Public sector purchasers as curators and value creators in the food system.

Lapalme, Hayley

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Public Sector Purchasers as Value Creators in a Resilient Food System

A Case Study of the Public Purse Procurement (3P) Mentorship Program

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Hospitality Services
by sodexo

Public Sector Purchasers as Value Creators in a Resilient Food System
farm size

consolidation

# farmers

1927

2001

2011
“The trends of fewer operators, fewer young operators and fewer farms showed no signs of reversing and may indicate more consolidation and significant turnover in farm assets in the future.”

- Statistics Canada, February 2015
Rigidity in the System

Efficiency > Resilience Tradeoff

Consolidation of ownership and decision making leads to a loss of redundancy and diversity in:

– Farms and farmers
– Variety of agricultural practices
– Seed varieties cultivated
– Infrastructure
Who cares?

Altruism in business?
Consumers buy our way to better?
Government?
Public Institutions
Institutions: Claiming or Creating Value?

“The secret behind value creation is building a better and better fit between relationships and knowledge.”


CLAIM VALUE
Optimize for efficiency.

CREATE VALUE
Optimize for resilience.

CHAIN  →  CONSTELLATION
The Ecological System of Value

Impact

Time

future

ENVIRONMENT

SOCIAL

POLICY

COMMUNITY

INSTITUTION

INDIVIDUAL

Impact

Time

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INSTITUTION

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Public Sector Purchasers as Value Creators in a Resilient Food System
Public Procurement of Food in Ontario

Complexity in the Food System
Public Procurement of Food in Ontario

Complexity in the Food System

Public Procurement of Food in Ontario

Supply Subsystem

Consolidation in the Value Chain

Supply Subsystem

Preferred Vendors

"to engulf everything"
-J.K. Galbraith (1967) in Meadows
Public Procurement of Food in Ontario

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Demand Subsystem
Claiming Value in the RFP Process

can exclude based on volume + accessibility

can exclude based on visibility

can exclude based on criteria
More simply, as one Food Service Procurement Manager said:

“It’s easier to work with the incumbent.”
How might we design a minimally disruptive intervention within the space of public procurement to increase resilience in the food system?
Key Influencer: The Nutrition Manager

✓ Set menus.
✓ Purchasing.
✓ Stay on budget.
✓ Do more with less
✓ Takes pride in her work.
✓ Bound by BPS Directive.
Mental Models

“We make public dollars work for the public good.”

ESPOUSED THEORY
Mental Models

“We make public dollars work for the public good.”

“We take the best value we can get with the dollars we have.”

ESPoused THEORY  gap  THEORY IN USE
Why the gap?

Limited time.
Limited resources.
Limited buy-in.
Aversion to risk.

“I’m not sure where to start.”
“I’m on contract – I can’t.”

DELAYS!
Some foresight is needed to get here:
3P Mentorship Program
3P Mentorship Program

14% cost neutral increase in local purchases from baseline

Every $1 of grant money in the program generated $8 on local food spending

All cohort members engaged their distributors in tracking and reporting foods that originated from Ontario

Mentees engaged 255 staff and 183 community members and value chain members in conversations

Impact Measures of the 3P Program

- Within 1 year, the cohort collectively spent an additional $346K on local food.
- 43% of the cohort’s $10 million buying power is now spent on local food.
- 1 institution challenges corporate policy that restricts purchasing of provincially inspected meat.
- 1 cohort member went to RFP during the program; they embed a commitment of 2.5% annual increase of local food purchases in their RFP.

Distributors for 2 of the institutions started to report local on the invoices.
PRINCIPLE 1: DISRUPT DISCRETELY
Work with a high leverage, minimally disruptive point of intervention.

“We are farther along than we’d ever be without this program... We may not have done any of it at all this year.”
– Lindsay, Humber College
[I learned] that other institutions are really looking and changing the way their supply chain is structured -

...and that we are not alone. - Joli

PRINCIPLE 2: COLLABORATE ACROSS DIFFERENCE
Leverage buyers who purchase with similar missions and processes.
PRINCIPLE 3: JUST ASK!
Encourage the flow of information to cultivate an appreciation of complexity.

A strong and attainable goal emerged: let’s keep digging to get clear reporting of all foods procured.”
- Kathy, HSN
The most common way people give up their power is by thinking they don’t have any.

– Alice Walker

**PRINCIPLE 4: CHALLENGE ASSUMPTIONS**

Reimagine roles and question paradigms to reimagine the system.

- “Your distributor does that for you?”

  “Yes, I’m the client!”
PRINCIPLE 5: NURTURE THE DESIRE TO LEARN

Encourage self-organizing within the cohort.

“We are this year’s mentees, but next year we can be the mentors.”
A Resilient Community of Practice

BPS Directive

ON PUBLIC INSTITUTIONS
$750 million

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Expansive Notion of Value & a Diverse Pool of Suppliers

- PRODUCERS
- PROCESSORS
- DISTRIBUTORS

Preferred Vendors


Public Sector Purchasers as Value Creators in a Resilient Food System

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Empowering Feedback for Policy Change

**Ontario Government**

**Public Funding**

**Feedback**

**Regulation**

**BPS Directive**

**On Public Institutions**

$750 million

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From Claiming Value from the Chain…

- Land/Air/Water
- Producers
- Processors
- Distributors
- Public Institutions
- Public Dollars

To Creating Value in a Constellation
Thank you.
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