

## **Sustainable Procurement Case Study**

### **Contract for the provision of Fresh Milk**

#### **Background**

For some time, the Yorkshire Purchasing Organisation (YPO) has had a range of contracts in place for the provision of food, one of these being for the supply of fresh milk. The contracts were due for renewal in 2007 and this presented an opportunity for the procurement team at Wakefield Council to work with YPO to establish new contracts with the aim of ensuring that sustainability issues were factored into the process.

The teams from both organisations worked together to draft the documentation, establish the evaluation criteria and evaluate the submissions. Two suppliers were successful in the process and were awarded contracts under a framework arrangement commencing February 2007. The contracts are open for use by any public sector organisation. The successful companies are Fresh Pastures and Dairy Farmers of Great Britain.

Dairy Farmers is a Co-Operative of regional and national dairy farmers, many of which are based in the Wakefield region, and Fresh Pastures is a Community Interest Company (CIC)<sup>1</sup> based in Wakefield.

Both companies have a local emphasis with Dairy Farmers having 768 milk farmers within a 50 mile radius of Wakefield producing over 380 million litres of milk annually; 50% of this output is returned and consumed in the region.

Fresh Pastures is one of the first CIC's in the country, and the first dairy CIC in Europe. Any profit made is ring-fenced for community benefit and is ploughed back into the company. Fresh Pastures is located in Wakefield and only uses milk supplied by local dairies, thus reducing greatly the amount of food miles associated with the finished product.

In addition to the above, Fresh Pastures is a local employer recruiting from the local labour pool, working closely with Jobcentre Plus, Wakefield Disability Action, Mental Health Matters and other charities in order to place long term un-employed or disabled people in sustainable jobs.

#### **The Process**

The procurement team at YPO with input from the Wakefield procurement team conducted a fully compliant EU procurement process. The appointment of the two suppliers was largely down to the following:

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<sup>1</sup> Community Interest Companies (CICS) are limited companies, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. This is achieved by a "community interest test" and "asset lock", which ensure that the CIC is established for community purposes and the assets and profits are dedicated to these purposes. Registration of a company as a CIC has to be approved by the Regulator who also has a continuing monitoring and enforcement role.

- The adoption of an award criteria based on sustainable and community focused benefits. This made up 5% of the total award and was the first time that YPO had adopted this approach.
- YPO in conjunction with Wakefield Council held a tender clarification session where the tender documentation was discussed and tenderers were free to ask questions relating to the tender process and specification.

### **Supporting Factors**

Wakefield Council has been actively engaged with local businesses over the past 3 years, holding engagement events with all sectors of the business community. The engagement events have covered all aspects of the procurement process giving the attendees the tools they need to enable them to find out about procurement opportunities and complete tender documentation effectively.

In addition to the support offered by the council, the Social Enterprise Support Centre (SESC) has worked with Third Sector organisations, providing procurement support to the sector.

### **Success Factors**

Dairy Farmers, being a large organisation with extensive contracting and Local Authority experience, was able to fulfil the tender requirements.

Fresh Pastures, being much smaller and newer to the process, was successful in its submission because of the following factors:

- Attendance at Wakefield Council supplier engagement workshops and presentations, increasing the organisation's knowledge of the procurement process and how to produce high quality bids meeting Local Authority requirements.
- The intrinsic social and economic benefits which enhanced the submission, scoring highly in sustainable and community focussed benefits.
- Working with SESC to develop tendering skills.
- Attendance at the joint YPO and Wakefield Council tender clarification session.

### **Key sustainability indicators:**

- **Environmental:** minimising food miles, recyclable cartons (Fresh Pastures)
- **Social:** employment policy, educational activity, healthy food
- **Economic:** local produce, community focus

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