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

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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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RSD4 | September 3, 2015 | The Banff Centre
“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.

The Ecological System of Value

Impact

Time

Individual

Institution

Community

Policy

Societal

Environment

future
Food System Stakeholders

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

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Public Procurement of Food in Ontario

Complexity in the Food System

Supply Subsystem

“to engulf everything”
-J.K. Galbraith (1967) in Meadows

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Demand Subsystem

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Claiming Value in the RFP Process

- Can exclude based on volume + accessibility
- Can exclude based on visibility
- Can exclude based on criteria

RFP Process:
1. **Contract Over 100K**
2. **Write RFP**
3. **Post RFP publicly**
4. **Public Q&A**
5. **Bid Submission**
6. **Evaluate Bids**
7. **Award Winner**

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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?
Leverage Points

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Public Sector Purchasers as Value Creators in a Resilient Food System

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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

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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.
“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

PRINCIPLE 1: DISRUPT DISCRETELY
Work with a high leverage, minimally disruptive point of intervention.
[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.
A strong and attainable goal emerged: let’s keep digging to get clear reporting of all foods procured.”
- Kathy, HSN

PRINCIPLE 3: JUST ASK!
Encourage the flow of information to cultivate an appreciation of complexity.
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.”
Public Sector Purchasers as Value Creators in a Resilient Food System
A Resilient Community of Practice

BPS Directive

ON PUBLIC INSTITUTIONS
$750 million
Expansive Notion of Value & a Diverse Pool of Suppliers
Empowering Feedback for Policy Change

BPS Directive

ON PUBLIC INSTITUTIONS
$750 million

Feedback
Public Funding
Feedback
Regulation

ONTARIO GOVERNMENT

From Claiming Value from the Chain...
To Creating Value in a Constellation

Diagram showing relationships between Producers, Distributors, Public Institutions, Land/Air/Water, Public Dollars, with arrows indicating interactions and connections.
Thank you.

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