California State Government
Food Procurement Policies and Practices
2016
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California Health in All Policies Task Force

- Air Resources Board
- Office of the Attorney General
- Business, Consumer Services, and Housing Agency
- Department of Community Services and Development
- Department of Corrections and Rehabilitation
- Department of Education
- Environmental Protection Agency
- Department of Finance
- Department of Food and Agriculture
- Department of Forestry and Fire Protection
- Department of General Services
- Government Operations Agency
- Health and Human Services Agency
- Department of Housing and Community Development
- Labor and Workforce Development Agency
- Natural Resources Agency
- Department of Parks and Recreation
- Governor’s Office of Planning and Research
- Department of Social Services
- Department of Transportation
- Office of Traffic Safety
- State Transportation Agency
**Acronyms**

California Correctional Health Care Services  
California Department of Aging  
California Department of Corrections and Rehabilitation  
California Department of Developmental Services  
California Department of Education  
California Department of Forestry and Fire Prevention  
California Department of General Services  
California Department of Parks and Recreation  
California Department of Public Health  
California Department of Rehabilitation, Business Enterprises Program  
California Department of State Hospitals  
California Department of Veterans Affairs  
California Highway Patrol  
California Prison Industries Authority  
Centers for Disease Control and Prevention  
Health in All Policies  
Strategic Growth Council  
United States Department of Agriculture  

CCHCS  
CDA  
CDCR  
DDS  
CDE  
CAL FIRE  
DGS  
DPR  
CDPH  
DOR BEP  
DSH  
CalVet  
CHP  
CALPIA  
CDC  
HiAP  
SGC  
USDA

**Key Terms**

**Food Procurement.** The processes used by state and local government agencies to purchase food that they will provide or sell to employees, custodial populations, visitors, and people housed by state or local entities.

**Food Procurement Policies.** Informal and formal practices, regulations, guidelines, and laws adopted by federal, state, and local governments or institutions, to require or encourage food purchased and served to meet a set of standards.

**State Food Environment.** The types of food and beverages that are sold or served in cafeterias, vending machines, and concession stands on State property, including, but not limited to, state buildings, prisons, hospitals, veterans homes, parks, and beaches.

**Sustainable Food Procurement.** Considers the social and environmental impact of a purchase, and is aimed at mitigating the deleterious impacts of purchasing on the environment, human health, animal welfare, and labor.
Executive Summary

Food procurement policies can support a range of benefits for organizations, individuals, and communities. California’s state food procurement policies are just one piece of the larger procurement landscape, but an important one given the large annual fiscal expenditures and potential impact on health and the environment. This report makes a case for the importance of food procurement policies, describes current California State food contracting pathways, provides information about how specific departments procure food, and describes challenges and opportunities within the state food system.

With rates of chronic conditions such as diabetes, heart disease, high blood pressure and other diet-related diseases on the rise, growing attention has been paid to the food served and sold on state property and in state institutions. The State of California spends hundreds of millions of dollars directly on food and spends more each year on health care costs of diet-related diseases through employee medical benefits, direct medical services to those housed in state facilities, and through state supported Medi-Cal and Medicaid.

State government food service and procurement policies can specify the use of government funds to create a healthy food environment which can be applied anywhere food is served, sold, or consumed, including work-site cafeterias, vending machines, educational institutions, correctional institutions, group homes, childcare facilities, schools, park concession stands, meetings or conferences, and hospitals.

In addition to supporting health, there are a number of co-benefits resulting from healthy food procurement policies that strengthen the case for supporting these policies. These include reducing costs to California’s economy; modeling practices for other public and private organizations; promoting environmental sustainability; increasing marketplace demand for healthy and sustainable food products; protecting workers in food and agriculture; and supporting local economies.

California State food procurement occurs in many ways, depending on the final use or customer, but generally follows one of two distinct pathways:

1) Negotiated food purchasing contracts, under the purview of the Department of General Services (DGS). The largest utilizer of DGS negotiated food contracts is the Department of Corrections and Rehabilitation, which is responsible for feeding the state’s 118,000 inmates [1].

2) Contracts with outside vendors to operate food venues on state property. This pathway is primarily exercised through the Department of Rehabilitation, Business Enterprises Program and through the Department of Parks and Recreation, which both manage contracts with food vendors on state property.

Prior to this report, there was no single document that outlined California’s state government food procurement policies and practices. This report is a step in that direction, and describes in detail the two food procurement pathways listed above. The report also describes challenges and opportunities within the state food environment.

“California State Government Food Procurement Policies and Practices” is part of a suite of healthy food procurement related materials developed by the Health in All Policies Task Force. The suite includes two other documents:

- More information about recent state and local laws, ordinances, guidelines, and other mandates from California and throughout the country, that aim to influence the food environment in specific settings is available in “A Scan of State and Local Food Procurement Policies.”
- Case stories describing different city, county, and state government approaches toward developing and implementing healthy food procurement are available in “Healthy Food Procurement: Case Stories.”
Context and Purpose

California’s Health in All Policies Task Force (Task Force) works collaboratively across agencies, departments, and offices to improve the health of all people by incorporating health, equity, and sustainability considerations into State decision-making, policies, and practices. The Task Force was created out of recognition that California’s greatest challenges, such as climate change and poverty, have profound health implications and yet cannot be solved by the public health department or any one department or agency working in isolation. Solutions to these complex and urgent problems require working collaboratively across many sectors to address the social determinants of health (i.e., transportation, education, access to healthy food, and economic opportunities).

In 2010, the Task Force identified six aspirational goals, one of which is that [all California residents have access to healthy, affordable foods at school, at work, and in their neighborhoods]. The Task Force subsequently made a recommendation to:

Leverage government spending to support healthy eating and sustainable local food systems: adopt a healthy food procurement policy…to ensure that foods purchased for consumption or sale on State property (e.g., vending machines, institutions, cafeterias, concessioner contracts) meet minimum nutrition standards [2].

This report provides an overview of the current status of the State of California’s food purchasing policies and practices and supports the Task Force’s aspirational goal and recommendation. The State’s food procurement system is extremely complicated and fragmented between a variety of institutions that work independently and are often not aware of each other’s operations or food policies. Prior to this report, there has been no single organization, document, or individual with aggregated information on procurement policies and practices across State agencies. This information is essential for those who wish to identify opportunities for systemic improvements related to health and environmental sustainability.

This report takes a step towards aggregating this information, by providing an overview of how food is procured by the State of California, as well as initial ideas about where there may be opportunities for future action to promote health and sustainability. Specifically, this report:

1) Documents the major pathways through which the State of California purchases and serves food; and
2) Highlights challenges to and opportunities for improving the nutritional quality of food and promoting locally purchased food by State of California departments and agencies.

The authors hope that this report will be useful for state agencies and departments, as well as others interested in improving the nutritional quality and local sourcing of food purchased by the State of California. This report can also serve as a resource and model for those supporting healthy government food procurement at the local level and outside of California.

Summary of Methods

Information for this report was collected through interviews with representatives from State agencies involved in food procurement: California Department of Corrections and Rehabilitation, California Department of General Services, California Department of Rehabilitation, California Department of Education, California Department of Veterans Affairs, California Department of Developmental Services, California Department of State Hospitals, California Department of Parks and Recreation, the California Prison Industry Authority, representatives from city, county, and federal governments, local public health departments, and non-governmental organizations inside and outside of California. Additional information was collected from a review of contracts, budgets, menus, department and agency websites, and other pertinent documents.
Limitations and Areas for Further Research

This report provides a high-level overview of the processes used by State agencies and departments directly involved with large-scale food purchasing and distribution. However, some aspects of government purchasing are beyond the scope of this report:

- California schools (K-12) and other child nutrition programs are only briefly discussed in this report. Food purchasing decisions are made at the facility or district level and are largely governed by federal regulations.
- This report does not provide an assessment of the nutritional quality of the foods served or purchased by state agencies.
- This report does not include comprehensive budgetary details for State food purchasing, though information is provided when available. Many stakeholders have expressed interest in knowing how much money the State and individual agencies spend on food. State agencies, individual facilities, and institutions use a variety of contracts and purchasing mechanisms, and procurement recordkeeping is organized in numerous databases and is not standardized across departments. While a worthwhile endeavor, gathering this information will require additional resources.
- This report only peripherally discusses environmental sustainability. While this report does discuss local purchasing, this is only one aspect of sustainability. Sustainable food purchasing includes considerations related to farming practices, packaging, labor practices, etc. In addition, it should be noted that this report does not include a specific geographic definition or recommendation for “local” purchasing.
- Many stakeholders, inside and outside of government, are interested in reducing consumption of sugar-sweetened beverages as a way of reducing chronic disease and improving health. This report does not directly address sugar-sweetened beverages, except in the context of other vending policies.
- While stakeholders have expressed interest in an in-depth look at the challenges and opportunities for smaller State governmental purchasers, local and regional government purchasers, schools, and smaller food service providers, this report focuses almost exclusively on the larger-scale California State government purchasing.
I. Introduction: The Many Benefits of Food Procurement Policies

Procurement Policy is a Strategy with Many Benefits

Increasing the accessibility of healthy food is an important strategy in addressing health, and has been shown to change people’s eating behaviors [3, 4]. Diet-related disease is one of the leading causes of death in California [5], and diets high in processed, high calorie, low-nutrient food and low in fruits, vegetables, and whole grains contribute to heart disease, high blood pressure, cancer, and musculoskeletal disorders [6, 7]. Today, California adults consume only about one-fifth of the recommended daily amount of vegetables and fruit [8]. While individual preference is an important factor in shaping food choices, individual decisions are made within the context of one’s environment, including the availability of healthy, affordable food.

For example, the 2001 Surgeon General’s Call to Action to Prevent and Decrease Overweight and Obesity notes that “individual behavior change can occur only in a supportive environment with accessible affordable healthy food choices and opportunities for regular physical activity” [9]. In addition, a growing body of literature demonstrates correlations between policies that increase the accessibility of healthy food and the increased consumption of healthy food [10]. These studies suggest that increasing the accessibility, including affordability, of healthy food improves healthy eating behaviors and reduces many negative health outcomes [3, 4].

It is especially important to note that the food environment has changed significantly in recent decades, with subsequent changes to eating behavior and health outcomes. For example, the average portions offered by fast-food chains are often 2 to 5 times larger than when the food or beverage was first introduced [11]. In 1970 Americans consumed 2,064 calories per person per day, and this has increased by 23 percent to 2,538 calories per person per day in 2010 [12]. These changes parallel a rise in many chronic diseases in both California and the nation. For example, in the last decade the number of people with diabetes has increased 32 percent, with one in seven adults in California having the disease [13].

Different communities face very different food environments. For example, low-income areas are especially impacted by a lack of access to healthy foods. One study found that residents with no supermarkets near their homes were 25 to 46 percent less likely to have a healthy diet [14]. Strategies to increase access to healthy foods need to take into account the built, economic, and service environments which shape access to health foods.

Researchers, food policy advocates, and federal agencies, including the Institute of Medicine, United States Department of Agriculture (USDA), and the White House Task Force on the Prevention of Childhood Obesity, have identified food procurement policies as an important strategy to reduce chronic disease and promote overall health. Purchasing institutions throughout the nation are recognizing the critical role that food procurement plays in promoting sustainability, nutrition, and better health, and some large organizations such as Kaiser Permanente have adopted food procurement policies that provide health-promoting food and support local and sustainable food systems.

California State government has significant spending power and reach, and its agencies have opportunities to pursue food procurement policies that directly improve the food environment and support the health of a large number of people, including:

- 224,000 State employees [15]
- 118,000 incarcerated individuals in State prisons¹ [1]
- 7,900 patients and residents in State hospitals [16] and State developmental centers [17]
- 3,000 veterans in the State Veterans Homes [18]

¹ This number includes all men and women in custody at in-state institutions or camps on July 30, 2014. This number does not include those inmates housed at in-state private facilities, Department of State Hospitals facilities, or out-of-state facilities.
- 68,700,000 visitors to State parks each year [19]

Healthy food procurement policies provide a number of additional benefits to society, such as:

1) **Reduce healthcare costs.** In California, lost productivity and medical care costs associated with obesity, overweight, and physical inactivity are estimated to be somewhere between $2 billion and $5 billion annually [20]. In 2008, the California Public Employees’ Retirement System (CalPERS) alone spent approximately $362 million on health care services to treat preventable chronic diseases. This represents 22 percent of the money spent on health care services for the whole system [21].

2) **Model nutritional and purchasing practices for local agencies and other institutions.** By embracing healthy and sustainable policies and practices, the State of California serves as a model that can be followed by local governments and institutions. The State’s far reach can also change norms by increasing consumer demand for healthful food products at government-run cafeterias, vending machines, or concession stands, making it easier for local entities to secure political and community support for similar changes.

3) **Promote environmental sustainability.** Food procurement policies can promote environmental sustainability by encouraging local purchasing. As food transport miles decrease, so do carbon emissions. In addition, other sustainability criteria can be incorporated into contracts and guidelines such as encouraging food produced under sustainable certifications like USDA Organic or Fair Trade USA, or recommendations like Monterey Bay Aquarium Seafood Watch; environmentally friendly packaging, cleaning materials, and serving ware; recommendations for energy-efficient machinery and facility-use; and requirements for recycling and composting [10].

4) **Increase marketplace demand for healthy and sustainable food products.** California’s State agencies spend hundreds of millions of dollars per year on food, and can influence markets by creating demand for healthier products, supporting regional distribution systems, and influencing manufacturing by driving the formulation of healthier food products [22]. If the State inserts requirements for lower sodium, less packaging, or other healthy or sustainability-promoting specifications, these can influence manufacturers, leading them to create reformulated products that could then be made available to other purchasers, including smaller-scale local entities or schools.

5) **Support local economies.** State and local government can support local agriculture and business economies when they procure locally grown produce and other foods. For example, one study found that local (non-food) purchasing provided three times the economic benefits than using national chains [23]. Local purchasing helps keep money in communities, increases local employment, and can build community resilience.
II. California State Food Contracting Pathways

California’s State agencies provide hundreds of millions of dollars of food per year to people through a variety of pathways. For example, in recent years, California has spent between $140 (2013) and $160 (2012) million annually on food for the state’s incarcerated population, and the Department of Parks and Recreation’s concession contracts bring in over $44 million annually in gross receipts from food and beverage sales [24]. This section describes the mechanisms that are used to purchase this food, including how food contracts are negotiated, and which agencies manage those contracts.

People receive or purchase food from California State government institutions in a wide variety of venues, including worksite cafeterias, vending machines, educational institutions, correctional facilities, group homes, childcare facilities, schools, park concession stands, meetings or conferences, and hospitals. For State institutions, the most common pathways for purchasing and contracting are:

1) **Directly negotiate contracts for food items, through the Department of General Services (DGS) or the California Prison Industry Authority (CALPIA).** This pathway represents the bulk of State agency purchasing.

2) **Administer contracts for outside vendors to operate concessions, vending machines, and restaurants on State property.** The Department of Rehabilitation Business Enterprises Program (DOR BEP) and the Department of Parks and Recreation (DPR) often administer these contracts to make food available for purchase on State property.

Figure 1 (see page 12) depicts the pathways for food purchasing in the state with the most current budget and sales figures when available. The following sections provide an in-depth overview of each step along the pathways.

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**Do consumers get to choose?**

Individuals consume food in a variety of state food environments. In some cases, such as worksite cafeterias, individuals have choice not only about what food they order, but whether they buy their food from the state at all. In other cases, such as prisons, individuals have very little or no choice about what they are served. It is important to think about the structures in which people consume food in order to develop appropriate policies to support healthy eating.

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2 This total depends on the fluctuating inmate population and a budget of $3.14 per day per inmate.

3 Purchases made through the Department of General Services and the California Prison Industry Authority are administered under California Public Contract Code 10290.
Figure 1: Food Procurement Pathways

**Purchasing Pathway 1: Contracts for individual food items**

As illustrated in Figure 1 above, the State spends approximately $314 million a year on food items for use in State agencies or properties, not including food procurement in public schools and childcare facilities. The following sections discuss in detail the roles and responsibilities of participating agencies.

**California Prison Industry Authority**

The California Prison Industry Authority is a state-operated agency that provides work assignments for approximately 8,000 inmates assigned to 6,800 positions annually in California’s adult correctional institutions [25]. CALPIA operates 57 manufacturing, service, and consumable factories in 34 California Department of Corrections and Rehabilitation (CDCR) institutions throughout California.

California Penal Code Section 2807 mandates that state agencies fulfill their purchasing needs through CALPIA before turning to DGS or outside suppliers [26]. If CALPIA produces a given item, departments must apply for a

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4 The Department of Rehabilitation, Business Enterprise Programs vendors (described below) also work with private vending machine operators through the Vending Machine Unit to provide vending services to State and Federal locations where there are no interested Business Enterprise Program vendors. These private contractors pay a commission of sales from the facility to the Department of Rehabilitation which funds retirement, professional services, and life insurance programs.

5 This report uses the most current data available for contract, sales, and receipts figures. Therefore, the Department of General Services contract total is an approximation based upon data from a variety of years. More information is available in Figure 2 about how this total was developed.

6 No number is provided for “Contracts for Outside Vendors” in Figure 1 due to insufficient data.

7 This report uses the most current data available for contract, sales, and receipts figures. Therefore, the sum total for contracts for individual food items is an approximation based upon data from a variety of years.
waiver if they want to purchase that item from another producer or distributor. CALPIA is also authorized to sell to federal, county, municipal entities, and sovereign nations.

Each year, CALPIA produces and sells approximately $65 [27] million worth of agricultural and food products including almonds, bread, juice, peanut butter, jelly, milk, meat, eggs, chicken, coffee, and cookies [28]. The largest purchaser of CALPIA food is CDCR, and CDCR accounted for 57 percent of all sales (including non-food items) in FY 2013-14 [25]. As a result, CALPIA works to produce items that meet CDCR specifications for the standardized CDCR menu (e.g., eliminating trans fats, a requirement that bread be made from 100 percent whole wheat, and a specification that fruit juices must contain 20% real juice and is fortified with Vitamin C, calcium and Vitamin B12).

Department of General Services
The Department of General Services serves as the business manager for the State of California, including serving as the State’s purchasing authority. The DGS Food Acquisitions Unit directly oversees the competitive and non-competitive procurement of statewide food commodity contracts. This does not include contracts for vending machines, concessions, or most fresh produce. DGS procures food in three ways: 1) Commodity Food Contracts, 2) Miscellaneous Food Contract, and 3) Delegated Purchasing Authority.

Generally, State agencies are required to purchase items through DGS’s Commodity Food Contracts. This helps State government benefit from economies of scale, buy products at negotiated set rates, leverage the state’s purchasing power, and ensure that products are standardized across departments. However, as described below, for food items or products not included in CALPIA or DGS commodity contracts, or when agencies purchase less than the required volume for state contracts, there are two additional options: the Miscellaneous Food Contract or Delegated Purchasing Authority.

1. Commodity Food Contracts
In total, the DGS Food Acquisitions Unit handles 48 statewide food contracts. Forty-six of the contracts pertain to a specific type of commodity (see Table 1 for commodities available from October 2013). The 47th contract is the Miscellaneous Food Contract, described below. The number of contracts varies slightly from year to year. In FY 2013, food purchased through Commodity Food Contracts amounted to $105 million [29].

Statewide food contracts are awarded based on a low-price bidding system, in which the winning bid is determined by price, compliance to administrative requirements, and compliance to other specifications (e.g. minimum nutrition standards), with some adjustments (approximately 5 percent) for small businesses and enterprise zones. These statewide contracts set the prices of food for the contract term, typically one year, for a

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8 Competitive procurement refers to the process by which DGS goes out to bid for the good or service and awarded a contract based on competition (e.g., lowest price, best value).
9 Non-competitive procurement refers to situations where DGS does not go out to bid for a good or service. This usually happens in an emergency situation that precludes the time to conduct a competitive solicitation/award, or when there is simply only one firm offering the product or service.
10 All DGS contracts are publicly available on the DGS website at: http://www.documents.dgs.ca.gov/pd/contracts/contractindexlisting.htm#RANGE!A188.
11 More information about the Small Business and Disabled Veteran Business Enterprises (DVBE) programs is available on the Department of Veteran’s Affairs website (https://www.calvet.ca.gov/VetServices/Pages/Disabled-Veteran-Business-
specified quantity determined through analysis of the State’s needs by DGS. In addition to general terms and conditions, each contract provides detailed product descriptions (e.g. ingredients and weight). While a handful of requirements are common to all DGS bid specifications, such as a ban on artificial trans fats, most requirements are specific to the commodity. Some specifications include detailed nutritional requirements as requested by users. As the primary recipient of DGS commodity contracts, CDCR’s demand for food products tend to drive contract specifications.

Table 1. DGS Commodity Food Contracts [30]

<table>
<thead>
<tr>
<th>1. Beverage Base</th>
<th>13. Dried Fruits</th>
<th>25. Pantry Items (e.g. Cornstarch, Vinegar)</th>
<th>37. Spices</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Dry, Ready-To-Eat Cereal</td>
<td>17. Jam and Jelly</td>
<td>29. Frozen Potato and Onion Products</td>
<td>41. Tortillas and Taco Shells</td>
</tr>
<tr>
<td>11. Frozen Fish</td>
<td>23. Frozen Mexican Entrees</td>
<td>35. Vegetable Shortening and Salad Oil</td>
<td>47. Individual Bottled Water</td>
</tr>
</tbody>
</table>

2. Miscellaneous Food Contract
State agencies and departments, as well as 2,000 local government agencies, have the option of using the statewide Miscellaneous Food Contract. Generally, the Miscellaneous Food Contract allows departments to supplement their commodity contracts with low-volume food purchases, and usage for FY 2015 was $14 million [31] divided between US Foods and Performance Foodservice, who currently provide products for the State's Miscellaneous Food Contract [29].

3. Delegated Purchasing Authority

The purpose of the DVBE program is to help small businesses and California disabled veterans compete more effectively for a portion of the billions of dollars that are competitively awarded through the State's bidding process. For all agencies, the State has established a small business participation goal of at least 25 percent and a DVBE participation goal of at least 3 percent. The goals apply to the overall dollar amount expended each year by an awarding department. However, food contracts are exempt from DVBE participation due to a lack of DVBE businesses in the field.
A significant amount of food purchasing happens through Delegated Purchasing Authority, in which departments negotiate their own contracts directly with vendors (approximately $130 million a year [29]). DGS has statutory authority to delegate its purchasing authority to departments that meet specific requirements and adhere to State statutes, regulations, policies, procedures, and cost effectiveness standards. Purchasing authority granted by DGS allows each department to contract directly with businesses, up to a limit set by DGS. Departments must also put out an invitation for bid (IFB), and generally must award the contract to the vendor with the lowest bid. This usually occurs when a department’s needs cannot be met by Commodity Food Contracts or Miscellaneous Food Contract. For example, departments or agencies may issue a “best-value contract” in order to seek services or performance beyond what is offered through the commodity contract. DGS also delegates purchasing authority to agencies that only need a small amount of a product, below DGS’s minimum purchasing order. Most contracts for fresh produce are conducted through delegated purchases by individual departments, although DGS is exploring opportunities to establish a master produce contract.

**Purchasing Pathway 2: Contracts for outside vendors**

Individual consumers spend about $125 million a year on food through vending machines, concession stands, cafeterias, and restaurants on state properties [24]. These venues fall under the purview of the Department of Rehabilitation Business Enterprises Program (DOR BEP) or the Department of Parks and Recreation (DPR). Unlike DGS, DOR BEP and DPR do not contract for individual food items themselves. Instead, these departments manage contracts with private vendors who have authority to make their own decisions regarding how they purchase the products they will then sell.

**Department of Rehabilitation: State Buildings**

With the exception of those in State parks, most vending, concessions, and cafeteria establishments are owned and operated by legally blind individuals who participate in the DOR BEP for the Blind. DOR BEP trains and assists visually impaired individuals to operate vending machines, cafeterias, snack bars, and coffee kiosks on state property. These regulations were established through the federal Randolph Sheppard Act, which mandates that legally impaired individuals be given priority for owning and operating these services. (See the insert on page 15 for more information)

Legally blind persons participating in the program receive training in the form of classroom lessons and hands-on skills development in food service management, customer service, menu planning, sanitation and safety, and merchandising. DOR BEP determines if a site is viable for a blind vendor using several criteria, the most important of which includes if the site can generate an average income of at least $3,550 per month [32]. DOR BEP is responsible for developing site permits and consults with the hosting state agency to outline the type of food that can be served. Although the state agencies have some input into the nature and quality of food sold at a site, individuals participating in the DOR BEP for the Blind are private contractors and can serve what they want unless specified by law or within the contract. The DOR BEP permits are held valid until changed, with some permits dating back to the 1970s. If DOR BEP elects not to provide service for concession stands, cafeterias, or restaurants contracts, DOR will provide a three-year waiver of their priority, and the host agency may then award a contract to a non-DOR BEP entity [33]. For vending machines not operated by a licensed vendor, DOR contracts directly with a private vending company who pays a commission to DOR. This commission is placed into an account for the vendors’ retirement and professional services.

Sixty percent of vending machines in state buildings are operated by individuals that participate in DOR BEP for a total of 2,500 machines [34]. The remaining 40 percent of vending machines are contracted to non-DOR BEP vendors. In addition to vending machines, in FY 2014, DOR BEP had 97 full-time vendors operating 114 food service locations that grossed $47.3 million in sales [35]. Despite the goal of reaching an average income of $3,550 a month, the median net income for a DOR BEP vendor in California is $2,760 a month [35].
The Randolph Sheppard Act of 1936
Under the federal Randolph Sheppard Act of 1936, any federal facility with food service, which includes cafeterias, snack bars, and vending machines, must prioritize contracting for service with individuals who are legally blind. The legislation was enacted to “provide blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting [36].” Under the DOR BEP, the state’s licensing agency recruits, trains, licenses, and places individuals who are blind as operators of vending facilities. The act authorizes a licensed blind individual to conduct specified activities in vending facilities through permits or contracts [37]. In fiscal year 2014, the latest year for which national data is available, a total of 2,108 blind vendors operated 2,389 vending facilities located on federal and other property. The program generated $693.6 million, and the average vendor earnings amounted to $59,012 [37].

Most states have passed laws to broaden the program’s priorities to include state, county, municipal, and private locations as well. Many county and city governments voluntarily participate in this program and in California federal provisions were extended to all state property in 1945 [38].

Department of Parks and Recreation: Healthy Foods Initiative
The DPR Healthy Food Initiative (HFI) is a good example of how state agencies can facilitate healthy and local food procurement. In 2004, DPR implemented the HFI for its concessions in an effort to provide “affordable, appealing, high-quality, pure, and organic foods from California at all State Park food venues [40].” Through HFI, DPR has incorporated language supporting healthy food and beverage items and the use of ingredients from California in its State Park Concession contracts since 2007. Contract language for concessions introduced with the HFI includes the encouragement of sourcing locally grown foods, offering unsweetened beverage selections, and the provision of foods without synthetic additives, pollutants, or unnecessary packaging and marketing.

Contracting changes due to HFI resulted in a concession contract with Aramark Corporation at the Asilomar State Beach and Conference Grounds that offers locally sourced, organic produce [41]. Concessions currently on site include a retail shop, a dining hall, catering service, and a cafe; these entities bring in an estimated annual revenue of $22 million [42]. Aramark Corporation, a leading food services provider, won the bid for a twenty-year contract and began operating in late 2009. They were selected in part because their RFP demonstrated a strong commitment to providing sustainable, locally-sourced, healthy food and beverages in their dining operations. More than half of the tea and coffee served in the cafe is organic and the retail shop sells tea and Fair Trade, shade-grown coffee for visitors to purchase and enjoy at home. In addition, healthy and organic snacks and drinks make

Department of Parks and Recreation
State park concession can range from small-scale services such as snack bars, gift shops, and mobile food carts (typically operating seasonally or year-round at beaches, pools, or campgrounds) to large-scale operations such as restaurants at golf courses and marinas. In fiscal year 2013-14, DPR held 206 concession contracts and 64 operating agreements, which generated over $127 million in sales, as well as nearly $20 million in rent paid to the State [24]. Of these total sales, about $41 million (32 percent) came from restaurants and catering, while $2.69 million (2 percent) came from snack bars, beach stands, and mobile food services [24].

State park concessions are private businesses and operate under contract with the state. The California Park and Recreation Commission sets policy for concession contracts and Public Resources Code Section 5080.03 governs these contracts. These policies include guidelines for the request for proposals (RFP) bidding process, contract negotiations, and the legislative review process [39]. Concession contract terms are usually five to ten years, although they can be as long as 30 years for marina operations and up to 50 years for lodging, depending on capital improvement requirements. Any contracts with terms over 20 years require special legislation. DPR has incorporated language into its RFPs that supports the procurement of healthy food and beverage items, as well as California-grown produce through a program called the “Healthy Food Initiative.”
up over half of the food retail options [42]. In 2010 Aramark Corporation hired an executive chef who was lauded for his long-standing commitment to sustainable and organic cuisine. For Asilomar, the company sources produce and meat from local farms and participates in the Monterey Bay Seafood Watch Program to select sustainable seafood [41]. Other sustainability efforts include the use of compostable to-go packaging and the composting of food waste in partnership with Monterey Regional Waste, which sells the compost to farmers [42].

The HFI also includes the development of educational tools for visitors focused on using sustainably-grown foods to help maintain a healthy diet (including online materials like healthy camping recipes) and a plan to build a demonstration garden. For example, in 2015, the department awarded a contract to create an organic demonstration garden with interpretive exhibit and materials around the history and significance of agriculture and the importance of eating healthy, locally-sourced, and sustainable foods at the California Indian Heritage Center (http://www.parks.ca.gov/?page_id=22628) in Sacramento.

Summary
There are two primary ways in which food is consumed as part of the state food environment: situations where individuals have very little or no choice about what they are served (e.g., prisons) and situations where individuals have choice not only about what food they order, but whether they buy their food from the state at all (e.g., park visitors). Each of these primary ways is associated with a pathway in which food is purchased. The first involves the State directly negotiating contracts for food items while the second allows departments to administer contracts for outside vendors to operate concessions, vending machines, and restaurants on state property. As will be described in further detail in Section III, each of these pathways interacts in specific ways by each state Department and provides unique opportunities to improve the state food environment and increase access to healthy food.
III. California State Food Purchasing: Department-Specific Examples

The following section outlines the food procurement practices and policies of individual state agencies (Contract Pathway 1). The primary focus of this section is on the State’s major food service providers, including CDCR, the Department of State Hospitals, and the Department of Developmental Services, but also includes a brief description of smaller purchasers such as the California Department of Veterans Affairs, California Department of Forestry and Fire Protection, California Highway Patrol, and State Special Schools. Unless otherwise noted, these departments purchase food through DGS contracts. This section also contains a brief discussion about the role that the California Department of Education (CDE) has in overseeing the meals provided to K-12 public schools, which follow federal nutritional guidelines and do not use state food contracts.

California Department of Corrections and Rehabilitation

The California Department of Corrections and Rehabilitation is the largest State food purchaser and food service provider. CDCR serves 130 million meals each year at 35 state prisons, two of which are women’s facilities and the rest are men’s [43]. Twenty-one of the institutions have licensed medical facilities [44] [45].

CDCR purchases approximately $150 million worth of food each year through contracts negotiated by DGS, CALPIA, and directly from distributors. Of all menu items served at CDCR, about 60 percent are purchased through DGS, 30 percent from CALPIA, and 10 percent come from independent procurement contracts under delegated purchasing authority. CDCR receives no donated foods. Because CDCR is the largest state purchaser of food, CDCR’s needs often drive how DGS and CALPIA formulate their contracts for food products.

CDCR’s Departmental Food Administrator (DFA) is a Registered Dietitian who develops a standardized menu to meet adult nutritional requirements, and this standardized menu is then used by site-specific Correctional Food Managers at all facilities. While some limited substitutions are allowed, all facilities serve the same standardized menu. All CDCR prisons have a functional main kitchen, which cooks meals for the entire prison. Correctional Food Managers receive delegated purchasing authority to procure items not included in the DGS contracts or produced by CALPIA, such as produce [46]. For purchases that are not from a DGS contract, Food Managers must follow DGS’s contract guidelines and bidding process, put out an invitation for bid (IFB) each month, and award the contract to the vendor with the lowest bid. CDCR facilities then place regional produce orders through these contracts.

California Department of Corrections and Rehabilitation Dietary Guidelines

When planning menus, the CDCR Departmental Food Administrator follows a set of federal and state dietary guidelines including the federal 2010 recommended Dietary Reference Intakes (DRIs) [47] and CDCR’s Heart Healthy, low salt, low fat, and pork-free menus [48]. A sample menu is shown below in Table 2. The CDCR Heart Healthy diet stipulates a daily diet of 2,800 calories for males, with 35 grams of fiber, less than 300 milligrams of cholesterol, less than 10 percent of daily calories from saturated fat, and as little trans-fat as possible [49]. CDCR also has a goal of following the American Heart Association’s Healthy Eating plan, which calls for only 30 percent of calories from fat and no more than 2,300 milligrams of sodium per day [50]. However, due to current budget constraints limiting CDCR to $3.14 per inmate per day, as of 2014 [51], and meal formulation, these goals are not always met (See Section IV. Opportunities and Challenges within the State Food System for more information about the challenges and opportunities to improve inmate meals). All inmates are served the same menu, with the exception of those who receive Kosher, Halal, vegetarian, or special medical meals (e.g. gluten-free diets, hepatic diets, or diets for renal patients). Of the nearly 118,000 current inmates, approximately 9,600 currently receive religious meal designation and approximately 4,500 receive vegetarian meals [52].

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12 The FDA defines “low sodium” as less than 140 mg/serving. While CDCR and DGS are working to lower sodium in general (as reasonable) this does not always necessarily mean purchasing products identified as low sodium.
Table 2. California Department of Corrections and Rehabilitation: Example Standardized Menu

<table>
<thead>
<tr>
<th>BREAKFAST</th>
<th>LUNCH</th>
<th>DINNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juice Beverage</td>
<td>Lunchmeat Sandwich</td>
<td>Green Salad with Dressing 3/4 Cup/1 Each</td>
</tr>
<tr>
<td>Cracked Wheat Cereal</td>
<td>...Lunchmeat 2 oz.</td>
<td>Breaded Fish 4 oz.</td>
</tr>
<tr>
<td>Pancakes, 4&quot;</td>
<td>...Mustard 2 Package</td>
<td>Baked Potato 1 Each</td>
</tr>
<tr>
<td>Peanut Butter or Sausage</td>
<td>...Wheat Bread 4 Slice</td>
<td>Broccoli 4 oz.</td>
</tr>
<tr>
<td>Syrup / Diet Syrup</td>
<td>Sunflower Seeds 1 Package</td>
<td>Wheat Bread 2 Slice</td>
</tr>
<tr>
<td>Margarine Readies</td>
<td>Graham Crackers 2 Package</td>
<td>Cocktail Sauce 1 oz.</td>
</tr>
<tr>
<td>Nonfat Milk</td>
<td>Fresh Fruit 1 Each</td>
<td>Margarine Readies 2 Each</td>
</tr>
<tr>
<td>Coffee</td>
<td>Sugar Free Beverage 2 Package</td>
<td>Iced Cake 1 Piece</td>
</tr>
<tr>
<td>Vegetarian Option</td>
<td>Vegetable Option</td>
<td>Vegetable Option</td>
</tr>
<tr>
<td>Peanut Butter (AE)</td>
<td>Cheese Slice 2/3 oz. 3 EACH</td>
<td>Vegetarian Beans 8 oz.</td>
</tr>
</tbody>
</table>

California Department of Corrections and Rehabilitation Prison Canteens
In addition to the three meals per day served by CDCR, inmates can use their own money (often given to them by visiting family and friends) to purchase food and snack items from prison canteens. The canteen contracts are administered by CDCR, and the selection of products sold is determined by inmates who participate in the facility’s Women’s Advisory Council (WAC) and/or Men’s Advisory Council (MAC). No taxpayer monies are used to purchase canteen stock items, and they are not subject to any nutritional guidelines. Items for sale frequently include candy, ice cream, cookies and pastries, instant food like Ramen, and canned or pouch foods like macaroni and cheese and Spam. While contracting practices vary by prison canteen, Valley State Prison in Chowchilla reports that 70 percent of the items sold in the canteen are purchased through standard existing contracts with CDCR, while 30 percent are non-contract.

Under the CDCR canteen policy, inmates are allowed to withdraw a maximum of $220 per month from their trust account to spend at the canteen, though this amount varies [53]. For example, at the Valley State Prison inmates are allowed to shop at the canteen once every thirty days. (See Section IV. Opportunities and Challenges within the State Food System for more information about prison canteens.)

California Correctional Health Care Services
California Correctional Health Care Services (CCHCS) manages Correctional Treatment Centers, which obtain food through similar mechanisms to CDCR. Because Correctional Treatment Centers serve the needs of inmates needing therapeutic diets, they use the DGS frozen dietary meals contract as well as their delegated purchasing authority for purchases from the Miscellaneous Food Contract to obtain specialty items. The CCHCS food budget is $8.54/day per inmate and totals over $4 million annually [54].

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13 AE is the abbreviation for “Alternate Entrée” which refers to the vegetarian replacement.
California Department of State Hospitals

The California Department of State Hospitals (DSH), formerly part of the Department of Mental Health, procures food for five state hospitals through DGS contracts, from US Foods and Performance Food Services under the Miscellaneous Food Contract, and through delegated purchasing. Food procurement for the three psychiatric programs is conducted primarily by CDCR. DSH hospitals provide food for approximately 6,000 patients and in FY 2014-15 purchased $15,720,358 in food products [55]. As is the case with CDCR, registered dietitians play a major role in setting parameters for food served on DSH menus.

DSH menu planning follows regulatory requirements and national guidelines including the Institute of Medicine Dietary Reference Intakes [56], the Dietary Guidelines for Americans, and the Academy of Nutrition and Dietetics Nutrition Care Manual. DSH diet guidelines include a daily average of 2,300 to 2,600 calories, greater than 25 grams of fiber, less than 10% of calories from saturated fat, as little trans-fat as possible, and a goal to lower sodium content. Menus must also be in compliance with regulations in California Title 22 which govern food served, as well as menu rotation, time between meals, and the posting of menus a week in advance [57].

In addition to the meals provided, DSH patients may purchase food from a canteen, which is not subject to nutrition guidelines. In 2014-2015 an analysis of canteen food and beverage items was conducted at two state hospitals. As a result of that analysis, a group of registered dietitians initiated a project to establish canteen nutrition guidelines for use in the contract process at the five state hospitals.

California Department of Developmental Services

The California Department of Developmental Services (DDS) currently operates three State developmental centers (formerly hospitals) and one small community facility, which provide 24-hour habilitation (i.e., support to learn, keep, or improve skills and functional abilities necessary for daily living) and treatment services for residents with developmental disabilities. The total population of the centers has been steadily declining and was only 1,078 as of July, 2015 [58].

While DDS centers have historically used statewide contracts, these entities often no longer meet the minimum purchase requirements due to their reduced population. They purchase a number of products through CALPIA (including beef, chicken, hot dogs, certain sausage products, frozen homogenized eggs, coffee, milk, juice, cookies, peanut butter, jelly, maple syrup, and wheat bread) and rely increasingly on the Miscellaneous Food Contract. With a budget of $8 per person per day for food and feeding supplies, DDS annual food expenditures are nearly $4.4 million [58].

California Department of Veterans Affairs

California has eight Veterans Homes providing long-term care and residential services to veterans. The Homes house from 60 to over 1,000 residents [18]. Jointly all eight Homes house and care for approximately 2,500 veterans, with an annual food budget of approximately $7.5 million, or about $8.25 per resident per day [59]. Purchasing decisions are made by the Director of Dietetics and Food Service at each home, and increasingly the Homes are examining and standardizing food budgets and menus as a group.

Veterans Homes are subsidized by the federal government and menus are planned according to the federal Dietary Reference Intakes (RDI). Additionally, menus must comply with State regulations in Title 22 [57]. As a

14 The analysis used the Oxford Nutrient Profiling Model that scores items based on energy, fat, sugar, fiber, protein and percent that is fruit, vegetable, or nut [reference attached as PDF]. Results ranged from 7 percent (7/100) to 18.5 percent (42/227) items in the healthier range (defined by DSH as a score of <6). A survey conducted at six DSH facilities in 2014 with 13 percent of patients responding, reflected 84 percent in favor of healthier food and drink choices and 90 percent more likely to buy them if they cost less.
recipient of federal funding to serve veterans. The Homes are eligible for pricing set by the U.S. Department of Veterans Affairs. They purchase most of their food products through the National Veterans Affairs Contract as an Other Government Agency (OGA) with US Foods and benefit from lower prices resulting from large contracts at a national scale. They purchase other food products, i.e., milk, eggs and bread from DGS Commodity Food Contracts and CALPIA.

**California Department of Education**

The California Department of Education Nutrition Services Division oversees the schools and other agencies that participate in child nutrition programs. These programs have vast purchasing power and a large impact on children’s nutrition through the millions of meals served annually, and as such provide a tremendous opportunity to promote healthy eating and locally sourced food. The Healthy, Hunger-free Kids Act of 2010 mandated new meal standards for schools participating in the National School Lunch Program (NSLP) and School Breakfast Program (SBP), and other child nutrition programs. The California Department of Education Nutrition Services Division estimates that more than 830 million meals were served in fiscal year 2013-2014 including about 3.1 million lunches and 1.5 million breakfasts served per day through the NSLP and SPB [60]. The California Department of Education disburses over $2.4 billion in federal and state funds to support nutritious meal and snacks to schools, child-care centers, family day care homes, adult care centers, park and recreation centers, and other eligible agencies [61]. K-12 schools and other child nutrition programs are required to follow federal, state, and local procurement regulations and do not generally utilize statewide contracts for food. These regulations cover competitive procurement, informal and formal bidding, and contract language.

State laws can influence the food available in all child nutrition programs including schools. Since 2001, California has legislated some of the strictest rules in the nation governing foods and beverages sold to students outside of the USDA school meal program (e.g., vending machines, student stores, fundraisers, etc.), commonly referred to as competitive foods. In addition, California has legislated standards that are stricter than the USDA meal program such as ensuring that all schools and child care settings, regardless of whether they participate in the USDA meal program, provide at least one meal a day to pupils whose family income would qualify them for a free or reduced-price meal. Lastly, districts have the authority to implement additional requirements beyond state or federal requirements and can establish local policies that encourage or require healthy school environments through a variety of strategies including access to nutritious foods and beverages.

**Other Departmental State Food Procurement**

Several other departments purchase smaller quantities of food including the Department of Forestry and Fire Protection (CAL FIRE) Academy, the California Highway Patrol (CHP) Academy, and State Special Schools.

The CAL FIRE Academy, established in 1967, has a training facility located southeast of Sacramento and receives over 2,000 CAL FIRE personnel a year who participate in academic courses and trainings [62]. CAL FIRE is not mandated to purchase under statewide contracts.

In addition, CAL FIRE and CDCR jointly manage 39 adult and juvenile Conservation Camps, where nearly 4,000 inmates a year [63] receive training and provide services for fire suppression and other emergencies like floods and earthquakes. The camps fall under the budget of CDCR. The CALPIA delivery system does not provide delivery to the more rural camps, so CAL FIRE receives a waiver from the CALPIA purchasing obligation. Two warehouses (one in the north, one in the south) are stocked with food staples, and perishables are purchased on a case-by-case basis [64].

The California Highway Patrol Academy, established in 1930, has a primary training facility in Yolo County with a dining facility that can serve 400 persons cafeteria-style, three times daily [65]. The California Highway Patrol mostly utilizes the DGS Miscellaneous Food Contract for their needs, and on occasion utilizes DGS Commodity
Food Contracts when able to meet the minimum order quantities. However, since the number of cadets and classes are inconsistent from year to year, CHP often cannot make long-term purchasing commitments. CHP is not mandated to purchase through CALPIA.

An exception to the policies discussed earlier regarding K-12 schools is a set of three State Special Schools, which each order food for themselves. They purchase food through the USDA Foods program, CALPIA, and other statewide contracts [66]. The California School for the Blind in Fremont California and two California Schools for the Deaf in Fremont and Riverside, California, combined, provide instruction for approximately 1,100 deaf and visually impaired students, and receive administrative oversight and support from CDE [67]. The State Special Schools budget is based on the federal reimbursement rate for school meals, a maximum of $3.16 per lunch [68].

Summary
As described in Section III, a number of California Departments procure food for sale or direct consumption, each in their own specific way with different laws and regulations governing the process. The California Department of Corrections and Rehabilitation is the largest State food purchaser and food service provider and as such, and because CDCR follows a set of federal and state dietary guidelines for menu development, there are a range of opportunities to improve the entire State food environment based on CDCR’s need. This section also provided information about how the State’s other major food service providers, including the Department of State Hospitals, and the Department of Developmental Services, purchase food. Opportunities for improving the State food environment, and barriers to those improvements will be discussed in more detail in Section IV.
IV. Opportunities and Challenges within the State Food System

Below is a discussion of some of the opportunities and challenges that were identified by Health in All Policies staff and members of the state Food Procurement Working Group. This is not a comprehensive list of challenges and opportunities for State food procurement, but is intended to provide a starting point for discussion.

Cross-Government Opportunities and Challenges

Collaborative Approaches Across Government
The state food environment is complex and change will require collaboration between a wide range of departments. Several California state-level departments are already working together through the State Food Procurement Work Group and the Office of Farm to Fork.

Food Procurement Work Group
In the fall of 2012, California’s HiAP Task Force staff convened the first meeting of a State Food Procurement Work Group (Procurement Work Group). Participating departments included DGS, CDCR, the Department of Veterans Affairs (Cal Vet), DDS, CDE, the Department of Food and Agriculture, the Department of Public Health (CDPH), the Department of Aging (CDA), and DOR BEP. Members of the Procurement Work Group identified the development of nutrition and sustainability guidelines as a high priority, and meet to develop these guidelines and discuss implementation strategies. The Procurement Work Group holds enormous potential to develop collaborative policy and administrative change from the ground up, and HiAP staff continues to help facilitate relationships across departments regarding food service and procurement.

California Office of Farm to Fork
The California Office of Farm to Fork, located within the California Department of Food and Agriculture, is committed to helping all Californians access healthy and nutritious California-grown food. The California Office of Farm to Fork connects individual consumers, school districts, and others directly with California’s farmers and ranchers, and provides information and other resources. The Office of Farm to Fork was initially created as a collaboration by the Department of Education, Department of Food and Agriculture, and Department of Public Health. On September 26th, 2014 the Office of Farm to Fork became part of the Food and Agriculture code when Governor Brown signed Assembly Bill (AB) 2413. The Office provides opportunities to increase access to healthy foods for underserved communities and schools in the state of California and may provide opportunities for partnership around healthy food procurement policies. The Office of Farm to Fork recently established the online California Farmer Marketplace (http://www.cafarmermarketplace.com/), an online tool designed to help schools find and source from California farmers and ranchers. The Marketplace is free and open to the public and can be used by individuals and institutions looking to find and purchase directly from California growers.

Budgetary and Cost Constraints
Shrinking budgets and concerns about rising food costs pose challenges to implementing healthy and local food procurement practices. Agencies are not likely to change food service and procurement methods if they do not see clear financial benefits. Any changes that increase costs will likely require a top-down approach such as legislation or an executive order, and these approaches will also require sound economic arguments. While consumption of healthy food is known to reduce poor health and reduce long-term health care costs, it can be difficult to build a financial case for changes in food policies and practices because of siloed budgeting processes and distal or “externalized” impacts. For example, reduced health care costs may not be reflected in the budget of the agency providing the food, or may take decades to be realized.

Consumer Preferences
Consumers may be resistant to menu changes, and agencies that change menus could be criticized for limiting food options. The issue of consumers’ food preferences is a complex issue and has been shaped by many forces...
over the last several decades. Changes to the state food environment may be impacted by broad societal and economic trends shaping food consumption. Food providers need to weigh various approaches, such as switching unhealthy foods out for healthier options, versus simply expanding the menu. Once available, healthy food choices can be promoted with coupons or workplace wellness incentives [69].

**Current Best Practice: Worksite Farmers Markets Programs**
Kaiser Permanente, the largest private, nonprofit health care system in the country, launched one of the first hospital-based farmers markets in 2003 and now runs more than 50 markets and farm stands at its facilities and hospitals nation-wide [70]. According to a recent study, 74 percent of patrons surveyed at Kaiser Permanente farmers markets consume more fruits and vegetables as a result of shopping at the market, and 71 percent indicated that they were eating a greater variety of fruits and vegetables [71].

**Current Best Practice: Workplace Community Supported Agriculture**
In 2013, the California Departments of Health Care Services and Public Health piloted a Community Supported Agriculture (CSA) program at their Sacramento offices. Community Supported Agriculture (CSA) programs typically offer weekly or bi-weekly deliveries of locally grown food as part of a subscription to a “share” of the farm’s harvest. In addition to convenient delivery of fresh produce, the CSA also provided a weekly newsletter with recipes and cooking tips tailored to that week’s produce. Survey data from the three month pilot survey revealed that over 65 percent of respondents reported eating more fruits and vegetables [72].

**Standardized State-Level Nutrition and/or Sustainability Guidelines**
While individual departments like the CDCR or the DDS already follow established nutrition guidelines, there are currently no standardized state-level nutrition and/or sustainability guidelines that reach across multiple agencies. Standardized guidelines could increase market demand for healthy, local, and sustainable products which could eventually trigger a reduction in cost for items that now are currently considered specialized and therefore more expensive. Standardized guidelines would need to provide flexibility to meet the needs of certain populations, including those based on age, gender, or health status. As an example of how expansive sustainable food procurement policies can be, the Los Angeles Food Policy Council also includes fair labor practices and animal welfare as part of their Good Food Purchasing Program pledge for institutions [73].

**Department-Specific Opportunities and Challenges**
Many challenges and opportunities are specific to individual agencies or departments. Following is a discussion of challenges and opportunities that are specific to the State’s largest purchasers or providers of food, namely the California Prison Industry Authority (CALPIA), DGS, DOR BEP, DPR, and CDCR.15

**California Prison Industry Authority**

*Nutritional Quality, Capacity, & Price*
CALPIA provides a significant amount of food and other products to correctional facilities throughout the entire State. State correctional facilities are required to purchase products through CALPIA if available, and then turn to DGS contracts for items not offered through CALPIA. This provides an ideal opportunity to implement increased nutritional standards in food production and for CALPIA and DGS to partner in exploring opportunities to increase the healthfulness of certain food products. CALPIA makes products that meet CDCR specifications for Heart Healthy menus. Products are often produced onsite by inmates, which reduces cost and transportation needs.

*Fresh Produce for Correctional Facilities*

15 Smaller purchasers do not often meet the volume required to utilize statewide contracts. Discussion in greater detail of challenges and opportunities for these departments are outside the scope of this report.
CALPIA produces and/or processes a range of food items and could expand its reach to include more fresh vegetables and fruit. CALPIA may be able to grow some of the produce that prison facilities use most often. This may require additional infrastructure, funding, and staff oversight. The State of Washington implemented a farm-to-prison program in 2009, which could serve as a model for California. Washington utilizes inmate labor to process the produce for consumption in prisons, which reduced costs. Additional information about the Washington State Farm-to-Prison program is available in the supplemental document Healthy Food Procurement: Best Practices Outside of California.

Department of General Services

Market Influence
Because DGS purchases products in large amounts, it can influence the market to produce healthier products at lower prices by embedding nutritional or other criteria into bid specifications. However, despite its size, DGS contracts may not always provide a large enough economic incentive to encourage distributors to supply healthier and locally sourced items. For this reason, DGS could consider a regional approach and engage other states in adopting similar practices, which could create sufficient economic incentive for distributors to change their production and sourcing practices.

Lowest Bidder Requirements and Nutritional Content
By law, DGS must award contracts to the lowest priced, responsible (i.e., meets performance needs) bidder that meets specifications. The Department of General Services has some nutritional requirements for food procurement contracts, including one prohibiting trans fats (in accordance with state law). While many distributors do offer healthier food products, they often do not result in contracts with DGS because the prices tend to be higher.

In addition, when DGS does include additional nutritional requirements for bids (e.g. low sodium) staff has had a number of successes. However, on occasion they are unable to source the item within the requesting agency’s budget. For example, this occurred when CDCR requested that DGS purchase low-sodium cheese. DGS did not receive any bids for low-sodium cheese that fell within CDCR’s budget.

Local Food Sourcing
DGS food contracts do not include specifications for local sourcing. While many of DGS’ contracted distributors do supply locally sourced or more nutritious options, distributors often do not include them in bids to DGS because they tend to be more expensive. In addition, purchasing locally sourced food requires the distributor to have information about the origins of its products. The ability of DGS to purchase more sustainably grown or locally sourced food is limited because tracking is not consistent across contracted commodities and distributors. While many commodities like beans, sugar, wheat, frozen fruits, vegetables, and fish are traceable and have strong USDA or Food and Drug Administration (FDA) pedigrees, processed products or entrees, which are commonly served in large residential institutions, have a more complex supply chain.

Current Best Practice: Purchasing Local Products for Schools
The 2008 Federal Farm Bill gave school districts that participate in Child Nutrition Programs permission to include preferences for unprocessed, locally grown or raised agricultural products in their bids and contracts. States can further refine their own definition of “local” as long as their laws are at least as restrictive as federal law. For example, Washington State law (RCW 28A.335.190) only allows districts to indicate a geographic preference for Washington-grown food (as opposed to food within a mileage radius, which could include Oregon or Montana). In addition to using geographic preference, school districts can target locally grown foods through their normal solicitation process by using a number of strategies when crafting product specifications. Districts can include language that requires a minimal amount of time between harvest and delivery, the ability to go visit the farm, specific crop varieties that are unique to their region, and more.
**Environmentally Preferable Purchasing**

DGS contracts and guidelines offer several potential opportunities to promote healthy and local food purchasing. One example is the Environmentally Preferable Purchasing Program (EPP), which provides specifications for the procurement of equipment, paper and toner, vehicles, and other products in order to “have a reduced impact on human health and the environment as compared to other goods and services serving the same purpose” [74]. In simple terms, EPP means “Buying Green” [75]. By California’s Public Contract Code, which defines EPP for the state, DGS is required to provide state agencies with information and assistance regarding EPP [74]. In response, DGS developed a best practices manual, the *Buying Green Guide*, which provides information, tools, and tips for buyers and provides insight for suppliers on how the State views “green” products and businesses [75]. At the time of this writing, EPP did not apply to food purchases. However, this is a potential avenue to consider.

**Department of Rehabilitation, Business Enterprises Program**

As momentum grows around the country to improve the nutritional quality of the food offered in vending machines, concession stands, and cafeterias on government property, more vendors have to meet nutrition and sustainability standards that are mandated by law or other policy processes. These vendors are independent small business owners, who are legally blind and employed through the Department of Rehabilitation’s Business Enterprises Program (DOR BEP). With few exceptions, BEP vendors purchase their food individually, often from bulk warehouses, and do not have the advantage of pooled or group purchasing nor access to DGS contracts. While DOR BEP is an important venue for promoting nutrition and sustainability, it also poses financial risk to the vendors. See below for a discussion of financial impact on the BEP vendors.

**Nutrition and/or Local Purchasing Requirements**

State building managers have some leeway in developing contracts with DOR BEP vendors for on-site cafeterias and restaurants, and can request that they serve salads or other healthy products, or can require the vendor to utilize compostable materials depending on building certification. In other words, nutritional and/or location purchasing requirements can be built into permits for cafeterias, vending, and concessions, and can also be built into permits for individual sites. State building managers may need support to understand the opportunities they have to influence on-site contracts, and vendors may need technical assistance to ensure that they are able to comply with these requests at a reasonable cost.

**Vendors’ Financial Limitations**

The DOR BEP, which works with California’s blind vendors, has identified several financial concerns for the operators of vending machines, concessions, and cafeterias, when offering healthier or locally sourced items. Not only do healthful or sustainable products pose a greater cost to the vendors, but changing the items offered may conflict with customer preferences and thereby threaten revenues. With a median net income in California of $2,760 per month in 2014, vendors do not have much latitude to take financial risks by trying out more expensive food items. Individuals participating in the DOR BEP worry that consumers will purchase items from other sources if they cannot find what they want in vending machines, concessions, and cafeterias on state property. This has led to resistance to mandates for healthy products.

**Findings from DOR BEP Program**

Several attempts have been made to increase nutritional offerings through the DOR BEP program, and some have been more successful than others.

California’s 2008 healthy vending legislation, SB 441, [16] required that by 2011 35 percent of food items and 33 percent of beverages sold in vending machines meet certain nutritional standards [76]. Anecdotal evidence on the implementation of SB 441 suggested that vendors have shifted 35 percent of vending space to required healthier

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products and that these products do not sell as well as previous products [32]. A proposed 50 percent healthy vending mandate failed in the legislature in 2013 (AB 459) [77].

Evidence from efforts to implement healthy vending in other states and counties shows that some vendors’ revenue has been unaffected by implementing healthy vending while others experienced an increase in sales when they increased healthier options [78]. For example, a non-BEP vendor in Baldwin Park, California, experienced an initial 30 percent decrease in sales after switching to healthier products, but sales returned to normal levels within 6 months [79]. In 2008, two DOR BEP vendors pilot tested side-by-side vending machines dedicated to healthy products in an effort to gather more data and evidence on consumer response and the revenue impacts of healthy vending. After three months of data collection, the vendors found that healthy items accounted for 45 percent of space in the machine but only 22 percent of sales [34].

According to the Center for Science in the Public Interest, which collected data on multiple programs nationwide, transition to healthy items is more successful when combined with education, taste tests, promotions, and changes to pricing [78]. Regardless, independent vendors who are hesitant to make changes will need additional support.

**Vendor Education and Support**
Vendor education and support could substantially help to improve healthy food offerings and sales in state vending machines. Because vendors are independent operators, DOR BEP can only make recommendations on food items to sell. However, DOR BEP does provide mandatory vendor training, and could include nutrition education as well as resources to support offering healthier options in vending machines, concessions, and cafeterias. This could include inviting a public health expert to speak at the vendor training and providing handouts, such as information on product lines that meet SB 441 requirements [80]. These events could frame healthy vending as an opportunity, rather than a restriction, and focus on how it can be more successful and profitable, in addition to how to minimize losses [80].

**Best Practices Dissemination**
Many blind vendors have made healthy food a priority and can serve as models for others. By 2011, when SB 441 required that at least 35 percent of foods sold in vending machines on State property meet accepted nutritional guidelines, many DOR BEP vendors were already meeting that target [34, 76]. Given the number of programs already successfully expanding healthy food options, more work could be done to disseminate lessons learned and best practices.

**Department of Parks and Recreation**

**Vendor Processes**
Aramark Corporation has indicated that providing sustainable, local, or organic menu options takes significant resources, including time to train the workforce to use fresh ingredients and change food preparation processes, as well as meeting the low price point set by the State Park system for meal service while sourcing high quality, regional, and organic products [42].

**Contract Language to Support Healthy Foods Initiatives**
DPR has expanded their own concession contract language to support healthy foods initiatives, and serves as a model to other agencies in this regard.

**Current Best Practices: Nutrition Standards in Delaware Parks**
In 2010, Delaware’s Department of Natural Resources and Environmental Control launched a Healthy Eating Initiative called “Munch Better at Delaware State Parks,” which includes offering healthy food for sale in vending machines, campground stores, and food concessions. Nutrition guidelines were developed in partnership with
Department of Corrections and Rehabilitation

**Budget Constraints**
While all departments face budgetary constraints, CDCR faces particular challenges due to its daily food budget of $3.14 per day per inmate. CDCR Food Managers face continual tension between their obligation to meet Heart Healthy menu requirements and ongoing pressure to reduce costs. While this allotment represents a moderate increase from the previous $2.90 per inmate per day. Without increasing the per inmate per day allocation, it will be very difficult for CDCR to improve the nutritional content of its offerings.

**Product Specifications**
CDCR must purchase food through state contracts, which limits the options they have for food products. Since 2012, CDCR has been partnering with DGS to embed nutritional criteria into purchasing bid specifications in order to increase the availability of food products that meet CDCR’s nutritional needs. See Health in All Policies in Action: Improving Nutritional Content of Food in Correctional Facilities by Modifying Contract Bid Specifications for more details.

**Safety and Security Concerns**
Sometimes the types of fruit served are limited due to security concerns. For example, while apples are served daily, oranges and other fruits are not served due to concerns that inmates will make “pruno,” a fruit-based fermented alcohol, which is prohibited. In addition, prisons with level 3 and 4 security are not allowed to serve fruit with pits because the pits can be used as weapons.

**Current Best Practices: Nutrition Standards for CDCR**
The State Food Procurement Work Group fostered a partnership between DGS and CDCR to apply nutrition standards to state contract specifications, in order to make it easier for CDCR to purchase healthier food products for inmate meals. For example, as a result of their partnership, DGS has reduced the sodium in single-serving, individually wrapped lunch meat products from 620 to 350 mg/2oz serving. More information about DGS and CDCR efforts to improve nutrition for inmate populations is available in Health in All Policies in Action: Improving Nutritional Content of Food in Correctional Facilities by Modifying Contract Bid Specifications.

**Healthy Options at Prison Canteens**
The prison canteen is an extremely popular source of food for inmates. The foods available in the canteen vary by facility, but are typically low-quality processed items, high in fat, salt, and sugar. Some inmates rely almost exclusively on the canteen for their food intake. Inmates select the products sold at the canteen, and canteen profits are used to support educational and other programming. Purchases at canteens are one of the only places where inmates can exercise autonomy, making it an extremely sensitive topic for both inmates and prison staff. While the canteen could be a potential place in which to introduce healthier snack items, concerns about inmate resistance and potential loss of revenue for highly valued educational and other programming, has limited or prevented these attempts.

**Prison Garden Programs**
Some prisons have gardens that produce fruits and vegetables either for consumption on the premises or for delivery elsewhere. The Rio Cosumnes Correctional Center in Sacramento has a one-third acre vegetable garden, and harvested more than 12,000 pounds of zucchini, bell peppers, red leaf lettuce, large tomatoes, cabbage, pumpkins, bok choy, broccoli, and yellow squash in its first year. Working directly with the prison Food
Manager to plant appropriate vegetables for inmate meals, this harvest translated into a cost savings of about $5,300. In addition to financial and nutritional benefits, the program has supported inmates' connections with their families: in 2013 they grew pumpkins to share with inmates' children and grandchildren for Halloween [82].

However, some facilities with prison gardens do not use their produce to feed inmates as they cannot produce the quantities necessary to offer uniform meals to all inmates. For example, in the past Folsom Prison grew food and gave it to local senior services organizations. The North County Detention Facility has dedicated three acres to growing vegetables that are consumed at the facility, and excess food is donated to local food banks. They also grow fruit trees and berry bushes, and sell that produce to the public or donate it to cities, counties, schools, and public agencies [83].

While prison gardens may not supply enough produce to feed their inmate populations, the programs still provide benefits. For example, the Insight Garden Program (IGP) at San Quentin and Solano State Prisons provides rehabilitation and job training [84]. The IGP’s classes include classroom course curricula on landscaping, organic gardening, planning, budgeting and design, irrigation, soil amendment, seasonal garden maintenance, propagation and more. The program also works to develop ecological literacy and understanding of the interconnectedness of human and ecological systems. Since 2009, IGP has collaborated with the non-profit organization Planting Justice, which expanded a flower gardening program to include a vegetable garden inside the medium security unit at San Quentin. All the food grown by inmates will be donated to local Bay Area charities serving low-income families in the San Francisco Bay Area [85] and Planting Justice also offers job opportunities to a select group of men upon release [86].

**Looking Ahead**

The examples listed above are only a sampling of the challenges and opportunities inherent in the state food environment. State and local governments across the country are tackling these issues, and it is important to share information and lift up lessons-learned and best practices, and explore these for relevance in California.
V. Conclusion
The State of California spends approximately $295 million annually on food purchasing through its departments and agencies, and employees and visitors spend millions more at vending machines, cafeterias, and concession stands on state property. While there is still much to be learned about California’s food procurement policies and practices, this report is a first step in understanding California’s complex state food environment.

The nature of government contracting presents significant challenges to pursuing long-term and comprehensive changes to procurement. Perhaps most notably, limited food budgets can restrict procurement of foods with better nutritional content. In addition, consumer demand for healthier products from vending machines, concessionaires, and cafeteria is growing slowly but a significant and pervasive shift in consumers’ food preferences is still needed.

Increasing the consumption of nutritious and locally sourced food through the policies and practices of state and local governments is a complicated endeavor and requires a multi-faceted approach, with the engagement of stakeholders responsible for implementing the changes. Comprehensive changes will take time given the size and complexity of California’s government agencies and their contracting requirements and fiscal constraints. Momentum is growing around improving the state food environment, and with time, commitment, and collaboration, California can implement procurement policies and practices that support the broad goals of promoting healthy eating, robust local food systems, and environmental sustainability.
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