

CA ProCureWorks Evaluation

Executive Summary

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Introduction

This report summarizes findings of a qualitative assessment of the management, implementation and strategies used by ProCureWorks during its first two years (2015-2017). ProCureWorks (PCW) was formed as a joint initiative between School Food Focus (SFF) and Health Care Without Harm (HCWH) to leverage and support sustainable procurement in both schools and hospitals in California. When PCW was started, it engaged 5 school districts representing over 530 schools, and 8 health care systems with over 55 member hospitals. The overarching goal was to use the buying power of the health and education sectors to transform the food supply chain in both of these institutional settings. The UC Sustainable Agriculture Research & Education Program (UC SAREP) was asked to conduct this participatory evaluation in February 2017, to be completed by February 2018.

Methods

Data for this qualitative assessment was collected during summer, fall and winter of 2017 through 27 in-depth interviews of ProCureWorks stakeholders, including 13 school district and hospital food service staff, 5 producer representatives (from Mindful Meats, Community Grains and Foster Farms), 2 community partners, and 7 PCW leaders. Interviews lasted 30-90 minutes and included questions about:

- How the interviewee was involved in PCW and for how long
- Changes in procurement practices (buyers) or sales (producers) as a result of participation in PCW
- Successes as part of PCW
- Challenges in PCW
- Key factors contributing to successes
- Changes to existing policies/practices as a result of participation in PCW
- Collective goals achieved by PCW in the last 2 years
- Ways in which PCW's work has influenced other organizations

Notes were taken during interviews, which were later summarized for key themes and read and discussed by each of the two evaluators to ensure clarity in emerging themes.

Overview

At the time these interviews were conducted, the PCW participants from 3 identified pilot regions across CA (Sacramento, Bay Area and San Diego) had already decided to focus on driving change in three product categories and through four strategies broadly categorized as “procurement processes.” The three product categories included poultry, beef, and grains, and the PCW members identified specific regional producers that they wanted to work with to procure these priority products: [Foster Farms](https://www.fosterfarms.com/)¹, [Mindful Meats](http://www.mindfulmeats.com/)² and [Community Grains](https://www.communitygrains.com/)³.

¹ <https://www.fosterfarms.com/>

² <http://www.mindfulmeats.com/>

³ <https://www.communitygrains.com/>

Successes

Laying the foundation for procurement change

Creating a learning community / Community of Practice

Interviewees described the creation of a learning community and Community of Practice as a major success of PCW. Within that community, participants were able to learn from each other and about the opportunities and challenges associated with shifting procurement practices. Participants described an iterative process of trying something out, sharing results, and trying again in order to better understand and address the challenges to accomplishing their shared goals.

By facilitating experimentation with different models and strategies within a Community of Practice, PCW was able to better see opportunities at different scales, and explore different strategies of meeting the group's shared objectives. These early stages of work helped grow the knowledge base of PCW and its support organizations to further this work.

Building relationships

In addition to creating opportunities for learning and trying out new procurement strategies, interviewees also described relationship building as a major success for PCW. Multiple buyers described the connections they made with other buyers as "making things feel possible," and "increasing their confidence in asking for change" after better understanding the options available to them and realizing they were not alone in their procurement goals. Interviewees described this relationship development as a step in building the foundation for larger change, and frequently reported learning from each other as well as from PCW leaders and resources.

Planning and goal setting (aligning standards, identifying challenges, needs, and options)

Many stakeholders we interviewed expressed the belief that large systems change happens slowly, and that successful planning and goal setting are key to eventually meeting PCW's procurement-related objectives.

PCW successes reported in this arena include:

- facilitating cross-sector collaboration to identify shared goals and align standards
- building and maintaining an active Community of Practice
- developing relationships across the supply chain
- identifying logistical challenges and possible ways to overcome them
- researching product availability and working with producers to build up the supply of products that met PCW standards
- making direct connections between buyers and sellers

Serving as an advocate, uniting voices and articulating vision

Although the activities that make up success in this section have been mentioned previously, PCW's advocacy and communications roles came up often enough to be worth noting on their own. Stakeholders spoke highly of the communications work of PCW both in terms of facilitating collaboration and building the case for procurement change, and also in terms of crafting and articulating a sense of "us" across two distinct sectors. It was the development of this shared vision and voice that allowed for PCW to serve in an advocacy role for both sectors.

Building relationships and buy-in from producers

All three producers (Foster Farms, Mindful Meats, and Community Grains) demonstrated significant buy-in to the project, including changing practices and making investments to better meet the needs of buyers. Stakeholders described PCW's articulation of product demand across buyers as being key to getting the producers to take the buyers seriously in a way they may not have if each had articulated their demand individually. This was particularly true for smaller scale buyers.

Specifically, producers made or are considering the following changes:

- Foster Farms became process verified through the USDA, expanded product availability, and invested in equipment to provide portioned products to schools and hospitals.
- Mindful Meats is considering making investments in their own processing equipment and beginning to work through a distributor (Goldstar Foods).
- Community Grains reformulated pasta products for schools to make them more palatable to children and to insure that they performed in school kitchen settings. This included adjusting the recipe so that it could be cooked in a variety of ways (including steamed, baked, and reheated), as well as adding an additional 1-2% gluten, which makes whole grain pasta look like white pasta. They also developed cooking methods and participated in training school staff. These changes took place primarily in collaboration with Oakland Unified School District prior to the initiation of PCW, but are included because they still demonstrate producer buy-in to the PCW model.

On the whole, producers view themselves as collaborators in the project and see it as being (or having the potential to be) mutually beneficial. This can be viewed as a success of both PCW communications with producers, and of its organizing work.

Realized benefits of procurement change

Although most buyers we spoke to were not yet making large changes to their procurement practices, the few who had (all school buyers) shared the benefits they perceived in their settings. These benefits included being able to serve a better quality product, better participation in the school meal program, less food waste, and a more positive perception of school meals. Other answers described changes in the perceptions of the buyers themselves, such as feeling that they were contributing to a more sustainable food system.

Challenges & key recommendations

Challenges related to the logistics of distribution & purchasing

Key recommendations:

- Prioritize building relationships with distributors. Include distributors as a major audience for program messaging. Focus on communications that frame distributors as collaborators and facilitators.
- Select producer partners that are willing and able to work with the distributors used by hospitals and schools. Purchasing relationships through distributors must be mutually beneficial (for producers, distributors, and buyers) to be sustainable. It may be difficult to achieve a price point that can ensure this is the case for smaller producers.
- If not already known, research and communicate the minimum slotting requirements of specific distributors as they relate to priority products and regional distribution centers. There may be a regional element to this equation (slotting requirements by warehouse rather than by distributor).
- Develop and maintain a solid understanding of the contractual obligations of buyers across the spectrum of partner institutions. Understanding these contractual obligations, as well as building relationships with distributors, will likely be key to developing options for buyers to make purchases within established channels, rather than requiring purchases outside of them.

Challenges related to PCW standards (including priority products & producers)

Key recommendations:

- Understand that PCW may not be able to meet all potential goals for procurement change simultaneously, and identify and focus on the unique opportunities of PCW. We suggest that these unique opportunities primarily involve influencing mid-scale and larger scale actors in production and distribution, and perhaps working to shift to a more sustainable baseline rather than support the producers that have the most desirable sustainability attributes at the onset.
- Consider ranking or ordering program values, like “local” and “NAE” in some way (either in terms of importance, or by order of operations). This will help to determine strategic priorities in cases where priorities may compete or involve significant trade-offs vis-à-vis one another.
- Evaluate the potential benefits of PCW to producers at different scales. It may not always be true that institutional buyers can be a beneficial market for small or even mid-scale local producers.

- Engage potential producer partners based on detailed understanding of the logistics and price points of both buyer and seller. The fact that buyer and seller share certain values does not necessarily mean they will be able to forge a financially sustainable relationship with one another.
- If PCW wants to prioritize work with smaller scale producers, it will be important to understand and find way to accommodate the limitations of these producers. Be as transparent as possible about any processing or distribution requirements, as well as anticipated demand, so that they can make responsible business decisions regarding their engagement.
- Consider the producer attributes that intersect with geographic location, including scale and market orientation. Be clear about which of the benefits PCW hopes to promote through local purchasing flow from which of these attributes.
- Consider the potential role that could be played by a 3rd party processor, co-packer, or food hub, particularly in making it possible for smaller scale producers to get the correct product specifications to schools and hospitals.
- Clarify PCW's strategic goals around influencing procurement. Does PCW hope to change a small percentage of institutional purchases of a product with all (or most) of its desired sustainability attributes? Or does PCW hope to shift to a more sustainable baseline?
- If focusing on a specific product type from a single producer (e.g. NAE chicken from Foster Farms), rather than a category (e.g. NAE chicken), it is important to be able to deliver demand when they deliver supply.

Challenges related to pricing

Key recommendations:

- Understand how the cost of changing procurement practices is experienced by different buyers. PCW should explore further what factors make these products affordable for some buyers but not for others.
- Though it is theoretically true that purchasing in higher volumes can reduce per-unit price, PCW will need to work with specific distributors around specific products to determine what these thresholds are, and if they are meaningful to buyers.
- If PCW continues to work with smaller scale producers, this will likely limit their ability to advocate for lower costs for buyers, as these smaller scale producers have significantly higher costs of production. Larger scale producers can spread costs associated with new, more sustainable products across more units and likely have more capacity to keep prices closer to what schools and hospitals are accustomed to paying.

Challenges related to communications

Key recommendations:

- Consider re-focusing messaging more on specific attributes or issues in the supply chain, such as the routine use of antibiotics, rather than broad terms like “sustainable.”
- Consider the role PCW may be able to play in communicating demand rather than orchestrating it.
- Consider how communications will likely play a key role in making multiple independent purchases “add up” to a movement for change from the point of view of key stakeholders like consumers and distributors. It is possible an effective communications strategy could have an even larger impact than a shift toward joint purchasing, which has been suggested as a possible next step. Explore both options moving forward.

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