Food Service Management Companies – Structures, Incentives, & Strategies for Collaboration

National Good Food Network Conference
March 27-30, Albuquerque, New Mexico

Rebecca Dunning, North Carolina State University
Matt Rogers, Aramark

Agenda

Four basic supply chain models farm to FSMC
Via an existing authorized distributor
Via a food hub as an approved vendor
An individual farm/business as approved vendor
One-offs with a P-card

Explanation of terms and the structure of managed food service

The incentives within universities and food service, and strategies to generate action

Rebecca – 20 minutes
Matt – 20 minutes
Small group discussion
Facilitated conversation
Brief Intro

Name
Entity
Role =>

Food hub staff-operations
Food hub staff-marketing
Other private sector wholesaler/distributor

Cooperative Extension staff
Non-profit organization manager/staff
University-related
Local/state/regional government staff

Farm owner
Food processor or manufacturer
Retailer
Restaurant owner or chef
Consultant
Lender

Other?
UNIVERSITY FOOD SYSTEM

GROUP PURCHASING ORGANIZATION
GPOs are contracts that pool demand for products for member organizations like universities and hospital food service and are used to negotiate and enter large-volume contracts with food companies, reducing the per unit cost of products.

FOOD SERVICE MANAGEMENT
Universities oversee the dining halls, campus and small food shops on campus as either a "self-operated" census, which is managed by university employees or management, or is contracted with a Food Service Management Company (FSMC). Such as Sodexo, Aramark, CH2M HILL, etc. Universities with FSMCs typically hold long-term (5-10 year) contracts with these entities. Changes can be made to the contract but involve complicated and time-consuming negotiations.

OUT OF COMPLIANCE
Approved Vendors—These vendors have the approval to sell to a single university, with a supply chain agreement and various limitations. Vendors are considered "out of compliance." Purchase through these vendors are considered "out of compliance."

P-CARD—Although these purchases are considered "out of compliance," food service staff can use a P-Card to purchase small items from vendors that are neither authorized nor approved.

AUTHORIZED FOOD COMPANIES
These companies have purchasing agreements that allow the food service to purchase from the company. However, compliance issues typically result in rebids to the food service management account and are shared with the university.

AUTHORIZED DISTRIBUTORS
This involves a purchasing agreement that allows the university food service to purchase from the distributor. However, compliance issues typically result in rebids to the food service management account and are shared with the university.

UNIVERSITIES
University Business Service Offices manage selling and rare food service contracts. At the contracting stage, the office releases a Request for Proposal to qualify what is required for the campus.

ALTERNATIVE LOCAL FOOD SUPPLIERS
Bringing food to campus via farmer's markets and CSAs.
KEY TERMS TO KNOW GOING IN

Contracted and Self-op
Group Purchasing Organization
Authorized Vendor
Authorized Distributor
Out of Compliance
Managed Order Guide
Approved Vendor
P-Card Purchases
UNIVERSITY FOOD SYSTEM

GROUP PURCHASING ORGANISATION

GPOs are compiled that pooled demand for products for member organisations like universities and hospital foodservice and use that leverage to make large-volume contracts with food companies, reducing the per unit cost of products.

FOOD SERVICE MANAGEMENT

Universities oversee the dining halls, cafes, and student unions on campus as either "self-operated" or ones which are managed by catering companies or management firms. Universities with self-operated or management firms are typically held to competitive contract obligations. Changes can be made to the contract but requires complicated and time-consuming negotiations.

AUTHORIZED FOOD COMPANIES

These companies have purchasing agreements that universities must meet. Purchases from these companies are "in compliance" making compliance benchmarks typically results in rebates to the food service management account and are shared with the university.

AUTHORIZED DISTRIBUTORS

Distributors with purchasing benchmarks that universities must meet. They typically result in rebates to the food service management account and are shared with the university.

PRODUCT PROFIT

CONTROLLED AGREEMENT

OUTER COMPLIANCE ORDERS

UNIVERSITIES

University Business Service Offices manage adding and renewing food service contracts. At the contracting stage, the office releases a Request for Proposal to qualify what specifications are most important to the campus.

OUTER LOCAL FOOD INSTITUTES

Bringing food to campus via farmers markets and Co-ops.

OUTER COMPLIANCE ORDERS

P-CARD—Although these purchase are considered "out of compliance," food service staff can use a P-Card (pur- chase card) for occasional sales to purchase small items from vendors that are not otherwise authorized or approved.

OUTER COMPLIANCE ORDERS
The practitioner’s value add?

Opportunities to talk – more than once
Aligning incentives
Fitting into the system
Vetting
Support while stretching the partners
Be a “Go-Giver”
Start wherever the partners are
Yes, it takes forever....
The promotion of student involvement in clubs and activities that are related to agriculture and food can increase awareness of local foods and build demand for local products. Included are examples of how students at partnering universities focus their activities on increasing awareness of sustainability and food issues on their campuses.

**FARM VISITS**

Students from the University of North Carolina at Pembroke visit New Ground Farm to learn how food is grown and where to access local food.

**STUDENT CLUBS**

The Greener Coalition at the University of North Carolina at Pembroke promotes the NC 10% Campaign, Local Food Ambassador Program, and Real Food Challenge Calculator on campus through tabling, hosting events, and gathering petition signatures.

**SOCIAL MEDIA**

The Winston Salem State University Local Food Ambassador utilizes social media for campus outreach and education.

**ENGAGE ADMIN**

Elizabeth City State University students bring baskets of fresh, local produce to the school.

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The image includes a map of the states of North Carolina and South Carolina, highlighting various universities and locations.
Responsible Sourcing

- Purchase local produce grown within 250 miles & from community-based producers, whenever possible.

- Purchase humanely-raised animal products including cage-free shell eggs by 2015 and liquid eggs by 2020 in the U.S.

- Purchase 100% sustainable seafood by 2018 in the U.S. including transition to 100% sustainable canned skipjack and albacore tuna in April 2016.
Vendor Data Contribution: Aramark/University of Virginia 2017 $138k

Local Food Hub: $70k spend

- apples
- leeks
- beans/peas
- lettuce
- beef
- hot sauce
- beets
- maple syrup
- berries
- sausage
- broccoli
- mushrooms
- cabbage
- nectarines
- carrots
- burgers
- cauliflower
- onions
- cider
- pork belly
- corn
- peaches
- cucumbers
- pears
- cured pork
- peppers
- dairy
- plums
- donuts
- potatoes
- eggs
- pumpkins
- garlic
- radishes
- grains
- spinach
- grapes
- squash
- greens
- tomato
- jam
- turnips
- honey
- vinegar

Other sources of local:
- Cavalier
- Country Vintner
- Student farm
- PSP VA

Total Local Farms/Vendors supported: 55
HOME GROWN GOODNESS

Home sweet home tastes even sweeter when it’s sustainable. We are dedicated to sourcing ingredients locally and supporting North Carolina farmers. Whether local, organic, fair trade, humane or grass-fed, our goal is to purchase responsibly so we can keep our home green.
LOCAL AND SUSTAINABLE PURCHASING
August 1, 2017 - December 31, 2017

PROCUREMENT SUMMARY

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<thead>
<tr>
<th>Sustainable Food and Beverage Spend</th>
<th>Sustainable Story 1</th>
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<td>Line 1</td>
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<td></td>
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|$202,452.79$

SPEND SUMMARY
Qualifying Purchases

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<thead>
<tr>
<th>3rd Party Verified</th>
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<tbody>
<tr>
<td>American Humane Certified (Cage Free and Enriched Colony Eggs)</td>
<td>$56,604.81*</td>
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<tr>
<td>American Humane Certified (Other)</td>
<td>$32,779.31</td>
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<tr>
<td>Certified Humane Raised and Handled</td>
<td>$3,385.66*</td>
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<tr>
<td>Fair Trade USA Certified</td>
<td>$9,755.98*</td>
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<tr>
<td>Monterey Bay Seafood Watch- Best Choice</td>
<td>$4,637.29</td>
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<tr>
<td>Monterey Bay Seafood Watch- Good Alternative</td>
<td>$415.98</td>
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<tr>
<td>Rainforest Alliance Certified</td>
<td>$27,858.80*</td>
</tr>
<tr>
<td>USDA Certified Organic</td>
<td>$8,854.06*</td>
</tr>
<tr>
<td>Total</td>
<td>$134,557.44</td>
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Other Sustainable Attributes

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Amount</th>
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<tbody>
<tr>
<td>B-Corp. Certified</td>
<td>$2,668.37*</td>
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<tr>
<td>CAFÉ Starbucks Coffee and Farmer Equity</td>
<td>$329.93</td>
</tr>
<tr>
<td>Cage Free</td>
<td>$5,896.80*</td>
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<tr>
<td>Local</td>
<td>$10,663.06</td>
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<tr>
<td>No Antibiotics Ever (NAE)</td>
<td>$749.60</td>
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TOTAL SUSTAINABLE SPEND BY CATEGORY

- Baked Goods (6.1%)
- Coffee & Tea (13.8%)
- Dairy (4.0%)
- Eggs (28.0%)
- Grocery/Staple (18.6%)
- Other Beverages (Non Dairy) (6.3%)
- Poultry (16.3%)
- Produce (4.6%)
- Seafood (2.5%)
Feast Down East Processing & Distribution is a non-profit USDA Farm Hub, committed to helping small to medium-scale and limited resource farmers gain access to local food markets by providing marketing, aggregation, and distribution of fresh, source identified produce at the peak of flavor for delivery to chefs, grocers, and institutions year round. We are located at the Historic Train Depot in downtown Burgaw, NC.

**DELIVERY FOR TUESDAY MARCH 27TH AND THURSDAY MARCH 29TH 2018**

**Please order by 10:00 am Monday for Tuesday delivery, and by 12:00 pm Tuesday for Thursday delivery.**

**FRESH LOCAL FRUIT AND VEGETABLES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Supplier</th>
<th>Weight</th>
<th>Price</th>
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</thead>
<tbody>
<tr>
<td><strong>TOMATOES</strong></td>
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<tr>
<td>CV Greenhouse Tomatoes</td>
<td>BRITT FARM</td>
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<td>CARROTS</td>
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<td>TURNOPIES</td>
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<tr>
<td>JACKSON FARM</td>
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<tr>
<td><strong>BRUSSELS</strong></td>
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<td>COTTLE ORGANICS</td>
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<tr>
<td><strong>GREENS</strong></td>
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<tr>
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<td>3LB GAP CERT</td>
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<td>$18.75/30.00</td>
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<tr>
<td>COTTLE ORGANICS</td>
<td>12CT/24CT</td>
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<td>COTTLE ORGANICS</td>
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<td><strong>KALE</strong></td>
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