

MEMORANDUM

To: Health, Education and Neighborhood Councils Committee

Honorable David Ryu, Chair

Councilmember Herb Wesson

Councilmember Gilbert Cedillo

From: The Los Angeles Food Policy Council and Center for Good Food Purchasing

Date: 5/18/18

Subject: Status of Good Food Purchasing Policy Implementation at the Department of Aging

Summary:

- **The key to implementing the Good Food Purchasing Program (GFPP) is reporting data for analysis by the Center for Good Food Purchasing.** To achieve points and a star rating in GFPP, a department requests vendors to share product purchasing data that indicates the source of the product. This type of data is collected as a standard business procedure by most food service companies and their distributors as a matter of traceability in the case of food safety recalls. Therefore, no additional cost should be incurred associated with data reporting. **The last time DoA and their primary food service contractor Morrison shared a complete data set to verify compliance in GFPP was in 2014.** Recently, Morrison provided partial data to the Center for Good Food Purchasing on April 12, 2018 -- however, this data remains insufficient to complete the purchasing analysis.
- **The Department of Aging does not seem to fully understand GFPP, and their cost estimates reflect a misunderstanding of what is required.** At the outset of adoption of GFPP in 2013, the Department of Aging was already meeting the baseline level in three of the five GFPP value categories, within their then existing budget. **Achieving baseline in the remaining two categories would not have required additional costs** (and in fact would have brought DoA in alignment with existing City policies, including the City's Sweatfree Purchasing Ordinance). We have included an addendum to this memo that provides clarifying responses to DoA's misinterpretations of the program.
- Seniors deserve the best quality food possible as they are amongst the City's most vulnerable populations. Higher meal reimbursements could lead to better food for seniors; **however, increased costs are not required to meet GFPP's**

standards for quality, nutritious, sustainable and fair food, as has been repeatedly demonstrated by other institutions successfully implementing the program.. Any considerations to increase meal expenses should be independent of the cost of compliance with GFPP.

- DoA has had difficulty in adopting the slight modifications to its practices that would bring it up to an acceptable level of compliance with program guidelines, although other public institutions across the country have been able to do. Currently, 28 public institutions across 14 U.S. cities are enrolled in the Good Food Purchasing Program. Submitted with this memo are copies of press clippings showing the success of other institutions across the country in complying with GFPP without additional cost.
- The Center is considering a separate track for DoA due to their system of contracting with non-profit organizations for geographically distributed services..

Background:

In 2012, the City of Los Angeles adopted the Good Food Purchasing Policy (GFPP) through Council Action (CF-11-1678) and Executive Directive 24 by Mayor Antonio Villaraigosa, directing all departments with annual food budgets over \$10,000 to support local, nutritious, sustainable, humane and fair food procurement. City departments participating in GFPP include: the Department of Recreation and Parks, Los Angeles World Airports, Department of Aging and the Los Angeles Convention Center. GFPP implementation does not require increased meal costs, and in some cases actually leads to decreased costs. By simply prioritizing how food is purchased with GFPP values, departments can increase values-driven food procurement without increasing food budgets.

The Good Food Purchasing Policy transforms the way public agencies purchase food through standards based on five core values: local economies, nutrition, valued workforce, animal welfare and environmental sustainability. GFPP in the City of Los Angeles has captured transformative impacts in the local food system, through increased purchases of union-made food products at the Department of Recreation and

Parks' Greek Theater and improved nutrition and sustainability of food served through the City's Summer Meal Program. It also identified close to 30% of produce sourced from local farms through the Department of Aging. The birthplace of the Good Food Purchasing Policy in the City of Los Angeles has also led to catalytic impacts throughout Los Angeles and the nation. In 2012, the Los Angeles Unified School District (LAUSD) followed the City in adopting GFPP, redirecting nearly \$15 million into Los Angeles' local economy.

Today, the Good Food Purchasing Policy has expanded to 14 cities and 28 public institutions nationwide, with several others in the pipeline. To achieve this scaled impact, the Los Angeles Food Policy Council supported the creation of the Center for Good Food Purchasing, a national nonprofit that sets standards and verifies compliance for the Good Food Purchasing Program. While The Center for Good Food Purchasing continues to provide verification and evaluation services to the City of Los Angeles, the Los Angeles Food Policy Council now serves as the local technical assistance provider to staff within relevant City departments, and offers public recognition opportunities to celebrate the City's progress.

GFPP Implementation in the Department of Aging:

The Department of Aging serves approximately 720,000 congregate meals and 770,000 home delivered meals each year to low-income seniors throughout Los Angeles. These meals are provided through nonprofit grantees such as: St. Barnabas Senior Services, Watts Labor Community Action Committee, Jewish Family Services and San Fernando Valley Interfaith Council, which are also contracted to provide other wrap-around services for seniors.

In 2013 and 2014, the Department of Aging submitted food purchasing data as required to the Los Angeles Food Policy Council (LAFPC). LAFPC conducted a baseline

assessment of the Department of Aging's food purchases to determine compliance with GFPP standards. Data was submitted in two intervals for two periods, January 2013 - June 2013 and July 2013 - December 2013, from their largest food supplier, LA Morrison. The baseline assessment revealed that the Department of Aging met GFPP standards in the categories of: Nutrition, Local Economies and Environmental Sustainability. Over 24% of the Department's food was purchased locally-- exceeding GFPP's minimum local purchasing requirement **while maintaining low meal costs at less than \$3.29.**

The Department of Aging did not meet the baseline in Animal Welfare and Valued Workforce categories. Recommendations for achieving baseline standards in Animal Welfare and Valued Workforce included: (1) requiring suppliers to comply with existing labor laws, such as the City's existing Sweatfree Purchasing Ordinance; and (2) increasing purchases from businesses with humane animal practices by 14% or, reformulating their menus by reducing meat consumption.

No GFPP assessments were conducted for the Department of Aging in 2015, 2016 and 2017 because no purchasing data was submitted by the Department, despite repeated requests. After multiple efforts to obtain this information, including Council requests during multiple Committee hearings (CF 11-1678-S2), the Department submitted purchasing data on April 12, 2018. Outcomes of this assessment are still pending due to missing data.

GFPP Implementation Does Not Require Increased Meal Costs:

The Department of Aging's baseline assessment demonstrated its ability to comply with at least three of the five value categories without incurring any additional costs.

Compliance with the two additional GFPP value categories did not require additional funding, only prioritized purchasing aligned with GFPP standards.

Meeting Baseline for Valued Workforce- Department of Aging would have achieved baseline compliance in Valued Workforce by simply engaging suppliers in their supply

chain who were identified as having serious labor violations, with an inquiry to learn what measures had been taken to mitigate and prevent future violations. The Los Angeles Food Policy Council provided DoA with a detailed list of its suppliers with labor violations, along with a template letter to share with its vendors, as an appendix to the 2013 baseline assessment. This would have had no budgetary impact, and is part of existing City policy through the Sweat-Free Purchasing Ordinance (CF- 02-2167). The Department could have also met Valued Workforce standards by procuring from suppliers with union contracts. The Center for Good Food Purchasing has found little to no cost differential between union and non-union food products.

Meeting Baseline for Animal Welfare- To achieve baseline standards for Animal Welfare, the Department of Aging was recommended to implement a “less meat, better meat” strategy, such as Meatless Mondays, which are proven cost savers for institutional meal programs. Oakland Unified School District, for example, learned how to serve healthier food on a tight budget by redesigning menus to replace some of their more expensive meat purchases with produce and alternative proteins, while adhering to strict federal nutrition standards as set through the Healthy Hunger Free Kids Act. In just two years, Oakland Unified went from a two-star GFPP rating to a four-star GFPP rating by doubling the amount of sustainable and humane foods purchased, while decreasing their per meal costs by \$.02.

Furthermore, in November 2012, Los Angeles City Council adopted a Meatless Mondays resolution (CF-12-1721), to “protect health, animal-welfare and the environment”. Therefore, adopting Meatless Mondays can help the Department of Aging reduce per-meal costs while advancing the City’s comprehensive goals for health and sustainability.

Recommendations for Managing Meal Costs:

In 2016, the Department of Aging incorporated GFPP into its Request for Qualifications (RFQ) to provide senior meals through the Multipurpose, Social Services, Nutrition, and Transportation Project grant. Selected grant recipients signed the GFPP pledge and were instructed to incorporate GFPP into their meal programs. In 2017, with approval from City Council (CF-17-0127), the Department of Aging amended its contracts with nonprofit grantees to increase the floor price per meal.

As mentioned above, the Department is currently requesting an additional \$1,849,552 to cover cost increases which they attribute to raising the price floor for compliance with City policies such as: sustainable packaging requirements (pursuant to the City's Sustainable City pLAn), the Minimum Wage Ordinance (CF-14-1371) and the Good Food Purchasing Policy. Specifically, the Department of Aging states that implementation of sustainable packaging requirements and GFPP have resulted in “an increase of \$1.37 per home delivered meal which amounts to \$988,197 (721,312 projected actual meals served for FY 2018-19 x \$1.37) for the Home Delivered Meals program; and an increase of \$1.27 per congregate meal which amounts to \$861,355 (678,232 projected actual meals served for the FY 2018-19 x \$1.27) for the Congregate Meal program.”

Based on our experience in implementing GFPP across the country, it seems more likely that the increased cost identified by DoA is more attributable to packaging, and to a misunderstanding of how to comply with the program.

The Department of Aging has also remarked that GFPP data reporting can be challenging for nonprofit grantees to comply with due to limited capacity and service delivery requirements for other programs provided through the Multipurpose, Social Services, Nutrition, and Transportation Project grant.

Based on our experience thus far with the Department and its subcontractors, as well as our experience over the past several years in implementing GFPP at 27 other institutions around the country, we, offer the following recommendations:

- 1) While many of Department of Aging's non-profit grantees have limited staff and capacity, most of the grantees subcontract their food services to other companies. These food subcontractors vary in size, from small family-owned caterers to large multinational food service corporations. On March 21st, the Department of Aging noted in a meeting with LAFPC that at least two large distribution companies are subcontracted to provide over 75% of its senior meals-- LA Morrison and Sodexo. Both of these companies are multinational corporations with their own separate procurement departments that can easily handle the data reporting requirements for GFPP compliance. In fact, they already have, in providing data in 2013 for the baseline assessment. Therefore, **we recommend that the Department of Aging correspond directly with the food service management companies, exempting non-profit food providers and small businesses¹.GFPP and sustainable packaging requirements are two separate programs. The costs should be separated by program to determine the exact amount attributed to GFPP implementation.** This information can help inform more specific purchasing changes large distributors can make to move toward or achieve full compliance with GFPP without incurring any additional cost. Making purchasing changes amongst large distributors is how 27 other public institutions across the Nation, including the City's Summer Lunch Program and Greek Theatre, have achieved success in GFPP implementation without reporting any additional costs.

¹ Per their industry classification as defined by the U.S Small Business Administration's [Small Business Size Regulations](#).

- 2) Currently, subcontracted food service management companies do not have a direct contractual relationship with the City and are thus not mandated to comply with GFPP reporting requirements. Current contracts for the Multipurpose, Social Services, Nutrition and Transportation Project grant expire after June 30, 2018. ***We recommend that the Department of Aging release a new RFQ for FY 2018-2019 that includes specific language requiring nonprofits that subcontract to large food service management companies to incorporate GFPP reporting mandates and procurement standards.*** This new bid opportunity can also allow for more price-competitive food service management companies to meet GFPP standards.
- 3) Seniors deserve the best quality food possible as they are amongst the City's most vulnerable populations. Higher meal reimbursements could lead to better food for seniors; however, increased costs are *not required* to solely meet GFPP's standards for quality, nutritious, sustainable and fair food. ***If the Department of Aging's budget is expanded to improve meal quality with continued expectation of compliance with GFPP, then City Council should require strict and timely reporting of food purchasing data from the Department to ensure that seniors reap the most benefit from the increase. Participation in the Good Food Purchasing Program can provide the necessary accountability and verification.***

For these reasons, we encourage continued implementation of GFPP by the Department of Aging. The Department should focus particularly on large food service management companies with: 1) capacity to make changes in purchasing, 2) ability to meet reporting requirements with a good faith level of commitment, and 3) the ability to comply with limited to no additional cost.

The Los Angeles Food Policy Council and the Center for Good Food Purchasing are eager to continue providing technical assistance to the Department of Aging, as well as other departments implementing the Good Food Purchasing Policy.

Attached is an addendum with clarifying responses to misunderstandings in DoA's report to the Health Committee submitted on May 04, 2018; news clippings outlining institutional achievements within Los Angeles, as well as across the country, in implementing the Good Food Purchasing Program; and an example of how the menu of options listed in the Good Food Purchasing Program works.

Attachments:

- 1. Clarifying Responses to DoA's Reportback to the Health, Education and Neighborhood Council Committee on Good Food Purchasing Policy Implementation (Dated 5/04/18)
- 2. Example of how the menu of options works for one value category within the Good Food Purchasing Program's Good Food Purchasing Standards.
- 3. News clippings regarding implementation of GFPP in LAUSD, Oakland, San Francisco, Boulder, Austin.

ATTACHMENT 1:

Clarifying Responses to DoA's Report back to the Health, Education and Neighborhood Council Committee on Good Food Purchasing Policy Implementation (Dated 5/04/18)

DoA: "Following the implementation of the GFPP nutrition quality standards a dramatic increase in meal cost occurred in the LADOA's nutrition programs." (DoA pg. 3)

- LAFPC/ CGFP Response: The Department of Aging's nutrition programs were already compliant with nutrition standards prior to GFPP implementation (see pgs. 3-4). No additional changes were necessary to meet baseline standards in GFPP compliance for nutrition.

DoA: "It should be noted that LA Unified School District who serves a student population of 713,871 (updated October 2017) with over one million meals served per day, has experienced cost increases upon implementation of the GFPP..." (DoA pg. 3)

- LAFPC/ CGFP Response: DoA's reference to an article about LAUSD's increased costs is an unfortunate distortion of the facts, as the very article which DoA cites for this claim also states that these *costs were* due to a number of initiatives **unrelated to GFPP** including: (1) adding a supper meal program to over 500 Title 1 schools in the District, and (2) limiting fundraisers from non-mission aligned businesses.
- See ATTACHMENT 3 for a collection of 15 articles from reputable media outlets across the country emphasizing the positive impacts of GFPP on health, sustainability and the environment— without any mention of increased costs.

DoA: “The meal quality standards, verification of animal and employee safety practices, contracting with farmers markets who traditionally have small volume and lack uniformity for the product that is grown, transporting goods from the farms to the kitchens, all have costs associated with the LA DoA and the project kitchens currently are not funded for.” (DoA pg. 5)

- LAFPC/ CGFP Response: **GFPP does not require food to be sourced from farmers markets or specific kinds of food to be purchased** (e.g. all chicken be antibiotic free, vegan, etc...) Rather, GFPP provides guidance with a menu of options for sourcing from farms which already meet existing third party certifications, such as USDA organic, Certified Humane, Fair Trade Certified and others. Therefore, there is no need for a purchaser to directly engage in any verification of farm production practices. Rather, that is undertaken by the existing and well known third party certifications. Beyond that, The Center reviews and analyzes the percent of purchasing that has been directed to those farms that meet the third party certification practices. See ATTACHMENT 2 for an example of how the menu of options works for one value category within the Good Food Purchasing Program’s Good Food Purchasing Standards. Programs enrolled in the Good Food Purchasing Program have met GFPP standards with little-to-no cost differential from other suppliers.
- **GFPP does not require DoA or vendor staff to have specific expertise related to local economies, environmental sustainability, animal welfare or fair labor.** Despite repeated and extensive efforts to educate DoA on how Good Food Purchasing Program monitoring and verification works, DoA continues to fundamentally misunderstand the Program. The purpose of the Center for Good Food Purchasing, in partnership with the LA Food Policy Council, is to provide expert verification support, technical assistance and access to a network of resources to make progress in purchasing aligned with program values with

current staff and vendors, and no department is expected to maintain internal expertise in these areas.

ATTACHMENT 2:

Example of how the menu of options works for one value category within the Good Food Purchasing Program’s Good Food Purchasing Standards.

The institution can choose one of the two options below to meet standards in the Environmental Sustainability category: (1) increase sustainable purchases based on existing and widely used third party certifications, or (2) reduce meat, poultry and cheese purchases and support food waste reduction.



CENTER GOOD FOOD PURCHASING **ENVIRONMENTAL SUSTAINABILITY**

Environmental Sustainability is defined based on two options available to an institution:

- 1 Increasing sustainable purchases as based on existing third party certifications
 - Protected Harvest
 - Seafood Watch
 - ANIMAL WELFARE APPROVED
 - DEMETER
 - CERTIFIED BIODYNAMIC
 - USDA ORGANIC
 - SAFE
 - SALMON
 - CERTIFIED SUSTAINABLE SEAFOOD MSC
 - AMNF OCEAN ALLIANCE CERTIFIED
 - WHOLE FOOD MARKET RESPONSIBLY GROWN
 - FOOD ALLIANCE CERTIFIED
 - American Grassfed
 - SUSTAINABLY GROWN CERTIFIED
- 2 Reducing carbon and water footprint of meat, poultry, and cheese purchases AND auditing food waste to implement food waste reduction strategies

Baseline requirement: An institution purchases at least 15% (by total dollar value) of product that meets the Environmental Sustainability standards OR an institution reduces its carbon and water footprint by 4% from the first year of participation.