



Department
for Environment
Food & Rural Affairs

Public Sector Food and Catering

A How-To Guide for SMEs



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Introduction

We are the Department for Environment, Food and Rural Affairs. We're responsible for improving and protecting the environment, growing the green economy, sustaining thriving rural communities and supporting our world-class food, farming and fishing industries.

What we eat and drink, and how and where it is made, is part of our nation's story. Our food and drink is recognised across the world for its quality, tradition, and innovation. This growing reputation for high-quality food and drink produced to high standards of food safety, animal welfare and sustainability is driving increased consumer demand both at home and abroad. It provides a real opportunity for growth across all regions of the UK. We want to support food and drink businesses across England to tap into that growing demand and ensure that they can access the support, training and information they need to grow their business.

This guide aims to highlight the opportunities for small and medium-sized enterprises (SMEs) within public sector food and catering, offer guidance about entering the market, and signpost to further support.

With thanks to the following organisations for their support:



What is public sector food procurement?

Public procurement is the buying of goods, services or works for the public sector and is carried out through a competitive bidding process. Food and catering procurement contracts cover a range of organisations and people, including schools, universities and colleges, care homes, hospitals, prisons, central government agencies and armed forces personnel.

The [Government Buying Standards](#) are embedded in many contracts and set out mandatory standards, including quality, value for money, health, and sustainability. They cover large parts of the public sector; however, they are not mandatory for schools, universities and local government. Most organisations have food safety requirements, for which the level required varies but most expect the certification scheme Safe and Local Supplier Approval (SALSA) as a minimum. Many organisations also use schemes such as [Food for Life Served Here](#) to benchmark against Government Buying Standards and ensure procurement contracts deliver what's required.

What is the opportunity for SMEs?

The public sector spends over £2.4bn a year on food and catering, serving 1.9 billion meals. Growing the number of food and drink SMEs supplying into the public sector is a priority for the Government, as is increasing the procurement of local, sustainable, and healthier food. These factors, alongside consumers' increasing interest in local produce, means that there is a huge opportunity for SMEs in public sector food procurement.

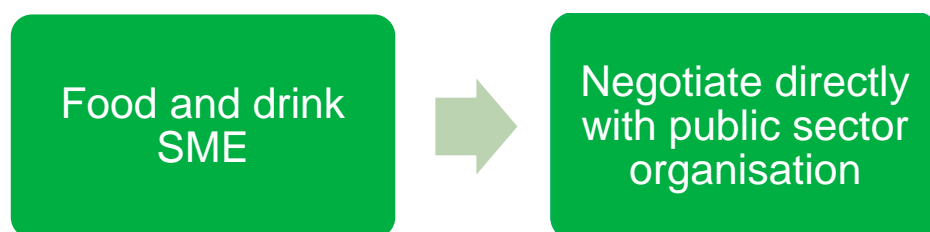
Public sector procurement is a large and stable sales route, which provides prompt payment. It can enable companies to grow their business from a local food and drink offer to a national brand.



What are the routes to public procurement?

Public bodies can choose to procure their food and drink in-house or contract out the process. Organisations across the public sector use their own bidding process and method of advertising opportunities. As a result, there are many different routes to supplying the public sector, which can be directly through the public body, or indirectly through a wholesaler, caterer, food service company, or professional buying organisation.

Direct Supply



How?

1. Contact a public sector organisation’s procurement team - contact details can often be found on their website or through existing networks.
2. Look for opportunities online (see *Where to find opportunities?* below).

Opportunities	Points to consider
<p>More organisations are splitting their contracts into lots – contracts of smaller quantities - for tender. This benefits small businesses looking to supply directly, who are unable to supply large quantities or a wide range of products.</p> <p>When a contract is not split into lots, SMEs can work with other local businesses to deliver the contract. Collaborating across the supply chain can increase the number of procurement opportunities due to economies of scale. This can also be an attractive option for the public sector due to the efficiency and cost savings involved in multiple businesses working together to supply.</p>	<p>Suppliers need to manage the entire relationship with the public body, including tendering, supply and distribution.</p> <p>Supplying multiple public bodies directly means adhering to different requirements, standards and distribution systems.</p> <p>While smaller lots are becoming increasingly common, contracts can require a volume, diversity of products, or geographical spread that is too large for SMEs to supply individually. Therefore, collaboration across the supply chain can be beneficial.</p>

Case Study: Glenthams Farming Company, Lincolnshire - Direct engagement with local authority

Supplied by the NFU

Glenthams Farming Company supplies the public sector market, especially schools, with a vacuum-packed potato product that is used for food service or further processing. The product is Red Tractor Assured, and the business is a member of SALSA.

Route to supplying the public sector

Glenthams Farming Company became a nominated supplier for a neighbouring local authority by developing a relationship with the procurement manager. This enabled them to later gain opportunities in different contract authorities.

Following the initial engagement with the local authority, the business started to attend trade shows and was able to gain more insight into the process and opportunities.

Benefits of supplying the public sector

- Supplying the public sector has added value to the business and products. Glenthams Farming Company has invested in a specific potato product that suits the public sector and plays a valuable role within their business model and crop rotation.
- Diversifying into varying supply chains has built resilience into the business.

Challenges of supplying the public sector

- Glenthams Farming Company has struggled to gain access to new contracting authorities' procurement personnel, procedures, and therefore, opportunities.
- Contractual and financial mechanisms limit the ability of the business to compete equally with larger businesses. For example, some public sector contracts are subject to financial rebates which are often with intermediary businesses and can act as a barrier for smaller producers.

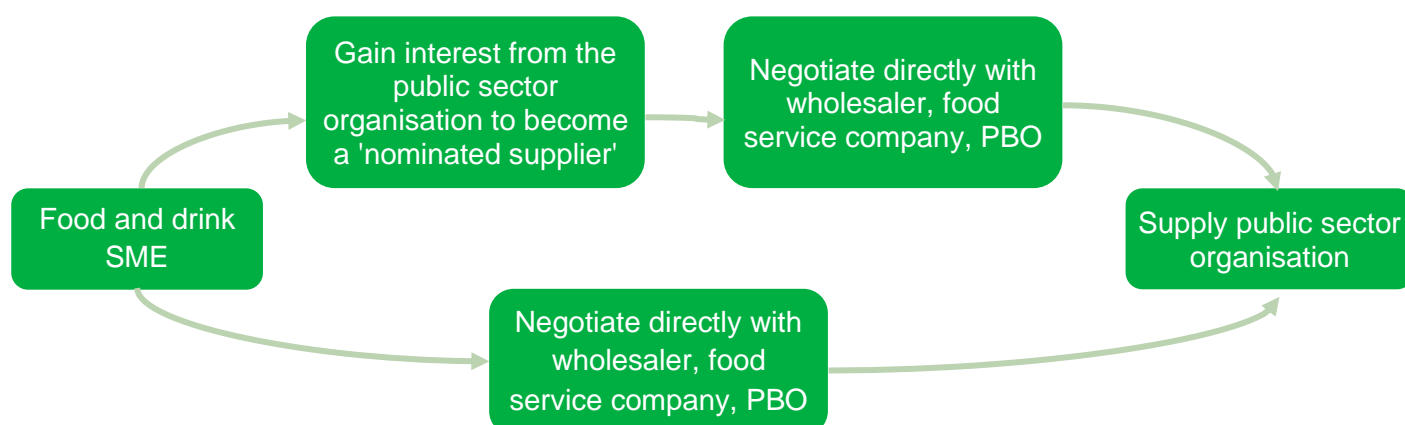
Glenthams Farming Company's advice for SMEs

- The ability to supply the public sector market is often underpinned by a direct relationship with an individual within a contracting authority. These relationships are crucial to becoming a nominated supplier for the contracting authority.
- Being a nominated supplier is critically important to businesses who want to build lasting relationships with the public sector as it enables you to directly supply contracts even if the suppliers are chosen by an intermediary.
- Visibility of your product is extremely important so new businesses should engage actively with trade shows and markets.

Indirect Supply

Supplying the public sector via a third-party, i.e.

- **Regional or national wholesalers** – sells food and drink products to the public sector
- **Food service companies** – source ingredients for meals which they sell to the public sector
- **Professional buying organisations (PBO)** – an organisation within the public sector that procures food and drink goods for contracting bodies



How?

1. Become a supplier for a wholesaler/ food service company/ PBO:
 - a) Contact the organisation's commercial team
 - b) Become a 'core range' listed supplier
 - c) Access public sector opportunities through their networks
2. Become a 'nominated supplier' for a public sector organisation:
 - a) Contact the procurement team of the public sector organisation you want to supply to, find out who their supplier is and how to become a 'nominated supplier'. Or:
 - b) Often, the best way for SMEs to enter this supply chain is to pitch the product directly to the public sector organisation's procurement team. Then contact the wholesaler/ food service company/ PBO once interest has been expressed.

Top Tips:

- This route can be a way-in via third-party suppliers to supply more public sector organisations – although different food safety requirements and accreditations are required by different customers.
- Contracts or frameworks can last for multiple years and so it is key to be alert to advertisements to tender. (see *Where to find opportunities?* Section)

Opportunities	Points to consider
<p>Contract management and product distribution are managed by the wholesalers/ food service companies/ PBOs, saving SMEs from distributing to multiple public sector bodies.</p> <p>Wholesalers/ foodservice companies/ PBOs often have several businesses supplying a single product. This can overcome the barrier that SMEs face of not producing a sufficient amount to act as the sole supplier of a product.</p> <p>Many smaller, regional wholesalers will accept SALSA accreditation, rather than British Retail Consortium (BRC).</p>	<p>For core range products, wholesalers often expect businesses to supply large quantities and to be able to respond to demand.</p> <p>The accreditation requirements of wholesalers/ food service companies/ PBOs can vary depending on whether you are a core range or nominated supplier. Most national wholesalers require BRC accreditation for their core range.</p> <p>National wholesalers often require 'core' suppliers to supply all the depots across the country. Therefore, small regional wholesalers may be more aligned with SME's capabilities.</p> <p>When becoming a 'nominated supplier', SMEs need to ensure that the public sector organisation will buy their product if it is stocked.</p>

Case Study: The Phat Pasty Company, Cornwall - Supplying via wholesalers



The Phat Pasty Company was founded in 2006 from founders Paul and Laura's home kitchen, delivering pasties to local businesses and events in a converted camper van. Within a year, they quickly expanded from one to five Phat vans, before turning to a franchise model and then starting to sell to the public sector via wholesalers in 2010.

Route to supplying the public sector

Phat Pasty's introduction to the public sector was through a large corporate food service company that approached them to supply their products to universities. They were told to approach Bidfood, who was the wholesale supplier to these universities. Through Bidfood, Paul and Laura accessed knowledge and networks which enabled them to supply other public sector organisations and develop a relationship with buying organisations, like TUCO and LACA.

Initially, Phat Pasty focussed on getting several large, mainstream customers to try their products and to then endorse the product for nominated listings with the wholesalers. Many of these customers were already working with the wholesaler as their suppliers of choice and this led to their products being added as nominated lines, gaining further demand, and being supplied to more public sector customers. Nowadays, they work with a range of wholesalers that have national coverage and stock their range as full 'on-list' products in their catalogue.

Through wholesalers, they supply schools, hospitals, prisons, universities and care homes, as well as cafes, restaurants and theme parks. While they do communicate with some of their end customers, all aspects of negotiation and contract management take place between the wholesaler and public sector organisation.

Benefits of supplying the public sector

- The majority of their business is channelled to the wholesaler route, in particular the public sector.
- Demand within the public sector is relatively stable and was much less affected by COVID-19 than other routes to market.



Challenges of supplying the public sector

- Getting a listing with a wholesaler can be challenging because the large wholesalers want BRC accreditations for listing a range 'on list'. However, many smaller, regional wholesalers will accept SALSA, rather than BRC.
- Many wholesalers are predominantly interested in volume; therefore, initially gaining interest from a public organisation and then taking the product to the wholesaler is often the most effective routes to listing.

Phat Pasty's advice for other SMEs

- The use of local and sustainable British produce and accreditations, such as membership of the Soil Association Food For Life Scheme, are big drivers in accessing opportunities in the public sector.
- When approaching wholesalers, you need to convince them that there is a market and customer base for your products.
- Many public sector caterers are looking for new and authentic products.

Where to start?

- Is the product well-suited to supplying the public sector? The majority of local businesses that supply public bodies are **focused on fresh food**, rather than long shelf life or frozen goods.
- **Allow time** to research opportunities, to complete the tender/ bidding process and become a supplier to a wholesaler/ buying organisation, which can take several months.
- Find out what information you need to provide as a supplier (e.g. animal welfare, sugar content, production standards, environmental production standards etc.), and ensure you have the **correct documentation** (e.g. legal, financial, health and safety, business certification etc.)
- Most public sector procurers require **audits or food safety and quality accreditations**, such as SALSA or BRC, which are an additional business cost.
- Familiarise yourself with the [Government Buying Standards for Food and Catering Services](#) – these standards are embedded into most public sector procurement contracts.
- Consider whether public procurement **aligns with your business goals** and whether you have the capacity and resources to supply the public sector for the contracted time period.
- Plan how supplying to the public sector will be **different from your current business model**, for example, in terms of quantity supplied, packaging, staffing, storage and distribution.
- Consider the **logistics of distributing products** to various sites and whether it could be more cost-effective and efficient to collaborate with another local supplier. Check how goods will be ordered – will your business be able to accommodate the online ordering systems that some public sector bodies require?
- Understand **how and when you will get paid** and factor this into your business planning.
- Ensure your product **meets the needs of the procurer** and consider how it can be adapted to different demands. Think about what value your product(s) can add to the customer's supply chain, e.g. social value, sustainability, and highlight this to the customer.
- **Ask for help and advice** from local business organisations or other SMEs which already supply to the public sector. Professional buying organisations provide help and assistance when completing tenders if this is something new to suppliers.
- Search the [Government's Contract Finder](#) to see the types of opportunities that are available and sign up to be notified about new postings.

5 tips for finding public procurement opportunities

1. Visit the websites of public bodies (see *Where to find opportunities?* below) and, where possible, sign up to email alerts for new opportunities.
2. Join a larger network, such as the Soil Association, SALSA, National Farmers' Union (NFU) or Federation of Wholesale Distributors (FWD), as a member or subscriber. This can be a useful way to find out about opportunities, access advice, and learn from businesses that already supply to the public sector.
3. Contact those involved in product sourcing (procurement team/ wholesalers etc.) to understand the needs of the organisation and to build up a relationship with them. Reach out to them on social media, invite them to visit your production facilities/ farm or send testers to enable them to better understand your business and product.
4. Make yourself visible in local newspapers and at farmers markets as this can result in procurement teams contacting you directly.
5. Look out for events to talk directly with buyers, such as Meet the Buyer Events or open days hosted by procurers/ wholesalers; these are usually advertised online.

Where to find opportunities?

This directory is an introduction as to where to find opportunities. Hospitals and trusts, schools, prisons, local authorities and universities can be contacted directly via their websites and procurement teams.

Crown Commercial Service (CCS)

The Crown Commercial Service is the biggest public procurement organisation and works across the public sector. They are currently introducing a new food and drink commercial agreement - more information about this and how to supply the CCS can be found here:

<https://www.crowncommercial.gov.uk/agreements/RM6279>

ESPO

ESPO is a public sector owned professional buying organisation (PBO). Information about how to supply ESPO and register on their online tender portal can be found here:

<https://www.espo.org/becoming-a-supplier>

ESPO are retendering 704 catering services this year. 72% of suppliers awarded positions on ESPO frameworks were classified as an SME and they offer specific guidance for SME suppliers: <https://www.espo.org/supporting-smes>


Federation of Wholesale Distributors

The Federation of Wholesale Distributors (FWD) is the trade association for food and drink wholesalers in the UK supplying into the public sector. FWD works with suppliers to help them take advantage of the opportunity to sell their products through partnerships with FWD members www.fwd.co.uk

Gov.uk

Gov.uk's Contract Finder lists tendering opportunities across the government and its agencies: <https://www.gov.uk/contracts-finder>

Gov.uk's Find a Tender service enables you to receive notifications of upcoming public procurement opportunities, including Prior Information Notices (PINs) which are often published up to 12 months in advance of a tender publication to the market. PINs are often used for market engagement and this is a key time for suppliers to engage with the contracting authority and understand the requirements they should consider in becoming a supplier: <https://www.gov.uk/find-tender>

 <https://www.gov.uk/find-tender>

Start now >

LACA, The School Food People

LACA have approximately 1000 members drawn from across the school food sector, representing public sector and private contract caterers, suppliers to schools academies and MATs across the UK. Opportunities can be viewed here: <https://laca.co.uk/frameworks>

National Association of Care Catering (NACC)

The National Association of Care Catering (NACC) is a member-based network that supports organisations associated with catering in the UK care sector. They run events, training and have a newsletter listing opportunities in the care sector: <https://www.thenacc.co.uk/contact-us>

NHS Supply Chain

65% of suppliers to the NHS Supply Chain are SMEs. For information on how to become a supplier, as well as a calendar of upcoming events, new procurement opportunities and a monthly newsletter: <https://www.supplychain.nhs.uk/suppliers/useful-information/>

The NHS Supply Chain has a specialist food team who support trusts and suppliers. If you are interested in supplying to the NHS, you should email the Supplier Relationship Management team: suppliers@supplychain.nhs.uk

The **Hospital Caterers Association** provides guidance on how to supply the NHS, contact details and an opportunity to be listed in the Hospital Caterers Association Local Procurement Buyer's Guide: <http://www.hospitalcaterers.org/buyers-guide/local-procurement/>

Soil Association

Provides a list of businesses throughout the supply chain that meet the Soil Association's Food for Life Served Here standards, including wholesalers and procurement companies:

<https://www.soilassociation.org/findasupplier>

Soil Association also provides guidance for supplying the public sector:

<https://www.soilassociation.org/media/19061/selling-into-foodservice-a-how-to-guide-from-soil-association-certification.pdf>

The University Caterers Organisation (TUCO)

TUCO is a professional membership body for in-house caterers operating in the higher, further education and public sector. Their website provides information about how to supply TUCO and access its online tender system:

<https://www.tuco.ac.uk/procurement/become-supplier>

For commodities that TUCO cover, see their frameworks page:

<https://www.tuco.ac.uk/procurement/frameworks>

YPO

YPO supplies to a range of public sector customers including schools and local authorities; suppliers can register on their online portal to view opportunities:

<https://www.ypo.co.uk/suppliers/useful-links>

YPO also provide resources about writing a bid, including webinars and a toolkit:

<https://www.ypo.co.uk/the-bid-toolkit>

Further guidance

The **Government Commercial Function** provide a guide for SMEs about selling to the public sector:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1036117/SME-Selling-to-Government-Guide.pdf

Public Sector Catering offer a daily newsletter about public sector opportunities, news and trends: <https://www.publicsectorcatering.co.uk/register-receive-public-sector-catering-daily-newsletters>

Regional food groups, local councils and business support organisations can also provide guidance and training.