

## BACKGROUND INFORMATION

### PROCURER City of Helsinki

### OBJECT OF PROCUREMENT

The object of procurement is the access rights contract for the food services of the Hopeatie, Madetoja and Kannelmäki service houses and the Töölö senior centre, which are part of the hospital, rehabilitation and nursing services of the Helsinki Social Services and Health Care Division. Food services include the planning and production of food services, delivery of food to customers in accordance with agreed schedules and methods and the development of the service as defined in the service descriptions. The tendering was divided into five parts by unit.

**PROCUREMENT VALUE**  
~ €17,100,000.00

**PROCUREMENT PROCEDURE**  
Open procurement procedure; the procurement is carried out as an access rights contract.



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The aim is a food service that takes into account the customer base and is responsibly implemented.

Service homes and senior centres run by the Social Services and Health Care Sector purchase food services for approximately 3,300 people annually for €11.3 million. In this procurement, the most economically advantageous service providers were sought for five different locations with a total of about 380 residents. In addition to residents, the units' restaurant and café services are used by customers of daytime activities and staff. The operation of the service homes and senior centre is round-the-clock, and food services are needed every day of the year.

The objective of the procurement was a well-designed and implemented food service that contributes to the achievement of the strategic, qualitative, functional and financial objectives of senior centres, service homes and daytime activities in the Social Services and Health Care Division. In addition to product design that takes into account the customer base, flexibility, development-orientedness and innovation in service operations are considered important.

Another objective was to raise the level of responsibility in food service production, inspired by the tightened controls in the city's food procurement, and thus promote the

adoption of uniform responsibility criteria in the diverse food services provided by the city. Better consideration of responsibility and its monitoring supports the monitoring of the achievement of the objectives related to the city's food services and provides experts with information for producing statements of various kinds and for communicating them to stakeholders.

## Exchange of information on good practices and solutions to promote responsibility

The preparation of the procurement was carried out by food service specialists and procurement of the Social Services and Health Care Division. Regarding responsibility and the consideration of climate impacts, experts from the Canemure project of the city's Environmental Services participated in the preparation. The experts exchanged a lot of information on good practices and solutions to promote responsibility with the cities of Espoo, Turku and Vantaa, other public procurers and the Ministry of Agriculture and Forestry, among others.

## Food services can contribute to a sustainable food system

Food services procured by the city have been identified as a key means of promoting a sustainable food system and reducing the climate impact of food production. The city can serve as an example by requiring food services to provide its residents with high-quality, responsibly produced food that takes into account environmental and climate impacts.

The City of Helsinki has brought forward its carbon neutrality target from 2035 to 2030. In order to reduce emissions, the city also takes the climate perspective into account in its procurements. In the city's food services, climate goals are achieved by adding climate-friendly foods to menus, reducing food waste and optimising food transport. Most of the food services provided by the Social Services and Health Care Division are provided by the municipal enterprise Service Centre Helsinki, and approximately 20% of the total is outsourced. This requires that climate measures are taken both within the city organisation and in cooperation with the market.

The fruits of the city organisation's internal climate work, such as changes in the main ingredients on menus, are to be implemented in the city's outsourced food services. In addition, city-level cooperation was initiated in connection with the tendering for food services in service homes in order to develop the climate criteria for the procurement of food services. The tendering for food services is a case study included in the Towards

Carbon-neutral Municipalities and Regions project (Canemure), the aim of which is to implement procurements in a low-carbon fashion. The objective is to achieve successful cases as examples and to produce applicable tools to support the city's carbon neutrality measures.

## Market insights were obtained through a request for information and a workshop

The duration of the preparation of the procurement was exceptionally long, as the procurement had to be suspended twice. Preparation started in good time in autumn 2019, and a call for tenders was published for the first time in April 2020. Preparations for the last tendering round started in May 2021, and procurement decisions were made in October 2021.

In the preparation of the first call for tenders, a market survey was carried out in which the operators of the sector were asked for their views on quality criteria and quality measurement, the electronic ordering system and the implementation of catering services, such as intensified and structurally modified diets. In addition, suppliers were asked how they take into account responsibility, for example in terms of raw materials, reducing food waste, low-emission transport and social responsibility, and what the possible cost implications of the criteria applied to them would be.

In addition to the city-level development work, co-operation was increased during the preparation of the procurement also in the Helsinki Metropolitan Area to take into account environmental impacts in public food services. Opening a discussion with both product suppliers and food service operators was also seen as a key issue. In order to promote wider cooperation, the City of Helsinki organised, with the cities of Vantaa and Espoo, the Tasty and sustainable fish and vegetarian dishes! market workshop to address challenges related to the availability and acceptability of sustainable vegetarian and fish dishes.

## Responsibility requirements sum up the aim of the city

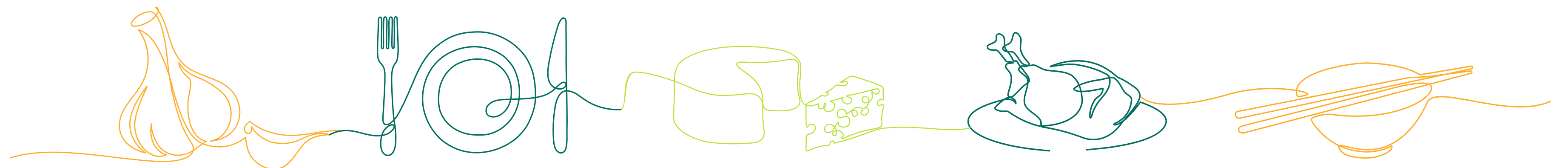
In order to take into account the climate impacts and responsibility aspects related to food service production, the city's aim was clearly recorded in the service description of the procurement, the verification of responsibility was connected to the reporting requirements and the monitoring table supporting it, and a responsibility plan base was formed to support the city's carbon neutrality goal, for which the tenderer could give measures and indicators to obtain points.

# Case: Food services for the service homes and senior centre

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CANEMURE

Helsinki







““It was also rewarding to see the tenderers’ commitment to tendering materials and to note developments, for example, in meeting responsibility targets.”

According to the service description, climate- and environmentally friendly raw materials are preferred in staple diet meals, and substitutive and complementary alternatives to products with significant climate impacts are sought. Seasonality is taken into account in particular for vegetables, root vegetables and fruit. The customers of food services must be informed about responsible choices, and responsibility is hoped to be taken into account in service themes, for example as participating in the Food Waste Week, Baltic Sea Day, World Vegetarian Day and Fairtrade Week. In addition, the service provider was required to submit an environmental programme on the company’s methods of identifying, reducing and monitoring its environmental impact.

## Responsibility requirements for food service production

- ▼ Fish, fish products and shellfish comply with the green list of the WWF seafood guide.
- ▼ The country of origin of the main raw materials for menu products must be declarable in accordance with the principles and requirements of food legislation (Food Act 23/2006, Section 17). The country or sea area of origin/farming of the main raw material for fresh/frozen fish must be declarable in accordance with EU Regulation No 1379/2013.
- ▼ The provided meat, eggs and egg products are free from all Salmonella serotypes, and any imported foodstuffs have been sampled in accordance with or comparably to Annexes I-III of Commission Regulation (EC) No 1688/2005.
- ▼ Antimicrobials, such as antibiotics, are only used to treat sick animals with a prescription and under the supervision of a veterinarian. Records are kept of the use of antimicrobials.
- ▼ Animals are stunned before bleeding begins and remain unconscious and insensible to pain until death.
- ▼ Pork comes from animals whose tail has not been cut to prevent biting.
- ▼ Broiler meat comes from a flock of broilers whose footpad scores are monitored. Fresh broiler meat or broiler meat preparations must come from a broiler flock with a footpad score of <40.
- ▼ Eggs have been produced on organic, free-range or outdoor poultry farms.
- ▼ If animal feed used for the meat provided contains soy, the soy used in it must be traceable in a documented manner throughout the supply chain or accompanied by a certificate confirming at least the following: 1) sustainable use of pesticides and water resources, 2) compliance with local and national legislation, 3) good working conditions for farm workers and 4) consideration of indigenous peoples’ rights and traditional farming methods.

- ▼ If palm oil or palm kernel oil is used in food service products, it is responsibly produced, certified Round Table for Sustainable Palm Oil (RSBO): Book and Claim or Mass Balance or equivalent palm oil and palm kernel oil. Production chain: Segregated or Identity preserved or similar.
- ▼ The selection includes at least coffee and tea from Fairtrade products, as well as other Fairtrade products, such as bananas and cocoa products, depending on demand.
- ▼ Any disposable products are made of environmentally friendly packaging materials and are recyclable (100% from renewable material; wood fibre FSC or PEFC certified).
- ▼ The transport equipment must meet at least EURO 6 emission levels.
- ▼ The service provider monitors the amount of food waste at least twice a year in the restaurant and housing units.
- ▼ The detergents, cleaning agents and cleaning methods used in the production of the service must be environmentally friendly.
- ▼ During the contract period, the supplier must employ an unemployed job seeker or job seekers (up to three) in a weak labour market position if the number of purchases submitted per area is exceeded.

### Grounds for comparison

In addition to the total price (50%), it was possible to obtain points for quality (50%) in the tendering. The total price consisted of the unit prices of meal days by area and the total sum of agency products. In terms of quality, points were obtained from the responsibility plan (max. 15 p) and service quality descriptions (max. 35 p) regarding a) the concept of the restaurant and the improvement of the customer experience, b) the implementation of the themes in the restaurant and resident meals/daytime activities, c) the implementation plan, d) the substitute arrangement of the staff, e) the induction process of the staff, f) the verification of customer satisfaction and g) the implementation of special diets.

The responsibility plan requires the chosen service provider to reduce the adverse climate and environmental impacts caused by the food service and to promote the responsibility of raw materials. The tenderer was required to present concrete measures that take into account the customer base and are feasible measures in this particular service, as well as indicators describing them, as follows:

- a measure to increase the proportion of vegetarian food on the menu
- a customer-inclusive measure to increase the consumption of vegetarian food
- a measure to increase the proportion of fish sustainably caught in the Baltic Sea on the menu
- A measure concerning the share of seasonal products on the menu

- a customer-inclusive measure to increase the consumption of climate-friendly raw materials and food
- a measure to prevent food waste in the restaurant and in resident meals
- a customer-inclusive measure to reduce food waste, taking into account restaurant and resident meal operations.

In addition, points could be scored in the responsibility plan for the procurement and use of responsibly produced raw materials (fish, meat and eggs) in the food service and for the regular supply of other responsibly produced raw materials and products (e.g. organic products).

### Contract terms and conditions

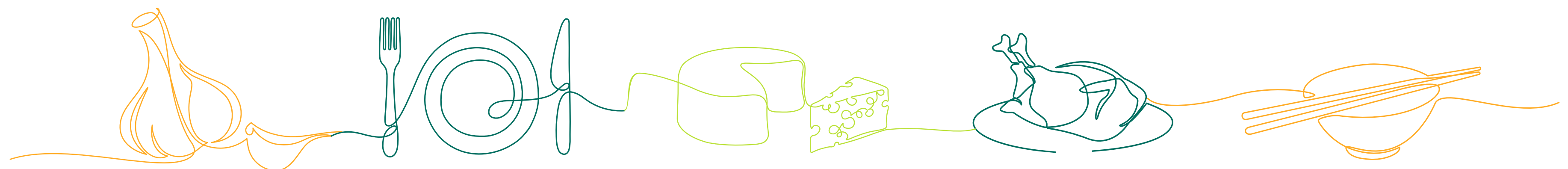
The service provider is obliged to monitor the implementation of the services and to develop the services in cooperation with the orderer. In addition to service production, cooperation meetings also monitor and develop the implementation of responsibility objectives by utilising the monitoring table of the responsibility plan and responsibility criteria developed for procurement.

The service provider is required to commit to the development work in accordance with its responsibility plan during the contract period. The implementation of the measures is reported annually in the contract review, in which the measures and indicators can be developed in cooperation with the orderer. In connection with the first contract review, the implementation of other responsibility requirements is also reviewed, after which the implementation is reported once a year. The service provider is also required to report the number of fish and vegetarian recipes on the menu, the development of the amount of food waste and the degree of domesticity of raw materials.

Any exceptions must be agreed on in advance with the orderer. If it is found in connection with the contract review that the responsibility criteria are not met, the orderer is guaranteed the possibility to impose a contractual penalty.

## Challenges in procurement delivery

Suspension of the procurement twice posed its own challenges to the tendering schedule. The suspensions were due to the criterion of agency products, which, on the first occasion, led to the compromising of the equal treatment of tenderers in the context of the specifications and, on the second, to an unfavourable outcome that did not meet the overall economic objective of the procurement. However,





despite the interruptions, it can be stated that the preparation of the procurement during each tendering round was very smooth and carried out in good cooperation.

In promoting environmental and climate objectives, it was important to take into account the fact that 24-hour food service has a significant impact on the well-being and quality of life of our customers. In the preparation of the procurement, it was considered essential to find ways, suitable for the customer base, to promote, for example, the utilisation of climate-friendly raw materials and to encourage the market to do so. In order to guarantee adequate nutrition, the steps taken had to be smaller than, for example, in food services for children, students and adults. However, it was possible to promote uniform requirements for responsible production of raw materials, but there were some questions raised about traceability in the production chain, for example.

## The level of responsibility was successfully increased during the procurement

There was a very good number of tenders – nine the first time and seven the last time. Despite the delays, the final result is satisfactory and the units are already waiting for the start of new service contracts. The service production is expected to start at the units in early 2022 – with a delay of about one year from the original goal. The service production costs of some units will increase slightly, which is probably due to general price developments, among other things. The impact of the responsibility criteria on costs could not be assessed.

The number of preparation rounds made it possible to develop responsibility and climate criteria for the new tendering round. At the same time, experiences were gained and lessons learned from other food and restaurant service tenderings of the city, where the same sustainability criteria were successfully worked out. In the end, it was possible to raise the level of responsibility in the last round of tendering by shifting the criteria from scoring to minimum requirements. It was also rewarding to see the tenderers' commitment to tendering materials and to note developments, for example, in meeting responsibility targets.

During the procurement of food services for the service homes and senior centre, the same sustainability criteria were also used for the second procurement of food services in the Social Services and Health Care Division, for tendering for food services in vocational colleges in the Education Division and for two tenderings for the city's restaurant services. The use of uniform criteria succeeded in

communicating to the market the level of responsibility required by the city in public food services.

## Establishment of uniform responsibility criteria for procurement is promoted

The possibilities for developing service production have been taken into account in the service description, and it is hoped that new service agreements will promote the partnership between the orderer and the service provider; which is also seen as important from the perspective of the customer base of food services. The starting point for the activities will be mutual trust, but the monitoring will also aim to improve the exchange of information and collect lessons for future tenderings. In order to ensure a uniform monitoring approach, the responsibility monitoring table developed for procurement will be used.

In order to scale good practices to other similar procurements, the aim is to compile measures implemented in accordance with responsibility plans to reduce the environmental impact of food service and promote the involvement of the customer base. In procurement development work, the updated strategic policies of the city and innovative solutions in the field are also monitored, for example in terms of food preservation. It goes without saying that the city should also re-examine the usual models in order to enable innovation to be offered. It is also important to monitor changes in the customer base that affect the content of the food services offered.

One of the city's goals is to develop and tighten the criteria that reduce the environmental and climate-related impact and take circular economy into account in the city's procurements related to foodstuffs and food service. The establishment of uniform criteria to support the goal is currently underway, and the aim is to take into account the city's very different food services and the customers who use them, including staff meals.

## Preparation was supported by pre-processed criteria

In the procurement, the city's environmental and climate objectives were successfully used as criteria and tools. In terms of preparation, the city's strong will to promote the matter was central, as well as the practical support in taking environmental and

responsibility aspects into account in the tendering process itself. From the perspective of those preparing the procurement, the provision of pre-processed criteria and expertise played an important role in finding the most suitable solutions for the procurement. Comparison of the aid offers in terms of responsibility aspects was also seen to have facilitated the implementation of tendering procedures.

In addition to increasing the level of responsibility, the procurement featured quality scores as desired. Although it can be cumbersome to go through the various quality appendices at the tender comparison stage, they provide an essential image of the supplier and service production. In the comparison, it was important to carry out the evaluation work in cooperation.

## Sharing the knowledge

In addition to cooperation at the city level, dialogue with the cities of Vantaa and Espoo was increased. The idea of sharing good practices and tackling challenges in cooperation arose from city council initiatives addressing the climate impact of the cities' food services. The joint market workshop organised in 2020 was considered very successful, and it is hoped that it will inspire others to increase cooperation across municipal boundaries, as well as between different actors in the food chain.

Increased cooperation and communication is seen as important at the national level so that other public procurers can find suitable ways to promote sustainable food services. There has also been a desire to spread the information exchange to a wider network, and in 2021, the cities in the Helsinki Metropolitan Area organised the first open *Kestävää kouluruokaa – ympäristövastuulliset ruokapalvelut kunnissa* (Sustainable school food – environmentally responsible food services in municipalities) seminar for everyone interested in developing food services.



**LIFE17 IPC/FI/000002 LIFE-IP CANEMURE-FINLAND**

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