AND PROPOSED ACTIONS

Ongoing coordination of the local food procurement policy with the Toronto Environment Office and the three key divisions that provide food service - Children's Services, Long Term Care Homes and Services and Shelter, Support and Housing Administration (Hostel Services), and the two divisions that manage third party contracts where food is served (Real Estate Services Division and Parks, Forestry and Recreation) has resulted in positive outcomes. The following achievements have been made to date:

- all divisions have identified that increasing local food purchases is possible when factors such as the cost, quality and availability of the food product are equal;
- staff education and local food awareness training has occurred; and
- language advising potential vendors of Council's Local Food Procurement direction is noted in purchasing documents being issued for food related services.

2.1 Research Work to Date

Research work conducted during the first phase of the local food procurement policy implementation process estimates that as a whole, city divisions are purchasing an average baseline of 20% Ontario sourced products.

The research has also indicated that there are a number of key challenges that must be addressed in order to increase local food purchases for city operations, particularly related to tracking the source of food purchases. For example, a significant percentage of the suppliers that were contacted as part of the baseline research were either unable or unwilling to divulge source information for the products they provide for our operations.

This challenge, coupled with constant and rapid changes in the food service industry regarding food availability and source origin makes it difficult to maintain current information about the products that we are purchasing without significant staff resources.

Addressing these factors and the additional challenges that have been identified in the first phase of implementation will form part of the scope of work for the next phase of research.

2.2 Upcoming Request for Proposals Process

In response to the Committee's direction to the General Managers of Children's Services, Long Term Care Homes and Services, Shelter, Support and Housing Administration (Hostel Services), Real Estate Services and Parks, Forestry and Recreation to formulate, in consultation with the Toronto Environment Office, strategies to achieve a 50% local food target for their food service operations, staff have agreed that the services of an external consultant with expertise in the food service industry is required.

The consultant will have extensive experience and expertise in the food service industry and food production and management supply chains. This knowledge will assist in providing feasible solutions to increase local food purchasing in each division and provide staff with the information required to address the Committee's direction.

The consultant's work as described in the RFP will include:

- conducting a review of federal and provincial policies and legislation that limit or enable the City in achieving its local food purchasing goals (including food service infrastructure components such as canning and freezing facilities);
- investigating the experience of other jurisdictions that have worked to increase local food content in their service delivery and identify best practices for inclusion in the strategies identified for the City of Toronto;
- identifying opportunities, challenges and barriers in our internal operations that may inhibit or allow increased purchasing of local food, including extensive engagement with our current food service vendors and third party leases;
- investigating alternative food service delivery models that may assist us in increasing local food purchasing in our operations, including, but not limited to, service models that feature on-site meal preparation and hybrid models such as contracting for the purchase of meals from existing institutions (such as a public health facility that is increasing its local food content) that have capacity to expand meal production;
- the identification of a simple and reliable measurement and tracking system for local food purchases that considers limited staff resources;

- identifying ancillary benefits of a 50% local food target (such as increased local employment); and
- provision of timelines, budget impacts and operational implications of the strategies identified that would achieve a 50% local food target.

2.2 Timelines

The engagement of a consultant to identify strategies for the City to achieve a 50% local food target in its provision of food services is scheduled to begin in the Fall of 2010 and conclude with a staff report to Government Management Committee in Spring 2011, which will convey the findings of the consultant.

CONCLUSION

Key divisions that provide food services, including Children's Services, Long Term Care Homes and Services, Shelter, Support and Housing Administration (Hostel Services), Real Estate Services and Parks, Forestry and Recreation, are engaged and committed to progressively increasing the amount of local food served in their facilities.

Children's Services has been able to achieve a local food content in its menu of almost 42% from the established baseline of 20%, by working with its suppliers to identify and purchase food items grown in Ontario. This accomplishment indicates that the City of Toronto is showing continued progress and leadership integrating Ontario sourced food into its operations, thereby helping achieve the important environmental, social and economic benefits associated with procuring locally produced foods.

Staff recognize that alternative service delivery models would be required to achieve a target of 50% local food content for the city divisions that provide food services as the current process of working with suppliers is time consuming for staff and offers limited results.

Therefore, in response to the limitations of working with suppliers to adjust purchasing practices and to respond to the Committee's request for strategies to achieve 50% local food content in the menus provided by City food services, City staff are issuing a Request for Proposals to obtain a consultant with experience in the food service industry who will provide strategies, including timelines and financial and operational implications, to attain the 50% local food target.

Following completion of the consultant's report a follow-up staff report will be provided to Government Management Committee (or its successor) and may carry recommendations based on the strategies identified to achieve a 50% local food target.

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