People centered, low carbon healthcare catering solution
The Rotherham NHS Foundation Trust (United Kingdom)

Background

The **Rotherham NHS Foundation Trust** is a 500 bed hospital situated in the north of England. It mostly serves the Rotherham area (which has a population of approximately 252,000 people), providing a range of health services. NHS Foundation Trusts are semi-autonomous organisational units within the National Health Service (NHS) in England.

The end of a 15 year catering services contract provided an opportunity for rethinking and updating Rotherham Hospital’s (part of The Rotherham NHS Foundation Trust) approach to catering. As a signatory to the Down to Zero Initiative and specifically the **Towards Zero Carbon Catering Procurement Compact** the hospital was committed to actively engaging the supply chain to offer innovative, low carbon catering goods and services.

Furthermore, NHS England’s guidance for commissioning for quality and innovation (CQUIN) includes a **Hospital Food CQUIN goal**. This framework allows commissioners to make some of the hospitals annual income conditional on achieving locally agreed goals to improve quality.

The Hospital's participation in the EU-funded **EcoQUIP project** and its previous experience of innovation procurement stood them in good stead to adopt a progressive and pro-innovation procurement approach, specifically the **Forward Commitment Procurement (FCP)** approach.

Procurement objectives

As part of the EcoQUIP project, a public procurement of innovation process was initiated in 2012. The aim was to bring about a step-change in the quality of catering provided to patients, visitors and staff at Rotherham Hospital. Through stakeholder engagement, Rotherham defined an outcome based requirement and engaged the market in a pre-procurement dialogue. It then went on to manage a pro-innovation public procurement process that encouraged the supply chain to develop an innovative approach to hospital catering services. Rotherham adopted the FCP model of innovation procurement and developed a pro-innovation procurement strategy using for example an outcome based specification, the **Competitive Dialogue Process**, and balanced evaluation criteria during the procurement phase.

March 2015 saw completion of the tendering procedure, marking the end of a 27 month long process.

Procurement process

**Pre-procurement actions:**

1) Setting up a team and determining the need:

A cross-departmental project team was set up involving the facilities manager, head nurse, dieticians, procurement team, patient liaison, finance, communications and the EcoQUIP project facilitator. The team defined the procurement requirement as “a catering service for patients, staff, and visitors that is innovative, people centred, environmentally sustainable and low carbon, and demonstrates cost competitiveness through whole-life cost savings”. In terms of the low carbon element, this was defined as:

- A low carbon service with progressive carbon reductions over the life of the contract in both the catering service and the wider supply chain. Low carbon refers to the embedded/embodied carbon (this means the CO₂ emissions generated in the value/supply chain - e.g. energy consumption from the production and processing of food,
transportation, internal logistics, appliances), not solely operational.
• A reduction in food plate and food preparation waste.
• A step-change in the environmental sustainability of catering services.

2) Market sounding and engagement

The market sounding exercise was launched with the publication of a prior information notice (PIN) in December 2012 on several public procurement websites in the United Kingdom (UK), as well as on Tenders Electronic Daily. The PIN served to inform the market that a procurement exercise could begin in the future; highlight the innovative requirements; facilitate participation in the upcoming market consultation process; and ensure an open and transparent pre-procurement process. A market consultation workshop followed (held on 15 January 2012) at Rotherham Hospital. The Workshop gave potential suppliers an opportunity to hear more about the Hospital’s needs and to ask questions to key stakeholders.

Procurement phase:

The team agreed a pro-innovation procurement strategy and this document provided a reference point for the procurement process.

Subject matter of the contract: People centred low carbon catering solution.

Outcome based specifications:

1. People centred

Requirement of an integrated catering service which:
• Demonstrates a step-change in both patient mealtime experience and nutritional care.
• Facilitates patient recovery.
• Enables involvement of nursing staff in meal provision and accurate assessment and recording of a patient’s daily dietary intake.
• Delivers the right meal and nutrition to patients when required.
• Is flexible and versatile - for example, meeting the diversity of dietetic, ethnic and cultural requirements, and being available when needed outside core ‘meal times’.
• Provides mechanisms for a constructive interface with clinical and nursing staff and for monitoring performance and progressive service development.

2. Environmentally sustainable, low-to-zero carbon catering

Rotherham Hospital has high environmental standards and is attuned to the rising costs of energy and carbon. The hospital is a signatory to the joint public-private low carbon procurement compact ‘Towards zero carbon catering’. By signing this Compact, the hospital has joined with other customers to state their commitment to procuring lower carbon solutions to meet their requirements, and to incorporate procurement standards that will enable Rotherham Hospital to move towards zero carbon catering over the next five years.

The following outcomes were required:
• A demonstrably low carbon service with progressive carbon reductions over the life of the contract in both the on-site catering provision and the wider supply chain, that is, embedded carbon.
• Reduction in food plate and food preparation waste.
• A step-change in the environmental sustainability of catering services.

Award criteria:

The most economically advantageous tender (MEAT) was evaluated based upon:
• Quality of people-centred service (40%)
• Evidence of capacity for progressive improvement, innovation and embedded carbon reduction (30%)
• Price (30%)
Results

35 organisations participated in the market sounding exercise. Five suppliers made it through to the competitive dialogue phase.

As part of the dialogue phase, suppliers were required to present their carbon reduction and innovation plans. The incumbent supplier responded enthusiastically (and ultimately won the contract), coming up with innovative ways to reduce waste and offering to qualify for the UK’s Soil Association award (gold standard) – one of the UK’s most recognised environmental accreditations. The accreditation is the Soil Association’s Food for Life Catering Mark – an independent endorsement that the caterer is taking steps to improve their food, using fresh and seasonal ingredients (free of harmful additives), and address animal welfare. In March 2014, the hospital achieved the Bronze Catering Mark for its catering services - marking the first occasion that a catering service in the NHS has achieved this award. The service provider is striving to achieve the gold standard within the first twelve months of the new contract.

A contract was awarded with a forward commitment of up to ten years (five years with a possible extension of five more years), thus it could potentially run until 2025. Financial savings amounting to just over one million euro (or 800,000 British pounds) in the first five years will be achieved. The supplier will also invest in the kitchen refurbishments required and a refurbishment and rebranding of the hospital’s restaurant.

The progressive carbon reductions required over the life time of the contract will be assessed against the key performance indicators embedded in the contract.

Environmental impacts

As outlined in the Technical Background Report accompanying the EU GPP criteria for Food and Catering Services, energy consumption relates to food production, preparation and delivery. During production, energy is consumed directly for the use of machinery and indirectly to produce pesticides, fertilisers and other inputs. After production, energy is used to transport food, mainly by road, to storage warehouses, selling points, secondary manufacturing places (such as catering companies) and finally to end consumers. Processes involving heating, cooling, drying, evaporation, sterilisation, pasteurisation and blanching also consume energy. Of all forms of processing, deep freezing uses the most electricity.

Water consumption and pollution are two of the most significant environmental issues associated with food, drink and the milk industry. Most of the water, which is not used as an ingredient, ultimately appears in the wastewater stream.

The main impacts of a catering service on the environment are:

- The amount of packaging and single-use cutlery and tableware. Measures to reduce this waste should be a priority.
- The management of food and packaging waste. In order to minimise impacts the contractor should guarantee selective waste collection and separate waste collection of used oils and fats (which will have to be collected/managed through an authorised waste collector).
- The equipment and machinery used to perform the catering service (fridges, ovens, dish-washing machines, etc.). Whenever possible they should be energy and water efficient.
- The cleaning products used, which should be environmentally friendly.
- The vehicles used to carry out the catering service. These should be energy-efficient with low emissions of exhaust gases. Unnecessary deliveries should be avoided and tools like route planning and eco-driving should be used.
Lessons learned

Being a signatory to the Zero Carbon Catering Procurement Compact, as well as to the NHS Carbon Reduction targets, provided a motivation and enabler for a progressive approach to carbon reduction, and demonstrated to suppliers that the project team were serious about carbon reduction and environmental sustainability.

Project team:

- The approach adopted was cross-departmental right from its inception. This proved central to the success of the entire action ensuring that the requirement was expressed accurately to the supply chain. It further created a high level of internal ownership for the process and for the end solution.
- The role of the external facilitator/expert in the project team is also crucial and proved so in this case.

Title of the contract: Putting the key outcomes of people centered and low carbon in the title of the contract ensured that suppliers understood the importance of these two features to the customer.

Supplier side:

- The contract set up (five years with a possible five year extension) provides both a forward commitment and incentive for suppliers to support innovation and progressive improvement.
- The procurement exercise has to generate market pull. In other words, it has to have the potential for replication and aggregation of demand within the organisation, region, and with other public sector bodies, and, ideally, offer routes to the wider public sector market.

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For more information, please see European GPP criteria for Food and Catering Services and the Technical Background Report. For more information about the EcoQUIP project, please visit www.ecoquip.eu.