



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: May 20, 2025

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TO: Board of Supervisors

SUBJECT

RECEIVE YEAR-TWO UPDATE FOR THE SUSTAINABLE, EQUITABLE, AND LOCAL FOOD SOURCING PROGRAM AND BOARD POLICY B-75 AND RECEIVE AN UPDATE ON THE COUNTYWIDE FOOD CONTRACT (DISTRICTS: ALL)

OVERVIEW

On June 8, 2021 (3), the San Diego County Board of Supervisors (Board) approved the framework for the use of American Rescue Plan Act (ARPA) funding. Under the ARPA Food Assistance component, \$1 million was allocated to initiate a County of San Diego (County) values-based food procurement program. Then on January 25, 2022 (5), the Board directed staff to commence implementation of the Sustainable, Equitable, and Local Food Sourcing Program (Program) and to develop an internal County policy. Subsequently, on June 14, 2022 (3), the Board received the Program and Policy Framework and directed staff to return to the Board within 18 months for consideration and adoption of the policy. On December 5, 2023 (26), the Board adopted the Sustainable, Equitable, and Local Food Sourcing Policy (Board Policy B-75) and directed implementation of Year-Two of the Program.

Most recently, on March 12, 2024 (9), the Board directed the Chief Administrative Officer to:

- Initiate a competitive solicitation process for food, food preparation supplies, and equipment.
- Require contract supplier(s) to track and report progress on the six value categories outlined in Board Policy B-75.
- Return to the Board with a report of the data resulting from contract suppliers' progress on the six value categories prior to the renewal of the initial one-year period of the contract, or any subsequent options.
- Develop an action plan to identify, support, and cultivate local businesses as potential subcontractors for future large-scale food contracts.

Today's actions request the Board receive an update on year-two implementation with progress and impacts for the Program and Board Policy B-75, covering all eight County food service programs and operations and spanning multiple years, and an update on the progress made under the Countywide Food Contract that was executed September 1, 2024, covering the two self-operated food service operations. It also provides an update on efforts to identify, uplift, and

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support local businesses to serve as subcontractors for the County's food procurement needs. Finally, today's actions request the Board authorize applications for additional funding opportunity announcements to support the Program.

This item supports the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as the ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished by supporting San Diego County's most vulnerable communities, addressing issues of food insecurity, improving nutrition, and supporting local agricultural businesses in San Diego County.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Receive an update on year-two of implementation with progress and impacts for the Sustainable, Equitable, and Local Food Sourcing Program and Board Policy B-75.
2. Receive an update on the Countywide Food Contract.
3. Authorize the Deputy Chief Administrative Officer, Health and Human Services Agency, or designee, to apply for additional funding opportunity announcements, if available, to support the Sustainable, Equitable, and Local Food Sourcing Program.

EQUITY IMPACT STATEMENT

According to a landscape assessment of County of San Diego (County) food service programs and operations, in 2024, the County served approximately eight million meals to vulnerable populations including youth and adults residing in public hospitals and detention facilities, older adults, foster youth, and individuals living with HIV/AIDS. As such, the County has an ongoing opportunity to direct public funds through implementation of a values-based food sourcing program and policy that can positively impact the populations served in addition to supporting a more robust sustainable, equitable, and local food system.

Notably, the Sustainable, Equitable, and Local Food Sourcing Program (Program) includes a value category focused specifically on equity: Equity-Informed Sourcing. The Program measures purchases within this value category and supports food service programs and operations in identifying food and beverage purchasing opportunities in this value category with assessments to determine the County's progress. By centering equity in the County's food procurement, the County has the ongoing potential to focus public funds to positively impact local food producers, workers, and businesses owned and/or operated by underserved communities. Sustainability and equity-focused institutional food purchasing can be an immediate and long-term strategy to reduce health disparities through improving the quality of food served to vulnerable and under-resourced communities.

Related to the Countywide Food Contract, some initiatives that will support the Equity-Informed Sourcing value category are training programs that are being developed, and supplier interest form for interested suppliers to obtain information on Sysco Foods' procurement requirements to pave a pathway for local businesses to become subcontractors with Sysco Foods. County Department

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of Purchasing and Contracting will continue to collaborate with the County's Food Services Leadership Committee, which is facilitated by County Public Health Services and includes representation from all County food service programs and operations and other key stakeholders, to cultivate local small and diverse businesses. Additionally, County staff have leveraged community partnerships to connect suppliers with information on doing business with the County, as well as procurement technical assistance resources to increase the participation of local, small, and diverse suppliers as subcontractors in the Countywide Food Contract and future food-related contracts.

SUSTAINABILITY IMPACT STATEMENT

Today's actions support the County of San Diego Sustainability Goal #2, provide just and equitable access; Sustainability Goal #3, transition to a green, carbon-free economy; Sustainability Goal #4, protect the health and well-being of everyone in the region; and Sustainability Goal #7, reduce pollution and waste and demonstrate reduction in consumption of resources. The Sustainable, Equitable, and Local Food Sourcing Program and Board Policy B-75 help direct public funds, contributing to sustainability through increasing purchasing of organic, regeneratively grown, and low-carbon intense food and beverages. This program measures purchases within these value categories and supports food service programs and operations by identifying food and beverage procurement opportunities within the value categories, collectively contributing to the County sustainability goals, as well as Departmental Sustainability Commitments, the Regional Decarbonization Framework, and the 2024 Climate Action Plan.

FISCAL IMPACT

There is no immediate fiscal impact specific to today's actions. Continued Program implementation is not anticipated to result in new costs for departments in the near term. The action plans focus on cost neutral strategies with support from the contracted technical assistance provider and County of San Diego Program staff. However, fiscal impacts could be associated with identified goals with respect to each food service operation, such as diverting or increasing purchases in specific value categories. Those goals are to be determined by leadership for each food service operation based on respective operational and budgetary constraints. Any such recommendations requiring additional funding will return to the San Diego County Board of Supervisors for consideration and approval, as necessary. Institutions across the country that have implemented a values-based procurement program, similar to this County of San Diego program, and have primarily relied on cost-neutral strategies to improve performance. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

The County of San Diego (County) purchases food, food preparation supplies, and equipment on a large scale to provide millions of meals annually. The Countywide Food Contract with Sysco Foods requires local suppliers to be included as subcontractors in Sysco Foods' catalog, positively impacting the local business community. Furthermore, Sysco Foods is collaborating with the County to establish a training program that builds capacity and trains future generations of local, small, and diverse businesses.

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If approved, today's actions have the potential to continue positively impacting the regional food system by increasing market opportunities for businesses in the food chain including producers, manufacturers, and distributors who align operations with the Board-directed value categories.

ADVISORY BOARD STATEMENT

The Health Services Advisory Board is scheduled to review this item at its meeting on May 13, 2025.

BACKGROUND

The County of San Diego (County) serves approximately eight million meals at a cost of approximately \$30.5 million each year to vulnerable populations, including youth and adults residing in public hospitals and detention facilities, older adults, foster youth, and individuals living with HIV/AIDS. There are eight food service programs and operations within the County that utilize public funds, categorized into two types: self-operated, such as those within the Sheriff's Office and Edgemoor Hospital; and externally contracted with food service management companies, such as those within the Probation Department, Aging & Independence Services (AIS) Older Californians Nutrition Program, San Diego County Psychiatric Hospital, A.B. and Jessie Polinsky Children's Center, San Pasqual Academy, and the Ryan White HIV/AIDS Food Services Program.

On June 8, 2021 (3), the San Diego County Board of Supervisors (Board) approved the framework for the use of American Rescue Plan Act (ARPA) funding. Under the ARPA Food Assistance component, \$1 million was allocated to initiate a County values-based food procurement program. Then on January 25, 2022 (5), the Board directed staff to commence implementation of the Sustainable, Equitable, and Local Food Sourcing Program (Program) and to develop an internal County policy to include the following six value categories: Local Sourcing; Equity-Informed Sourcing; Elevated Labor Standards; Organic or Regenerative Certification; Low-Carbon Intensity; and Nutritional Co-Benefit.

On June 14, 2022 (3), the Board received the Program and Policy Framework and directed staff to return within 18 months for consideration and adoption of the policy. Subsequently, on December 5, 2023 (26), the Board adopted the Sustainable, Equitable, and Local Food Sourcing Policy (Board Policy B-75) and directed implementation of Year-Two of the Program. Board Policy B-75 supports comprehensive food and beverage purchasing data transparency, and guides goals for increasing purchasing in the value categories as determined by each individual operation's action plan. Board Policy B-75 applies to all County food service programs and operations.

Values-based food sourcing prioritizes principles, in addition to cost, when deciding which food items to purchase. Large enterprises, such as the County, have an ongoing opportunity to support farmers and producers who operate with values outlined in Board Policy B-75. Implementing a comprehensive, values-based food procurement program ensures that institutional food practices, including food and beverage purchasing, advances an equitable, healthy, fair, local, humane, and sustainable food system. Government agencies across the nation that have implemented values-based food and beverage procurement programs have realized positive outcomes such as increased

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purchases from local farmers in their region, and increased demand for products and production practices that improve food systems, support economic development, and reduce environmental impacts. The following sections detail the development of the Sustainable, Equitable and Local Food Sourcing Framework, Program, and Board Policy B-75.

Development of the Sustainable, Equitable, and Local Food Sourcing Program and Policy Framework

On January 25, 2022 (5), the Board directed the development of two key components to support values-based food sourcing:

- A program to assess current practices and provide tools, technical support, and action plans to help County food service programs adopt more sustainable, equitable, and locally focused sourcing; and
- A countywide policy, developed in collaboration with departments, to align food purchasing with Board-directed value categories and standardize the approach across operations.

To guide this work, staff created the Sustainable, Equitable, and Local Food Sourcing Policy Framework, informed by evidence-based best practices. The Food Services Leadership Committee (FSLC), with representatives from all County food service operations, was established to co-create the Framework and oversee program and policy development. The Framework's core components were operationalized during the first year of implementation, beginning in May 2022.

Year-One of Program Implementation: Baseline Assessments and Action Plan Development

In May 2022, the County selected Karen Karp & Partners (KK&P), along with their subcontractor, the Center for Good Food Purchasing, through a competitive solicitation process. Both organizations bring national expertise, best practices, and experience supporting large jurisdictions in implementing values-based food and beverage procurement programs. The technical assistance provider (TA provider) guided the implementation process using the key components of the Framework, translating value categories into standardized metrics to effectively measure current purchasing practices.

Baseline assessments were conducted and served as the foundation for food service providers to set goals and create their individual action plans. These plans were further shaped by one-on-one technical assistance tailored to the unique needs of each operation, and they are intended to be iterative and flexible, adapting to evolving operational priorities.

The Sustainable, Equitable, and Local Food Sourcing Policy

Guided by the Framework, the first year of the program informed the development of Board Policy B-75. According to Board Policy B-75, County food service programs and operations shall participate in the Program which includes:

- Action planning – develop, maintain, and progress towards annual procurement action plans, collaboratively created by food service program leads and/or operators and the program team.

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- Collaboration – attend periodic County FSLC meetings for Program support, peer learning opportunities, and progress reporting.
- Data Requirements – collect, maintain, and share annually and upon request procurement data related to food service operations.
- Food Service Contracts – include food and beverage procurement data collection requests in contracts and relevant amendments as feasible.

The following sections provide an overview of Year-Two of Program implementation, including data and progress in the six value categories.

Year-Two of Program Implementation: Action Plan Implementation and Monitoring Progress

Year-Two program implementation focused on implementing action plan strategies and activities for each food service program and operation, with extensive technical assistance provided by the contractor and Program staff and measuring progress through additional assessments. Action plans included clear and achievable activities that represent a focus on cost neutral strategies for implementing the Program and identifying opportunities to shift food and beverage purchasing to items that qualify in the value categories. While each food service program had its own action plan and regulatory federal and/or State requirements, the TA provider and Program staff identified and leveraged activities across all food service programs and operations. They used the FSLC and quarterly action planning calls to collectively maximize impact. These collective actions include supply chain transparency through vendor engagement and data collection; identifying opportunities to improve purchasing in value categories through a collaborative approach; increasing local purchasing to support the local food system and economy; focusing on menu options that qualify for the Nutritional Co-Benefit and Low Carbon Intensity value categories; and prioritizing overall budget neutral approaches. These collective actions are described in greater detail below.

Supply Chain Transparency through Vendor Engagement and Data Collection

- Purchasing reports from vendors collected for baseline data assessments in Fiscal Year (FY) 2021-22 showed significant gaps for production location data, or where items are grown and/or manufactured, making it challenging to accurately measure and track value categories, such as Local Sourcing and Elevated Labor Standards.
- The TA provider and Program staff worked closely with County food service programs and operations, County contracted food service management companies, and contracted vendors to familiarize them with the Program and implement strategies to improve the completeness of the data, focusing on production location data.

Identifying Opportunities to Improve Purchasing in Value Categories through a Collaborative Approach

- The TA provider collaborated with two contracted food service management companies—serving five County food service operations—to review qualifying purchases in one operation and apply them to the other four where feasible.

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- The TA provider also looked at existing Local Sourcing qualifying dairy items and suppliers to purchase dairy products for two contracted food service management companies, impacting five food service operations, when pricing was equal or less than other dairy options.

Increasing Local Purchasing to Support the Local Food System and Economy

- The TA provider and Program staff worked closely with food service programs and operations to identify items that could be purchased locally through existing vendors, selected in-season items to collectively prioritize in purchasing across several operations, and supported identifying regionally based vendors, such as produce, dairy, and/or bakery vendors who produce or source locally.
- Additionally, the TA provider and Program staff have been working with a San Diego-based food hub that aggregates produce from San Diego County farms to support their inclusion into County supplier catalogues, which can be utilized by food service operations to purchase more local produce.

Menu Options that Qualify for the Nutritional Co-Benefit and Low Carbon Intensity Value Categories

- The TA provider and Program staff supported food service programs and operations by identifying specific items already purchased and menued that qualified for the Nutritional Co-Benefit value category, including non-red and non-processed meats, dairy products and plant-based proteins, minimally processed and whole grains, and minimally processed and whole fruits and vegetables, and opportunities to increase purchases of those items. Support was provided through monitoring and coaching of menu swaps and plant forward menuing strategies.
- Low Carbon Intensity complemented Nutritional Co-Benefit goals. Technical assistance was provided to explore opportunities for plant-forward non vegetarian items, more vegetarian options, reducing beef and other meat purchases through the addition of plant-based proteins such as legumes, reducing dairy purchases, and identifying climate smart farming partners all while functioning within operation parameters such as client enjoyment and receptivity, budget, and other operational considerations.

Budget Neutral Approaches

- The TA provider and Program staff worked with food service programs and operations to incorporate the strategies above in a manner that emphasized budget neutrality, and potentially even savings.

Year-Two Progress: Data and Impacts

The TA provider collected and analyzed annual food and beverage purchasing data to track progress across each value category. Assessments were conducted for FY 2021–22 and 2023–24. Each food service program and operation received a customized data report showing the percentage of total items purchased that met the criteria for the value categories. FY 2023–24 assessments were completed for the eight County self-operated and contracted food service operations. These included the Sheriff’s Office, Edgemoor Hospital, Probation Department, San

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Diego County Psychiatric Hospital, A.B. and Jessie Polinsky Children's Center, the Ryan White HIV/AIDS Food Services Program, and the contractors that met the meal volume threshold for the AIS Older Californians Nutrition Program. The data reflected below and included in Attachment A, represent approximately six months of implementation following the adoption of Board Policy B-75, specifically July 2023 through June 2024, as the collection of data follows a fiscal year cycle, though as described above, implementation of the Program started before Board Policy B-75 passed.

The data summarized below and in Attachment A compares the results from the FY 2021–22 baseline and FY 2023–24 assessments to reflect Program progress. The data is presented as a range across all County food service operations. It highlights:

- The percentage range of total spending on food and beverages with complete production location data
- The percentage range of each operation's budget spent on qualifying purchases in each value category
- The range of carbon emissions associated with animal products on a per-meal basis
- The percentage range of total qualifying items in the Nutritional Co-Benefit category, along with the national average for a comparable values-based procurement program

San Pasqual Academy and a newly qualifying AIS Older Californians Nutrition Program contractor were also assessed in FY 2023–24 but are excluded from the comparison and tables in Attachment A due to the absence of baseline data from FY 2021–22.

Overall, the Program supported positive progress in two of the value categories, exceeding the national averages for a similar values-based food procurement program.

- Local Sourcing, measured as food grown and/or processed within 250 miles (or 500 miles for meat) from San Diego County by family or cooperatively owned producers and/or processors, also had increases compared to baseline, with the top of the range increasing from 17.5% to 26.9%.
- Elevated Labor Standards, measured as vendors and/or suppliers with third-party labor certifications, a vetted social responsibility policy, who operate under union contracts, or are a worker cooperative, also saw improvements with the top of the range increasing from 33.1% to 40.3%.

It is noteworthy that all food service operations had improvements in complete production location, or data identifying where an item was grown or produced, with the top of the range increasing from 36% to 66%. While not officially one of the County's six value categories, this data supports supply chain transparency and the ability to accurately measure Local Sourcing and Elevated Labor Standards value categories. Local Sourcing and Elevated Labor Standards value category percentages are both greatly impacted by having completed production location information. This impact is due to the location being a determining factor for item qualification. Working closely with vendors to share more complete production location, along with strategies to support food service operations in purchasing more local products and products that come from producers, manufacturers, and/or distributors that meet Elevated Labor Standards, help to account

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for these increases. Continued progress is expected in these value categories as work continues with vendors to onboard more local producers.

The following two value categories had either neutral change and/or slight decreases in progression.

- Equity-Informed Sourcing, measured as purchases from small or mid-sized farmer-owned business or community-owned farms, and small and/or local enterprises, or businesses owned and/or operated by underserved communities, saw no change with the top of the range remaining at 2%.
 - The County exceeded the national average of 0.2% for a similar values-based food procurement program in this value category. The County remains committed to identifying and sourcing businesses and farms that qualify in this value category and are working to include them in vendor catalogues.
- Organic and Regenerative Certification assesses purchases based on certain third-party certifications such as USDA certified organic, Rainforest Alliance, Animal Welfare Approved, among others, and saw the top of the range decrease from 7.4% to 2%.
 - This value category is often the most expensive to progress in as items that qualify here hold third party certifications, which can be costly for producers to obtain and maintain. Additionally, inflationary pressures of rising food prices on food service operation's budgets can influence decisions to purchase qualifying items in this category. Finally, not all vendors have relevant options for items within their various purchasing catalogues, though the TA provider and Program teams are working with vendors to increase the options available.

At the same time, food service operators showed mixed progress in the Low-Carbon Intensity and Nutritional Co-Benefit value categories.

- Low-Carbon Intensity reflects the pounds of CO2 emissions per meal, calculated using a carbon footprint based on quantities of animal products purchased. Progression in this category would be a decrease in pounds of CO2 per meal. Analysis of this value category showed the bottom of the range increase from a very low 0.94 to 1.48 pounds of CO2 per meal and the top end of the range increase from 5.66 to 6.96 pounds of CO2 per meal.
 - However, some food service operations achieved dramatic decreases in their carbon footprint per meal by implementing strategies addressed above achieving carbon footprint per meal reductions of over 20%.
- Nutritional Co-Benefit, calculated through a checklist and assessments focused on increasing whole or minimally processed foods, and fruit, vegetable, and whole grains, and decreasing red or processed meats saw the bottom of the range decrease from 29% to 26% but the top of the range increase from 67% to 68%, indicating an overall neutral change.
 - However, food service operations achieved substantial improvements with the increase in purchases of fruits, vegetables, and whole grains and reduction in purchases of red and processed meats by implementing strategies addressed above. Some food service operations decreased purchases of red and processed meats by over 10% and one increased purchases of fruits, vegetables, and whole grains by 6%.

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- Additionally, the top end of the range exceeded the national average of 60% for a similar values-based food procurement program.

Menuing strategies listed above focus on supporting food service operations in shifting to more whole and minimally processed foods and less red and processed meats in addition to overall efforts to support plant forward options.

Institutional food procurement processes include many fluctuations and nuances both internally, through elements such as client needs, budgetary constraints, or other operational fluctuations, and externally such as supply chain limitations and disruptions, inflation, and contracts. The data reflected above and included in Attachment A, represent approximately six months of implementation following the adoption of Board Policy B-75, specifically July 2023 through June 2024, as the collection of data follows a fiscal year cycle. Several value categories substantially increased in the July 2023 through June 2024 timeframe, which reflects significant action plan progress post Board Policy B-75 adoption. Even for value categories which saw neutral change or slight decreases, progress has been and continues to be made, and sourcing challenges identified are being analyzed to inform future implementation actions.

Critically, many of the food service operations have made significant shifts in their menus starting in July 2024, changes which are not reflected in the data above as assessment timeframes are retrospective. These changes include prioritizing more fruits, vegetables, and whole grains, less processed foods, and less red and processed meats. County staff and food service operations are actively working with vendors to obtain and offer more Local Sourcing and Organic and Regenerative Certification qualifying items in their catalogues. County staff are also working with vendors to identify and onboard local producers such as a local food hub that prioritizes sourcing from small farms owned and/or operated by members of underserved communities, which will support several value categories. Finally, County staff are working with food service operations and key vendors to implement a collaborative local purchasing strategy where operations are encouraged to regularly purchase seasonal items locally.

Countywide Food Contract – Data and Metrics to Track Progress

On March 12, 2024 (9), the Board directed the Chief Administrative Officer to:

- Initiate a competitive solicitation process for food, food preparation supplies, and equipment.
- Require contract supplier(s) to track and report progress on the six value categories outlined in Board Policy B-75.
- Return to the Board with a report of the data resulting from contract suppliers progress on the six value categories prior to the renewal of the initial one-year period of the contract, or any subsequent options.
- Develop an action plan to identify, support, and cultivate local businesses as potential subcontractors for future large-scale food contracts.

Board Policy B-75 applies to all eight County-administered food service programs and operations. DPC oversees the Countywide Food Contract, which currently services two internally self-

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operated food service operations, the Sheriff's Office and Edgemoor Hospital. The remaining six food service programs and operations are managed externally through contracted food service management companies and therefore do not purchase from this contract.

In response to the Board's direction from March 12, 2024 (9), the County solicited a competitive procurement for a countywide food supplier that incorporated the Board Policy B-75 requirements. The new Countywide Food Contract was awarded to Sysco Foods and executed on September 1, 2024. This contract ensures the continued procurement of food, food preparation supplies, and equipment on a large scale to support the County's internally self-operated food service operations. On September 24, 2024 (15), the Board received an update on the countywide food procurement process, including an update on the competitive solicitation for food, as well as food preparation supplies and equipment.

As part of its contractual obligations, Sysco Foods is required to track and report progress on each of the six value categories outlined in Board Policy B-75, including total spending by category, supplier diversity, and the availability of sustainable food options. Sysco Foods provides quarterly and annual reports that document detailed data on County food purchases, which are reviewed collaboratively during scheduled quarterly meetings. As described above, the County works with its TA provider, who is responsible for conducting the data analysis and assessment in alignment with Board Policy B-75 requirements for all County food service operations, including those served by the Countywide Food Contract with Sysco Foods. Sysco Foods has worked collaboratively with the TA provider and its subcontractor by providing the necessary data to inform the analysis. The TA provider is responsible for compiling, validating, and interpreting the data included in this report annually, completing the analysis each Fall following the fiscal year. The County has worked closely with Sysco Foods and the TA provider to refine tracking mechanisms and ensure reporting yields consistent, measurable outcomes that reflect progress toward policy goals.

The TA provider reviews data annually after the completion of each County fiscal year, which does not align with the Sysco Foods contract cycle which runs from September 1 through August 31. The data provided reflects FY 2023–24 performance from Sysco's previous Countywide Food Contract and is being presented to establish baseline data that will support future analysis. Data for FY 2024-25 under Sysco Foods' new contract will be available in the next report out. This baseline data reflects implementation efforts for Board Policy B-75, prior to the newly established contract with Sysco Foods. Since the establishment of the new contract, Sysco Foods developed an internal system that captures complete production location information, an essential element for evaluating progress in the Local Sourcing and Elevated Labor Standards categories. This resulted in an increase in traceable items, with production location data improving from 1–4% to 51–66% which contributed to progress in the Local Sourcing and Elevated Labor Standards value categories.

The data below is a subset of the data that is reflective of all County food service operations and pertains only to the two County-operated food service operations that purchase from the Countywide Food Contract with Sysco Foods. This data serves as a baseline for future comparison

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that will be used to evaluate the new Sysco Foods contract, and demonstrates progress made in implementing Board Policy B-75 under the previous Sysco Foods contract:

- Local Sourcing saw marked improvement from FY 2021-22 data. The two County-operated sites saw an increase in the top of the range of purchases that qualified from 0.4% to 7.4%,
- Equity-Informed Sourcing also saw no change with the top of the range remaining at 1%. However, it is noteworthy that the County exceeded the national average of 0.2% for a similar values-based food procurement program in this value category and remains committed to identifying and sourcing from businesses and farms that qualify in this value category.
- Elevated Labor Standards saw the top of the range for the percentage of purchases that qualified for this value category grow from 33.1% to 40.3%. This demonstrates increased support for suppliers that meet fair wage and safe working condition benchmarks – an important step in supporting worker well-being across the supply chain.
- Low-Carbon Intensity saw the bottom of the range increase from 3.86 to 4.33 pounds of CO2 per meal and the top end of the range decrease from 5.66 pounds of CO2 per meal to 4.77 pounds of CO2 per meal representing progression, for the top end of the range, in promoting plant-based proteins and seasonal produce that typically have a lower environmental footprint than processed meats.

Additionally, similar to data presented for all County food service operations, this subset of data also saw a decrease in the Organic or Regenerative Certification value categories from 0.6% to 0% of qualifying purchases. Progress in the organic or regenerative certification category is still underway. A new Special-Order Form has also been developed to allow departments to request organic or regenerative products not currently included in the Sysco Foods core catalog, providing greater flexibility and supporting demand for sustainable agricultural practices.

Finally, the subset of data pertaining to the Countywide Food Contract with Sysco Foods saw a slight decrease in the Nutritional Co-Benefit value category, with the top of the range decreasing from 64% to 59%, aligning the County closely with the national average of 60% for a similar program. However, with the continuance of menu changes in long-term care settings replacing processed meats with leaner proteins and fresh vegetables, the County can expect to improve in this value category.

Sysco Foods continues to fine-tune its data systems to ensure the County receives reliable, policy-aligned reporting. Collecting a full year of data under the new contract will offer a clearer, more comprehensive understanding of how purchasing practices align with Board Policy B-75 requirements, taking into account seasonal patterns and ongoing system enhancements.

Action plan to find, uplift, and cultivate local businesses to serve as subcontractors for larger food contracts, in partnership with local stakeholders

To further support alignment with Board Policy B-75, Sysco Foods and the County are working together to strengthen engagement with local, small, and diverse businesses. These efforts, highlighted in Attachment B, focus on expanding subcontracting opportunities and removing

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barriers that have historically limited access to institutional markets. A training program is available through Sysco's website and has been promoted at community outreach events to raise awareness and encourage participation. Businesses interested in working with Sysco Foods, and their supplier onboarding requirements can also gain access through a Supplier Interest Form, which is available on DPC's public facing webpage. This resource has made it easier for prospective local vendors to express interest in becoming food suppliers under the Sysco Foods contract. The County is also working in partnership with a local food hub to support education and engagement with local food suppliers. Staff were trained to ensure County procurement staff were familiar with Board Policy B-75 and how it should be applied to County food procurements.

Stakeholder engagement has also played a key role in advancing these efforts. This has included Sysco Foods' participation in small business outreaches and the Food Justice Community Action Plan (FJCAP) meetings. These collaborative efforts are helping to build a more inclusive vendor network and strengthen regional economic resilience. For example, the Office of Sustainability and Environmental Justice (OSEJ) and DPC engaged with the community and received insights specific to supporting local food procurement, collaborating with farms and local businesses, and involving economic development in food policies to promote local workers and businesses. OSEJ facilitated one-on-one conversations, in-person and online surveys, and community roundtable events that results in more than 1,500 public comments overall that informed the FJCAP actions received by the Board on December 11, 2024 (11). In addition, Sysco Foods participated in the Connecting with the County events in October 2024 and December 2024 that the County hosted in collaboration with the APEX Accelerator which provided information on how to do business with the County to over 200 small businesses.

Sysco Foods has engaged in dialogue with regional partners including a San Diego-based food hub, which is a farm-owned cooperative representing over 36 small farms. The County and Sysco Foods are exploring opportunities to connect this cooperative, and others, to the institutional supply chain through the Sysco Foods contract, with the goal of increasing the availability of locally sourced products that align with Board Policy B-75 values.

To support this effort, Sysco Foods provided the San Diego-based food hub with a Letter of Support to assist them in becoming a designated Regional Food Hub in San Diego. Both organizations are working collaboratively to identify and implement the systemic changes necessary to accommodate the onboarding of the San Diego-based food hub and its over 36 local producers. Once onboarded onto Sysco Foods' platform, the cooperative will function as a Regional Food Hub, aggregating, distributing, and marketing local and regional food products directly to the County through the Sysco Foods contract.

This relationship will create an important bridge between Sysco Foods and the County, strengthening connections across the local food system. As an official Regional Food Hub, the San Diego-based food hub will help reduce barriers for small farms to participate in institutional purchasing by assuming certain financial and operational responsibilities, thus enabling greater access for local producers and advancing the goals of Board Policy B-75.

To support the continued growth of locally sourced products in alignment with Board Policy B-75, DPC will host stakeholder roundtable meetings to provide the community with opportunities

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for input. DPC will also maintain its presence at community events and offer technical workshops for small businesses, including local food suppliers. These workshops will help businesses understand how to work with the County and will highlight the Sysco Foods Supplier Interest Form.

In tandem with these efforts, the County is working across departments and community partners to develop a directory of food suppliers aligned with Board Policy B-75 six value categories. The goal of this directory is to publicize the food suppliers that are aligned with Board Policy B-75 value categories, so it is accessible to the County's contracted food service programs seeking alternate food suppliers, in addition to Sysco Foods. As this listing is being built, identified suppliers will be offered support through technical assistance programs, like the Small Business Development Center (SBDC) and APEX Accelerator, and one-on-one help to prepare for future contracting opportunities. Through these ongoing initiatives, progress continues toward a more sustainable, equitable, and resilient food procurement system.

Program and Policy Next Steps

The ARPA funded contract with the TA provider concludes on October 30, 2025. The ARPA funding for the three-and-a-half-year contract represented a strong investment in developing and implementing a robust values-based procurement program and policy for the County and has achieved a strong foundation. Upon conclusion of the TA contract, staff will continue to implement the Board Policy B-75 and Program, which will include:

- Continuing to host and facilitate periodic FSLC meetings, building on the last three and half years of the Program and leveraging prior work funded by the Centers for Disease Control and Prevention to support nutrition and sustainability guidelines along with food procurement.
- Offering technical support for food service programs and operations in implementing their action plans. This includes continuing strategies to link local producers with Sysco Foods, through the Countywide Food Contract, and other vendors who serve County food service operations; and
- Requesting annual purchasing data.

The TA provider has two more assessments to conduct as contract deliverables for FY 2024-25 purchasing data. County staff, led by DPC, will report back in Winter 2025 with updated data pertaining to the two self-operated food service operations through the Countywide Food Contract with Sysco Foods. Upon conclusion of the contract, County staff will focus on building capacity internally to conduct assessments of purchasing data to measure progress in the six-value categories.

Today's actions request the Board receive updates on year-two progress and impacts for the Program and Policy and on the progress made under the Countywide Food Contract, focusing on the six value categories for the two self-operated food service operations. It also provides an update on efforts to identify, uplift, and support local businesses to serve as subcontractors for the County's food procurement needs. Finally, it requests the Board to authorize applications for

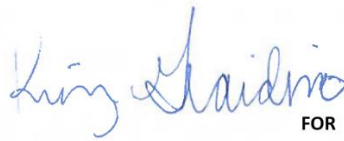
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additional funding opportunity announcements to support the Sustainable, Equitable, and Local Food Sourcing Program.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed actions support the County of San Diego 2025-2030 Strategic Plan Initiatives of Sustainability (Environment and Resiliency), Equity (Health), Community (Engagement and Quality of Life), and Justice (Environmental), by shifting public dollars in food procurement to reflect value areas identified by the San Diego County Board of Supervisors, such as sustainability, equity, and local economy. In addition, today's proposed actions promote access to affordable, local, and healthy foods, support the region's environment and economy by promoting a robust, diverse, and sustainable food system, promote a food system that is resilient and safe, and improve the local food system through community engagement and input that create healthy environments and increase the well-being of San Diego County residents.

Respectfully submitted,



FOR

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

Attachment A – Sustainable, Equitable, and Local Food Sourcing Program and Board Policy B-75 and Countywide Food Contract Data Tables

Attachment B – Action Plan to Find, Uplift, and Cultivate Local Business through the Countywide Food Contract