Food Commodities Procurement to Enact Social Justice

Presented by Matthew Burke & Katrina Benedicto
Matthew Burke, UCR
March 1, 2013

TO ALL UC MATERIEL MANAGERS

Re: SB1280 Best Value for Procurement

Dear Colleagues:

On September 28, 2012 Governor Jerry Brown signed into law Bill number SB1280 Effective January 1, 2013. This Bill allows the University of California to use the Best Value methodology for awarding competitively bid contracts involving a bid of more than $100,000 for goods, material and services. Best Value means the most advantageous balance of price/cost, quality, service performance and other elements, as defined by the University. The University Procurement Leadership plans to implement the Best Value methodology starting in February 2013. To achieve this goal, a cross campus workgroup was formed to update the BUS-43/Material Management Purchasing Policies to ensure that Best Value based supplier selections are conducted in a fair and consistent manner and to develop procedures and templates for reporting requirements.

With the implementation of SB1280 the UCB will expand its options for awarding competitively bid contracts by using one of three methods:
- Best Value
- Cost Per Quality Point
- Price/Cost alone

When using Best Value method for awarding competitively bid contracts the University must comply with the following requirements:

1. The minimum threshold for price/cost will be 25% of the total score. The minimum threshold will be reviewed and modified by the UC Procurement Leadership Council periodically as needed.
2. The number of points used in an evaluation can vary as long as the weighted value of all criteria equals 100% of the points, with 25% or more of the points allocated to price/cost. Price/cost is the calculated expenditure per the bid. All criteria except price/cost must be scored first to avoid pricing influencing the scores. After non-price/cost scores are calculated the price/cost score is added to come up with the total score.
3. Decision to use Best Value method and elements included in qualitative criteria for bid evaluation will be determined by the systemwide commodity teams for systemwide bids and by campus/medical center Procurement Management for the local bids.
4. Price/cost is scored based on the pre-determined percentage of the total available points. Price/cost from all bidders must be “normalized” with the lowest bidder receiving 100% of the total available points and the
COST PER QUALITY POINT: Quality points are assigned to various categories such as delivery, warranty, history of service, specifications, etc. The points are totaled for each vendor and divided into the vendor's cost of goods or services. The result is the cost per quality point. The award is made to the vendor with the lowest cost per quality point.
H. Sustainable Foodservices

Campuses and Medical Centers
1. Campus and Medical Center foodservice operations subject to this Policy shall include both self-operated and contract-operated foodservices.
2. In the context of this Policy, sustainable food is defined as food and beverage purchases that meet one or more of the criteria listed below, which are reviewed annually by the UC Sustainable Foodservices Working Group (under the UC Sustainability Steering Committee).
   i. Locally Grown
   ii. Locally Raised,Handled, and Distributed
   iii. Fair Trade Certified
   iv. Domestic Fair Trade Certified
   v. Shade-Grown or Bird Friendly Coffee
   vi. Rainforest Alliance Certified
   vii. Food Alliance Certified
   viii. USDA Organic
   ix. AGA Grassfed
   x. Grass-finished/100% Grassfed
   xi. Certified Humane Raised & Handled
   xii. American Humane Certified
   xiii. Animal Welfare Approved
   xiv. Global Animal Partnership (steps III, IV, V)
   xv. Cage-free

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11 Resulting from regional constraints, campus definitions of "Locally Grown" and "Locally Raised, Handled, and Distributed" may vary; however, "Locally Grown" and "Locally Raised, Handled, and Distributed" distances shall not exceed 500 miles.
12 Fair Trade Certified products must be third party certified by one of the following: IMO Fair For Life, Fairtrade International (FLO), Fair Trade USA.
The Rainforest Alliance is a nonprofit organization that awards certification to farms and cooperatives that meet rigorous standards for environmental conservation as well as social responsibility and fair labor practices.

Fair Trade acts as a safety net for small farmers, ensuring that they are paid a fair price for their coffee crop. This practice not only covers production costs, but also healthcare, housing and education expenses for farmers and their families.

Organic coffee is grown without chemical pesticides or herbicides. This process uses only natural fertilizers and sustainable farming methods. From harvest to roasting, coffee must meet rigorous requirements at each step of the process in order to be certified.
A. Food Procurement

**Policy guideline:** 20% sustainable food procurement by the year 2020.

Dining Services continues to develop a system to track food purchases, using the FoodPro menu management system.

- UCR’s 2010 Climate Action Plan calls for Dining Services to implement a comprehensive food procurement program that supports local and/or sustainable foods and to procure sustainable foods for 30% of total food purchases.
- Dining Services’ annual spend on food for FY 2013/14 totaled $6,976,849.
- Approximately 13% or $894,068 of the total food purchases went to products that meet one or more of the UC Policy on Sustainable Practices sustainable food definitions.
- Approximately 27% of the menu entrees served at the Residential Restaurants are vegan or vegetarian.
- Dining Services buys oranges from the Campus Agricultural Operations to provide fresh-squeezed orange juice in the residential and retail restaurants.
- In 2014/15 Dining Services will work with the campus R’Garden to procure fresh produce for use in the restaurants.

### 2013/14 Food Purchases

<table>
<thead>
<tr>
<th>Operation</th>
<th>Sum of Food Purchases</th>
<th>Sustainable Purchases</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catering</td>
<td>$267,453</td>
<td>$22,607</td>
<td>8.45%</td>
</tr>
<tr>
<td>Convenience Stores</td>
<td>$1,675,049</td>
<td>$125,491</td>
<td>7.49%</td>
</tr>
<tr>
<td>Residential Dining</td>
<td>$3,563,030</td>
<td>$513,833</td>
<td>14.42%</td>
</tr>
<tr>
<td>Retail Dining</td>
<td>$1,471,318</td>
<td>$232,139</td>
<td>15.78%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$6,976,849</strong></td>
<td><strong>$894,069</strong></td>
<td><strong>12.81%</strong></td>
</tr>
<tr>
<td>Status</td>
<td>Project Name</td>
<td>Open Date</td>
<td>Close Date</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Awarded</td>
<td>UC Riverside: Food Services Sealed RFP-MBURKE/BREAD/2014: RFP FRESH BREAD</td>
<td>06 Feb 2014 08:00 AM PST</td>
<td>07 Mar 2014 03:35 PM PST</td>
</tr>
<tr>
<td></td>
<td>UC Riverside: Food Services Sealed RFP-MBURKE/BREAD/2014: RFP FRESH BREAD</td>
<td>06 Feb 2014 08:00 AM PST</td>
<td>07 Mar 2014 03:35 PM PST</td>
</tr>
<tr>
<td></td>
<td>UC Riverside: Other Services Sealed RFP-GW_20131105: Conversion of Existing Diesel Powered Trolley to Electric Power</td>
<td>05 Nov 2013 05:00 PM PST</td>
<td>07 Nov 2013 08:30 AM PST</td>
</tr>
<tr>
<td></td>
<td>Multi-Campus: Food Services Sealed RFP-UCOP/Produce/2013: Produce Bid UCSD, UCSB UCR</td>
<td>16 Aug 2013 12:00 PM PDT</td>
<td>22 Apr 2013 02:35 PM PDT</td>
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<tr>
<td>Closed</td>
<td>UC Riverside: Food Services Sealed RFP-MBURKE/COFFEE/2013: RFP Sealed</td>
<td>01 Aug 2013 10:00 AM PDT</td>
<td>26 Aug 2013 03:03 PM PDT</td>
</tr>
</tbody>
</table>
UNIVERSITY OF CALIFORNIA RIVERSIDE

REQUEST FOR BIDS
COFFEE PRODUCTS
(August 1st, 2013)

SECTION I: GENERAL INSTRUCTIONS

The University of California, Riverside is soliciting bids from established distributors to furnish coffee and coffee-related products. The University requests your bid to furnish coffee products and the associated equipment for a period of three years (October 1, 2013 through September 30, 2016) with the option to extend for two (2) additional one (1) year periods.

Organization of this Request for Bid:

SECTION I: GENERAL INSTRUCTIONS
SECTION II: INSTRUCTIONS TO BIDDERS
SECTION III: TERMS AND CONDITIONS
SECTION IV: SYSTEM REQUIREMENTS & SPECIFICATIONS
SECTION V: VENDOR RESPONSE FORM (complete bid submittal via SRS website)
APPENDIX A: UNIVERSITY STANDARD TERMS AND CONDITIONS
APPENDIX B: UCR MAP
ATTACHMENT 1: BID PRICING QUOTE FORM
ATTACHMENT 2: EQUIPMENT PROPOSAL
ATTACHMENT 3: VENDOR OVERVIEW & SERVICE PROPOSAL
Vendors are advised that the University reserves the right to reject a bid from a firm that cannot demonstrate the ability to provide the necessary products and/or services required under the specifications contained herein.

A. Required Coffee Products

All products listed below are mandatory and must be quoted on the Vendors’ Bid Pricing Quote Form.

Required Products MUST MEET ONE OR MORE OF THE FOLLOWING CRITERIA:

FAIR TRADE, CERTIFIED ORGANIC, BIRD-FRIENDLY, OR RAINFOREST ALLIANCE

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUND COFFEE REGULAR</td>
</tr>
<tr>
<td>GROUND COFFEE DECAF</td>
</tr>
<tr>
<td>WHOLE BEAN ESPRESSO REGULAR</td>
</tr>
<tr>
<td>WHOLE BEAN ESPRESSO DECAF</td>
</tr>
</tbody>
</table>

Please note: Samples of the required products must be submitted with bid and delivered to the address listed in Section I of this bid.

1. Estimated Quantities - The usage quantities listed on Attachment A, are estimates based on current figures and are representative of what we anticipate ordering from the vendor who is awarded this contract. UCR does not guarantee to use a minimum quantity. Orders may vary greatly from summer to academic year.
<table>
<thead>
<tr>
<th>Weight factor</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td><strong>Breadth of product line:</strong> In addition to completing the Required Bid Pricing and Quote Form (Attachment 1), please provide a list of all flavors/varieties, and roasts you carry in the required line. This list <em>should not show pricing</em> and should be included with your narrative and not with the quote form. Vendor shall be graded on the variety of flavors/roasts offered in the required products. In addition, please provide us with a list of all other products your company offers, separate from the required line, particularly the optional products requested. Pricing should be included with this list, however, it will not be used in grading or for cost calculation. It is for informational purposes only.</td>
</tr>
<tr>
<td>20</td>
<td><strong>Quality/capacities of required equipment offered, as well as, its compatibility with existing University electrical and space requirements as requested</strong> (Attachment 2). If needed, please include literature and/or narrative describing equipment with pertinent information. A map of the campus is provided as an attachment, for your use.</td>
</tr>
<tr>
<td>20</td>
<td><strong>Viability of Vendor, service proposal and incentives as listed in</strong> Attachment 3</td>
</tr>
<tr>
<td>30</td>
<td><strong>Product quality and taste test:</strong> A product tasting and evaluation will be conducted at the University, by a rating panel, to determine quality in the areas of taste and freshness. This is not an event that will be open to the campus or include bidders.</td>
</tr>
</tbody>
</table>
### C. Bidder’s Sustainability Capability

The UC Sustainable Practices Policy can be found at: [http://sustainability.universityofcalifornia.edu/policy.html](http://sustainability.universityofcalifornia.edu/policy.html)

Please address your company’s capabilities as they relate to requirements in the above policy and also the following sustainability questions.

| 4.1 | **Please identify how your company mitigates the impact of waste packaging upon UC campuses?** | All paper and plastic items are recycled in Core-Mark warehouse. | Java City packs our syrups, sauces, chai and avalanche products in bottles/cartons that can be recycled. All products ship in boxes made from 100% recycled contents and we use “peanuts” made from corn and potato starch that degrade when exposed to water. In Fall 2013 we will launch a fully compostable cup for our ecoGrounds program. Our hot cup sleeves are made from 70% recycled fiber and can be fully recycled after use. All of our syrups, sauces, smoothies and avalanche lines are also concentrated. By making a concentrated product, we reduce the number of bottles that need to be produced, shipping costs are lowered and fewer bottles enter the waste stream. This results in lower costs for UCR and a lower environmental impact. | We can offer compostable coffee bags for certain size coffee bags (1, 2 & 5 lb). | see 4.3 |

| 4.2 | **Does your company offer any end-of-life product take-back programs? If so, please list all items you take back for responsible recycling, donation, or reuse and outline the process for participating in the program.** | Core-Mark takes back snack food items and this is provided to local food banks. | Due to food security/safety issues, we cannot accept returns on such items. Non food/non-perishable items are accepted and re-used/recycled whenever possible. We recycle all paper, plastic and glass waste in our Roasting Plant and Corporate Offices. In addition, we also donate all of our burlap bags to the Sacramento Zoo for use as animal bedding. Chaff (natural byproduct of coffee roasting) is donated to local farmers for use in compost. Our Roasting Plant is equipped with both energy efficient lighting in addition to skylights for natural light. | Coffee, tea & equipment | We do not offer any take back programs. |

| 4.3 | **Please attach your company’s environmental/sustainability statement or policy.** | 5:25 HACCP_2008.doc (3 KB) | 4G Sell sheet UCR Aug 2013.pdf (6 KB) | OMARI - Sustainability - RFP - MBURKE-COFFEE 2013.doc (0 KB) | Starbucks Global Responsibility Report 2012 review.pdf (3 KB) |

| 4.4 | **Does your company have an established environmentally preferable purchasing and supply chain program? If so, please describe.** | No | Yes Java City has mandated that all product sourcing include preference toward sustainable, certified and ‘better-for-you’ products. All coffees are responsibly sourced with nearly 50% of our green coffee purchased as certified coffee. 80% of our tea line is certified Fair Trade, and the other 20% is locally sourced and not available as certified. Our smoothie product line is 100% fruit with no added sugar, fructose, corn syrup, sucrose or any other sweetener. All packing / all packaging material is 100% recycled or recyclable. | No | Yes see attachment above |

| 4.5 | **What percentage of post-consumer recycled material is found in your packaging material for equipment? If this amount differs between equipment types, please list the percentages for the equipment you are bidding in this RFP.** | Not known | All products ship in boxes made from 100% recycled contents and we use “peanuts” made from corn and potato starch that degrade when exposed to water. Unknown | Unknown | n/a |

| 4.6 | **What percent of solid waste from your sites which will be used to administer UC’s program is re-used, recycled, or diverted from landfills?** | 0 | 75 | 2 | 0 |
SUPPLIER: JAVA CITY

PRE-SCORE: A Bid must receive a score of 5 points at this level to move to the full evaluation under the post score detailed below. This will be completed by purchasing.

- Complete Return (as referenced on vendor bid response form) 1 point
- Agreement to all mandatory items (positive Y) 1 point
- Acceptable financial conditions & payment terms 1 point
- Compliance w/Terms & Conditions 1 point
- Insurance Compliance 1 point

PRE-Score Total: 5

POST SCORE: Use the scale shown below when grading the following categories. Numbers and percentages are for data input uses and weighting. They are to be disregarded by scorers and the following point system used while scoring.

5 Points: Significantly exceeds the expectation in the rated area
4 Points: Exceeds many of the expectations in the rated area
3 Points: Meets all the expectations in the rated area
2 Points: Minimally meets all the expectations in the rated area
1 Point: Meets some but not all expectations in the rated area
0 Point: Does not meet expectations in the rated area or insufficient information

<table>
<thead>
<tr>
<th>Category/Comments</th>
<th>Possible Points/Scored Points</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Breadth of Product Line (30%)</td>
<td>Score 0-5</td>
<td>(x10)</td>
</tr>
<tr>
<td>A. Required Products: (number of roasts and varieties they offer)</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>C. Requested Optional Products (number of different items offered)</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>D. Relative value (to our operation) of optional products offered, i.e. liquid coffee and air pot packs and decaf, [Fair Trade.]</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Sub Total

ecoGrounds
Consciously Great Coffee by Java City
<table>
<thead>
<tr>
<th></th>
<th>Caribou</th>
<th>Farmer Brothers</th>
<th>Java City</th>
<th>Omari</th>
<th>Peets</th>
<th>Starbucks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breadth of Product Line</td>
<td>62.5</td>
<td>137.5</td>
<td>145</td>
<td>37.5</td>
<td>25</td>
<td>67.5</td>
</tr>
<tr>
<td>Quality/Capacities/Compatibility of Equipment</td>
<td>76.25</td>
<td>71.25</td>
<td>98.75</td>
<td>96.25</td>
<td>91.25</td>
<td>100</td>
</tr>
<tr>
<td>Viability of Vendor/Service Proposal</td>
<td>31</td>
<td>94</td>
<td>88</td>
<td>33.5</td>
<td>46</td>
<td>89</td>
</tr>
<tr>
<td>Taste Test Results</td>
<td>102.93</td>
<td>117.2</td>
<td>117.2</td>
<td>117.2</td>
<td>117.2</td>
<td>117.2</td>
</tr>
<tr>
<td>Total quality points:</td>
<td>272.68</td>
<td>419.95</td>
<td>448.95</td>
<td>284.45</td>
<td>279.45</td>
<td>373.7</td>
</tr>
<tr>
<td>Total Costs:</td>
<td>$180,492</td>
<td>$187,015</td>
<td>$157,936</td>
<td>$176,581</td>
<td>$177,878</td>
<td>$207,684</td>
</tr>
<tr>
<td>Cost/Quality Point:</td>
<td>661.9187326</td>
<td>445.327116</td>
<td>351.7894461</td>
<td>620.7816836</td>
<td>636.5271068</td>
<td>555.7506021</td>
</tr>
</tbody>
</table>
The end result: A Landslide Victory and Three Year Agreement with Java City

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of September 27, 2013.

UCR

Signature
Matthew Burke
Name
Procurement Supervisor
Title
September 26, 2013

JAVA CITY

Signature
C.U. Ulerst
Name
Ex VP Sales
Title
September 30, 2013

ecoGrounds

CONSCIOUSLY GREAT COFFEE
by Java City
Katrina Benedicto, Java City
UC RIVERSIDE

HIGHLANDER BLEND

This bright coffee with tantalizing hints of citrus is inspired by Riverside’s history as a major producer of citrus fruits.

ROAST PROFILE

light | medium | dark

Rainforest Alliance Certified

ecogrounds™
Consciously Great Coffee
by Java City
UC Riverside Chose Water
UC Riverside Chose Water
Santa Rosa, Guatemala
Falls within the Arid Corridor – Wet Winters, Dry Summer
Water Inconsistently Available and Far From Home
Women and Girls Tasked with Water Collection
Posters around campus for education and engagement
Current Impact

- 14,000 lbs of Coffee
- $8,400 raised through Highlander Blend
- Momentum gained addition partners, raising over $100,000
- 84 Families Served in Year one = 330 people with water access
- Women’s unpaid labor reduced
- Water quality studies currently underway
Sampling events help spread the story
Social media helps spread the word about the program and builds sales.

#FunFact the Ecogrounds coffee beans are fair trade AND obviously delicious!