



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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Fifth District

DATE: September 24, 2024

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TO: Board of Supervisors

SUBJECT

UPDATE ON THE COUNTYWIDE FOOD PROCUREMENT (DISTRICTS: ALL)

OVERVIEW

The County of San Diego (County) established a countywide food contract to provide food and related services to those that are in the care or custody of the County, including those individuals in the Sheriff's Office's custody and at the Health and Human Services Agency's Edgemoor Distinct Part Skilled Nursing Facility. However, all County departments can use the countywide food contract. On December 5, 2023 (26), the San Diego County Board of Supervisors (Board) adopted Board Policy B-75, *County of San Diego Sustainable, Equitable, and Local Food Sourcing Policy*. Board Policy B-75 outlines six value categories to guide the County's food procurement process: local sourcing, equity-informed sourcing, elevated labor standards, organic or regenerative certification, low-carbon intensity, and nutritional co-benefit.

On March 12, 2024 (12), the Board authorized a competitive solicitation for a contract for food, food preparation supplies, and equipment that incorporates the six value categories of Board Policy B-75. This authorization also required that the supplier selected track data and metrics regarding fulfillment of these six value categories. In addition, the Board directed the development of an action plan to find, uplift, and cultivate local businesses to serve as providers for these larger food contracts through working in partnership with local stakeholders.

Today's action requests that the Board receive an update on the progress from the March 12, 2024 (12) action.

RECOMMENDATION

CHIEF ADMINISTRATIVE OFFICER

Receive an update on the countywide food procurement.

EQUITY IMPACT STATEMENT

The County of San Diego (County) provides millions of meals annually to some of the most vulnerable people in the region. Multiple departments across the County enterprise purchase food, food preparation supplies, and equipment on a large scale to meet its food provision obligations, in part governed by State and Federal law, and to those within the County's care. In order to meet the various food services requirements across the County, a countywide contract was established

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to allow multiple County departments to purchase these services and supplies in bulk and on an as needed basis. Establishing a countywide contract that incorporates Board Policy B-75, *County of San Diego Sustainable, Equitable, and Local Food Sourcing Policy*, focuses County operations to positively impact the food system for local food producers, workers, and businesses owned and/or operated by underserved communities. Sysco Foods, the countywide food contractor, will include local suppliers in their catalog that are committed to local sourcing, equity-informed sourcing, elevated labor standards, organic or regenerative certification, low-carbon intensity, and nutritional co-benefit. Additionally, in order to develop the action plan to connect local businesses as providers to larger food contracts, staff will leverage community partnerships to engage and connect suppliers in the food system to information on how to do business with the County and procurement technical assistance resources to increase participation of local, small, and diverse suppliers on the countywide food contract and on future food related contracts.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed action is part of the implementation of Board Policy B-75, *County of San Diego Sustainable, Equitable, and Local Food Sourcing Policy*, which supports the County's Sustainability Goal #2, to provide just and equitable access to County services, policy decision making, and resource allocation in support of sustainable communities; the County's Sustainability Goal #4, to protect the health and wellbeing of everyone in the region, with a focus on collaborating with community partners and advocating for environmental justice for communities that have been disproportionately impacted; and the County's Sustainability Goal #7, to reduce pollution and waste and demonstrate reduction in consumption of resources.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

The 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 in Sysco Foods' catalog, which will have a positive impact on the local business community. Sysco Foods will work with County departments to establish a training program that builds the capacity and trains future generations, of local, small, and diverse businesses.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

With the upcoming expiration of the previous contract with Sysco Foods, the County issued a new solicitation for these services and recently awarded a new countywide food contract to Sysco Foods at the end of August 2024. The County purchases food, food preparation supplies, and equipment on a large scale to provide millions of meals annually to some of the most vulnerable people in the region, that meet obligations required by State and federal law and to those within the County's care or custody. The previous countywide contract was awarded in 2017 and was

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scheduled to expire in August 2024 following multiple contract extensions that were approved administratively. The contract is used by the Sheriff's Office and the Health and Human Services Agency; however, it is available countywide and can be utilized by all self-operated and contracted food service programs within the County.

On December 5, 2023 (26), the Board adopted Board Policy B-75, *County Sustainable, Equitable, and Local Food Sourcing Policy*. This policy centers on six value categories to guide the County's efforts in achieving equity and sustainability in the food-procurement process: local sourcing, equity-informed sourcing, elevated labor standards, organic or regenerative certification, low-carbon intensity, and nutritional co-benefit. All County-administered food service programs and operations must participate in the Sustainable, Equitable, and Local Food Sourcing Program and are subject to this policy. The Department of Purchasing and Contracting (DPC) is responsible for managing the countywide food contract and will continue to work collaboratively with Sysco Foods and County departments that administer food service programs and operations to support the implementation of Board Policy B-75.

On March 12, 2024 (9), the Board took the following actions to further its commitment to equity and sustainability in food procurement:

1. Authorized competitive procurement for food, food preparation supplies and equipment.
2. Required that the provider(s) of any contracts awarded track data related to the six value categories of Board Policy B-75 and that the provider(s) present evidence of successful implementation of these six value categories.
3. Directed the Chief Administrative Officer to report back on the data resulting from any awarded contract(s) before renewal of the initial one-year period of the contract(s), or any subsequent options.
4. Directed the Chief Administrative Officer to develop an action plan to find, uplift, and cultivate local businesses to serve as providers for these larger food contracts, in partnership with local stakeholders, and to return to the Board in 180 days or before with an update on progress.

Today's action requests that the Board receive a progress update as required in the March 12, 2024 (9) Board action. Below is an update on the actions directed by the Board.

Action #1: Countywide Food Procurement and Implementation of Board Policy B-75

The County posted the request for proposals (RFP) for food, food preparation supplies, and equipment to BuyNet, the County's procurement portal, on May 14, 2024. A pre-proposal conference was held on May 28, 2024 to provide interested suppliers an opportunity to learn about the details of the project and to ask County staff involved in the procurement any questions they may have. These pre-proposal conferences can help potential proposers to gain a better understanding of the scope of work and procurement requirements and to network with other suppliers interested in the solicitation. The pre-proposal conference for the food, food preparation supplies, and equipment RFP was attended by multiple interested food distribution suppliers.

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The County conducted widespread outreach to inform food distribution suppliers about this solicitation. In addition to the email notifications sent by the BuyNet system to all registered suppliers whose commodity profile matched that of the food, food preparation supplies, and equipment RFP, the County conducted further efforts by sending an additional email to those suppliers that staff found as a result of online research for food distribution companies. County staff also conducted a manual review of commodity profiles of registered suppliers in both the old and new versions of BuyNet, to ensure that they reached out to as many suppliers as possible. The Small Business Development Center (SBDC) provided additional outreach assistance on behalf of the County, specifically, SBDC reached out to nearly one hundred small businesses.

The RFP closed on June 25, 2024. Following an evaluation of the single proposal submitted, a Notice of Intent to Award to Sysco Foods was posted to BuyNet on July 25, 2024. The County completed negotiations with Sysco Foods to further improve the implementation of Board Policy B-75 and awarded the countywide contract for food, food preparation supplies, and equipment to Sysco Foods at the end of August 2024.

The RFP for food, food preparation supplies, and equipment was the first solicitation to incorporate Board Policy B-75 by requiring offerors to provide their approach to implementing the six value categories of local sourcing, equity-informed sourcing, elevated labor standards, organic or regenerative certification, low-carbon intensity and nutritional co-benefit. Sysco Foods proposed to embed diversity, equity, and inclusion into its procurement practices with local suppliers with the goal of creating a workplace and marketplace that is competitive, sustainable, and socially equitable and stated its commitment to working toward meeting the goals of the six value categories. Below is an overview of Sysco Foods' current commitment and approach for each of the six value categories of Board Policy B-75. Sysco Foods will continue to build upon the work it has already accomplished in these six value categories throughout the term of the contract.

Local Sourcing

Sysco Foods has a network of local providers and an ordering system that offers a tool to geographically select food providers when ordering products. The tool provides a map interface, allowing users to enter a delivery destination and a distance from that location. Sysco Foods has committed to working with the County to increase the number of local suppliers in its provider network for the products that the County will be ordering. Sysco Foods will also seek feedback and support from the County's Food Service Leadership Committee, comprised of representatives from all County food service programs and operators, to ensure Sysco Foods provides services that are in alignment with the six value categories of Board Policy B-75 and other County equity and sustainability goals. Sysco Foods will likewise collaborate with DPC to incorporate community feedback, where appropriate, to increase the participation of local, small, and diverse suppliers on the countywide food contract and on future food-related contracts.

Additionally, Sysco Foods contributes to regional economies by sourcing from locally owned, small and mid-sized agricultural and food processing operators, such as Grimmway Farms and Custom Produce Sales. Grimmway Farms is a local grower and processor that produces a comprehensive range of organic produce. Custom Produce Sales is a packer-shipper-distributor of in-season conventional, organic, and locally grown produce.

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Equity-Informed Sourcing

Sysco Foods has demonstrated its dedication to equitable sourcing by: (i) establishing a commitment to increasing spending with certified diverse suppliers to 25%, which Sysco Foods met and exceeded two years ahead of its goal in fiscal year 2023; (ii) partnering with five major councils that certify diverse suppliers (Disability:IN, the National LGBT Chamber of Commerce, the National Veteran-Owned Business Association, the National Minority Supplier Development Council, and the Women's Business Enterprise National Council) and who also provide opportunities for mentorship, training, and education to Sysco Foods' diverse suppliers; and, (iii) partnering with a large network of farms and cooperatives to provide the food and food services that the County requires.

Sysco Foods also has a robust Supplier Diversity Management Program that identifies, engages with, and seeks to bolster the capacity of local, small, and diverse businesses. Through this program, Sysco Foods has full-time Supplier Diversity staff focused solely on supporting diverse growth and development in the communities that Sysco Foods serves. Businesses interested in registering to participate in this program can complete a form available on Sysco Foods' website. Sysco Foods will continue to promote supplier diversity and work with the County team and various community organizations, to identify, engage, and bolster the capacity of local, small, and diverse businesses to participate as suppliers for County food programs.

Sysco Foods' values and goals for diversity, equity, and inclusion flow down to its network of suppliers, and Sysco Foods strives to partner with businesses that practice equity-informed sourcing. Custom Produce Sales, for instance, has many long-standing business relationships with both minority and women-owned businesses. For example, since 2002, it has partnered with Irigoyen Farms, a Basque/Hispanic local family farming operation whose farm has grown from 200 acres to over 2,000 acres producing a wide array of vegetables on a year-round basis. In addition, Custom Produce Sales reinvest in local communities by donating produce to local schools, community events, and food banks. Sysco Foods will collaborate with the County to identify community organizations in the San Diego region with which it and its supplier network can partner to continue this practice of donating produce to the local communities.

Elevated Labor Standards

Sysco Foods is guided by the values and purpose of connecting the world to share food and care for one another. Its vision to ensure respect for human rights is embedded within its operations and the global supply chain, Sysco Foods believes that all people deserve to work in safe environments with fair treatment and equal opportunities to succeed. Sysco Foods expects its suppliers to uphold the rights of every individual with which it works, as outlined in the United Nations Declaration of Human Rights and Sysco's Supplier Code of Conduct, which describes the legal, moral, and ethical standards Sysco Foods expects from its suppliers. To continue its commitment to uphold human rights in its own supply chain, Sysco Foods will work with the County's Office of Labor Standards and Enforcement to ensure compliance with applicable labor standards free from discrimination, wage theft, and all forms of involuntary labor for those suppliers providing food under the County contract.

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Organic or Regenerative Certification

Sysco Foods sources products from third-party certified organic producers and/or producers that employ production systems that reduce or eliminate synthetic pesticides and fertilizers while at the same time reducing on-farm energy, water consumption, wasted food, and greenhouse gas emissions. For example, Sysco Foods sources products from Grimmway Farms, which is a California Certified Organic Farm. In addition, Sysco Foods sources products from producers that conserve and regenerate soil and water to support biodiversity and bio sequestration, thereby increasing resilience to climate change.

Low-Carbon Intensity

Sysco Foods has a measurable plan to reduce its Scope 1 and Scope 2 (internal direct and indirect) Greenhouse gas emissions (from a 2019 baseline) by 27.5% by year 2030. Sysco Foods is also striving to reduce its Scope 3 (supply chain) emissions by working with its suppliers to gain commitments for emissions reductions and sourcing products from producers that minimize emissions released from production, packaging, processing, transport, preparation, and waste of food. For example, Custom Produce Sales invested in a solar energy system that has created an electrically self-sufficient facility that reduces the company's carbon footprint and allows it to reduce overall costs to growers for cooling and storage. Additionally, Custom Produce Sales replaced its fleet of trucks with electric trucks to further reduce its carbon footprint and environmental impact.

Nutritional Co-Benefit

Sysco Foods supports the promotion of health and well-being by offering a wide availability of vegetables, fruits, whole grains, and minimally processed foods with reduced salt, sugars, and artificial additives. These offerings are beneficial to nutrition, health, and the overall environment. Sysco Foods has developed nutritional programs for all customers to provide its customers with flexibility when menu planning. In addition, Sysco Foods offers webinars on topics related to its seasonal menus and provides web-based applications to assist customers with planning, such as: eNutrition, an interactive database of nutrition information for the products Sysco Foods sells; Integrated Menu Planning and Controls Program (IMPAC), a menu planning service that provides seasonally-adjusted menus, modifiable recipes, production control, ordering guidelines, therapeutic diets, nutritional analysis, cost evaluation, and menu guides; and, NetIMPAC, a centralized menu planning reporting system which aids in the development, nutritional analysis, costing, and publication of IMPAC cycle menus.

Action #2: Data and Metrics to Track Progress of Board Policy B-75

Sysco Foods is required to continuously track data and metrics related to the fulfillment of the six value categories of Board Policy B-75. This includes establishing baselines and measuring progress in the six value categories. Measures will include total spend by item and by department, site or program, production location and certifications, the addition of local and other providers that align with one or more of the six value categories to its catalog, and the availability of local, organic, low-carbon, and nutritional co-benefit foods. Sysco Foods is required to provide quarterly and annual business reports. Progress will be tracked and discussed during quarterly meetings. Sysco Foods will be working with the County to develop additional metrics to track progress.

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Action #3: Report back on the data resulting from any awarded contract(s) before renewal
Staff will report back to the Board with data and an update of the results or impacts of the countywide food contract prior to contract renewal, which will occur in August 2025.

Action #4: Develop an action plan to find, uplift, and cultivate local businesses to serve as providers for larger food contracts, in partnership with local stakeholders

In collaboration with the County, Sysco Foods will actively seek out and prioritize partnerships with local, small, and diverse businesses. DPC's website is a connection hub where many local, small, and diverse businesses learn about opportunities to participate in County contracts and how to do business with the County. Sysco Foods will partner with the County to utilize this website to inform suppliers interested in participating as a provider on the countywide food contract by publishing a bulletin of Sysco Foods' requirements that suppliers must complete to do business with it. This bulletin will be published in October 2024.

In addition, Sysco Foods will collaborate with DPC and the County's Food Service Leadership Committee to develop outreach materials that communicate how to do business with Sysco Foods by November 2024. Once created, DPC will publish and share these materials on its website and distribute them at outreach and community engagement activities it hosts or attends as an exhibitor. DPC will also leverage existing relationships with food systems stakeholders, the County's Food Service Leadership Committee, the Office of Economic Development and Government Affairs, the Office of Equity and Racial Justice, Public Health Services (PHS), and other County departments that engage with food service operators to distribute these materials to their networks and to provide support in identifying local, small, and diverse businesses interested in participating as a provider on a County food contract. Also, where appropriate, DPC will collaborate with the Council for Supplier Diversity to identify local, small, and diverse businesses for future food services procurements.

Additionally, Sysco Foods will partner with the County and its top five suppliers to establish a program for local, small, and diverse businesses to receive training to become a supplier for Sysco Foods. This program may include participation in existing training provided by any of Sysco Foods' top five suppliers. Sysco Foods will maintain outcome data on this training program and provide an annual report to the County, which will include the number of participating businesses, business demographic information, and progress updates of each business participating in the program. The training program is anticipated to start in January 2025.

In partnership with the County Office of Sustainability and Environmental Justice (OSEJ), County HHSA PHS, and community groups, DPC will develop a directory of local suppliers that can provide food-related goods and services and that align within the six value categories of Board Policy B-75. DPC will make this directory available to Sysco Foods and other County contractors on future food-related contracts and encourage food-related contractors to engage and incorporate these suppliers into action plans from their proposals. Also, DPC will engage the suppliers in this directory, provide them with information about doing business with the County, and connect them to resources that help them build capacity to participate in government contracting, such as the SBDC and APEX Accelerator (formerly the Procurement Technical Assistance Center or PTAC)

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for guidance with navigating the County's procurement process, including one-on-one support with developing responses to solicitations.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the County of San Diego's 2024-2029 Strategic Plan Initiatives of Sustainability (Environment and Resiliency), Equity (Health), Community (Engagement and Quality of Life), and Justice (Environmental), by incorporating the value categories of Board Policy B-75 into the countywide contract, which supports aligning public funds spent on food procurement to reflect value areas identified by the Board, such as sustainability, equity, and local economy. Additionally, today's proposed action promotes access to local and healthy foods, supports the region's environment and economy by promoting a robust, diverse, and sustainable food system, promotes a food system that is resilient and safe, and improves the local food system through community engagement that creates healthy environments and increases the wellbeing of San Diego County residents.

Respectfully submitted,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

N/A