

# Fair Trade Purchasing Guide

## *For College and University Food Service Purchasers*



Prepared for Fair Trade Campaigns  
By Responsible Purchasing Network  
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## How to use this Guide:

**Thank you** for picking up the *Fair Trade Purchasing Guide for College and University Food Service Purchasers*. This Guide is here to give you certification information, sample contract language, and other quick tools that will make fair trade purchasing a snap. The Guide is organized to be a fast read – the first two pages, in boxes, should give you all the basics you’ll need. If you want more information about a certain subject you find there, just click the link to jump further down in the document.

Also, feel free to get in touch with Responsible Purchasing Network ([www.responsiblepurchasing.org](http://www.responsiblepurchasing.org)) or Fair Trade Campaigns ([www.fairtradeuniversities.org](http://www.fairtradeuniversities.org)) to find any more resources you need.

Thanks for your interest in **fair trade purchasing!**



*Fair Trade Campaigns houses the Fair Trade Colleges & Universities Campaign, which can help your campus achieve fair trade status. Find the Campaign at [www.FairTradeUniversities.org](http://www.FairTradeUniversities.org).*



*This Guide was developed by the Responsible Purchasing Network on behalf of Fair Trade Campaigns, July 2013. Find more purchasing guides at [www.ResponsiblePurchasing.org](http://www.ResponsiblePurchasing.org).*

## FAIR TRADE PURCHASING GUIDE FOR COLLEGES AND UNIVERSITIES

### HIGHLIGHTS

- “Fair trade” represents an innovative, market-based strategy that works to ensure fair labor practices and environmental sustainability in commodity and craft production abroad.
- Fair trade products, available through many vendors of office supplies, food and food services, are often easily identified by their certification labels.

### WHY BUY FAIR TRADE? (Page 5)

- The principles of fair trade include guarantees of fair wages, safe working conditions, sustainable soil and water use practices, and funds for community development.
- Fair trade production prohibits child labor, forced labor, and many harmful pesticides.
- Purchasing fair trade products helps a college or university fulfill its commitment to sustainability, fair wages, and promotion of the public good.

### BEFORE BIDDING... (Page 5)

#### What Products are Needed?

- Food service operations often need **coffee, tea, sugar, and cocoa** (hereafter, “covered goods,”), which are available in fair trade-certified varieties. Bananas, rice, and other goods are also encouraged.
- Covered goods can be found on food, food service, and/or office supply contracts.
- Looking at what is already being purchased is essential – fair trade products can be found to meet most purchasing needs, as well as packaging types such as coffee “pillow packs” or k-cups.
- Although fair trade commodity products function just like conventional products, users may want to taste-test coffees, teas and hot chocolate mixes, or experiment with cocoa when it is used in recipes.

#### What Products are Available?

- Fair trade coffee is available from large food service and office supply vendors such as Aramark, Sysco, Office Depot, and Staples, as well as grocery stores, small vendors and specialty markets.
- Fair trade teas, hot cocoa and sugars are sometimes not listed as widely as coffee, but are available by request.

#### Use Existing Contracts

- Work with your current vendor to add fair trade goods to their offering, if possible.
- Make things easy by looking for fair trade products on existing food, food service, and breakroom/office supply contracts on the campus, or outside contracts that the campus can utilize, such as state government price agreements.

### FAIR TRADE CERTIFICATIONS AND STANDARDS (Page 8)

- “Certified fair trade” designates any product that maintains a fair trade certification from, and adheres to the standards of, Fair Trade USA, Fair For Life, or Fairtrade America. These labels can be found on coffee, tea, sugar and cocoa products.
- Fair Trade artisan products are those made by producers that are members of Fair Trade Federation, or certified by Fair for Life.
- Fair trade certifiers verify that the production of goods bearing their certification logo meets their social and environmental standards, complies with domestic labor laws in the countries where certified goods are produced, and is consistent with International Labor Organization’s (ILO’s) Declaration on Fundamental Principles and Rights at Work.

*For more, see: Appendix A – Domestic and International Labor Standards*

**BID SPECIFICATIONS (Page 10)****Minimum Requirements (Specifications)**

- All coffee, tea, sugar or cocoa products shall be purchased with a fair trade certification from Fair Trade USA, Fair for Life, or Fairtrade America.
- These requirements apply to all purchases of coffee, tea, sugar and cocoa through use of commodity and service contracts where food or other covered products are supplied, including employees' purchase cards (p-cards).

**Tips for Going Out to Bid for Fair Trade Products**

- Develop a fair trade bid list: swap out conventional coffee, tea, sugar and cocoa on a bid or market basket list to get the best prices.
- Make fair trade certification a requirement for these products to gain volume discounts.
- Use a point system or price preference to reward vendors with the best variety of fair trade goods.

**ONCE THE BIDS ARE IN... (Page 15)****Best Ways To Award**

Allowing multiple awards (or a separate award for fair trade products) will promote competition and low prices for fair trade goods. For food service contracts, be sure to allow fair trade products to be purchased from a new provider (an "opportunity buy") if they cannot be found from a current one.

**Verifying Compliance**

- To verify compliance, check certifiers' websites to find compliant brand names listed.

**VENDOR EVALUATION (Page 15)**

- A bid evaluation process that includes a "Point Weighting System" for sustainability or other benefits can give points to vendors that 1) offer the widest variety of fair trade products, 2) include fair trade labeling in their ordering system, 3) can provide a "Fair Trade Spend" Report, 4) use sustainable packaging, etc.

**INTEGRATING FAIR TRADE WITH OTHER SUSTAINABLE FOOD PURCHASING (Page 16)**

- Consider adding specifications or awarding points for local, organic, and/or healthy food alongside fair trade certification requirements.
- If working with end-users to purchase local or healthy foods, educate them about fair trade certifications.
- Connect fair trade and sustainability advocates or committees to make sure requests are integrated.

**MAXIMIZE FAIR TRADE IMPACT (Page 17)**

- Track purchases of fair trade goods and conventional goods to check compliance over time.
- Set goals for expanding fair trade purchasing to new products, such as bananas.
- If evidence of non-compliance with fair trade certifier standards, ILO standards, or domestic labor laws is reported, request additional information from vendors.
- Seek appointment of a Fair Trade Purchasing Advisor to an existing committee or advisory group, such as a Sustainability Committee. If there is no group yet, establish a Fair Trade Purchasing Advisory Committee to provide information and support to purchasers.

**WHAT'S ON THE HORIZON? (Page 18)**

Keep abreast of product developments, and consider promoting the purchase of domestic goods produced with fair labor and sustainability practices.

## Why Buy Fair Trade?

### The Problem

Globalization of the world economy has allowed many communities to take advantage of new market opportunities. However, over 1 billion people, most of them farmers, continue to live in extreme poverty according to the United States Agency for International Development (USAID), which many attribute to inequalities and barriers to access within international trading systems. Meanwhile, a ‘race to the bottom’ in the pursuit of cheaper labor, lower environmental standards and lax law enforcement has led to the exploitation of workers, farmers and artisans producing the goods consumed in developed nations. Colleges and universities are increasingly aware of choices they can make to ensure that the money they spend is aligned with their stated mission, and that items purchased are produced under fair, sustainable conditions. As a result, they seek ways to forge fair trading relationships.

### The Fair Trade Solution

“Fair trade” is an innovative, market-based strategy that works to ensure fair labor practices and environmental sustainability in commodity and craft production. This is achieved through trading partnerships that seek greater equity and transparency along the supply chain, just compensation to producers, competitive pricing, and production approaches that are in line with goals of sustainability and fairness. Fair Trade organizations and certifiers are engaged actively in supporting producers of fair trade commodities and goods, backed by market support from those buying fair trade goods.

## Before Bidding...

### What Products are Needed?

This Guide focuses on goods that are widely available in fair trade varieties, price competitive, and typically purchased by colleges and universities: **coffee, tea, cocoa and sugar**. Many fair trade purchasing policies focus on these products, so we refer to them as “Covered Goods.” However, purchasers, policy-makers and advocates are encouraged to expand their policy and purchasing practices over time.

To determine which coffee, tea, cocoa and sugar products are needed by your end-users:

- 1) Look at existing contracts for food service operations (e.g., concessions, vending machines, catering, etc.) and food products (e.g., groceries, office breakroom supplies, etc.);
- 2) Identify high-volume items; and
- 3) Identify the packaging types that already meet the needs of users, such as coffee “k-cups,” bulk sugar, hot cocoa packets, etc.

It’s important to consider all ways that the institution might be purchasing these products. Dining halls, cafes, on-campus restaurants, sports venues, satellite campuses, offices, catering, and vending machines all can serve coffee, tea, sugar packets and hot chocolate, and use sugar and chocolate as ingredients. Typically, food service contracts will cover the purchase of these products, so bid solicitation documents and contracts for food services should reflect fair trade procurement goals.

Although fair trade products function just like conventional products, users may want to taste-test coffees, teas and hot chocolate mixes, or experiment with cocoa when it is used in recipes. Involving end-users is a great way to build buy-in, promote understanding of fair trade and of the institution’s leadership, and contribute to maximum implementation of a fair trade purchasing policy.

## What Fair Trade Products are Available?

The following goods are available in fair trade varieties:

Artisan Goods	Flowers	Produce
Beans, Grains, Nuts, Oilseeds	Honey	Sports Balls
Body Care Products	Herbs & Spices	Sugar
Cocoa and Chocolate	Linens & Apparel	Tea
Coffee	Packaged Foods	Wine & Spirits

As mentioned above, **coffee, tea, cocoa and sugar** are great commodities to begin with when implementing fair trade purchasing because they are commonly purchased in significant quantity by colleges and universities and certified products are widely available.

## Which Coffee, Tea, Cocoa and Sugar Products are Available?

Coffee, tea, cocoa and sugar are easy to buy in fair trade varieties because many of the products purchased by educational institutions are widely available with fair trade certifications. For example, coffee “k-cups” are available in fair trade varieties.

The recommended items listed below reflect the most widely available products currently on the market, and should be included in a fair trade purchasing policy or program. Nevertheless, not all varieties of the conventional products listed above can be easily replaced with fair trade alternatives. For example, although chocolate is recommended, chocolate bars with nougat may not be widely available with a fair trade label.

<i>Commodity</i>	<b>Recommend including...</b>	<b>Recommend phasing in, providing as an option, or including in a featured “fair trade” product...</b>
<i>Coffee</i>	Caffeinated and decaf coffee and espresso, purchased packaged or brewed to serve hot or iced	Coffee drinks sold in vending machines or bottled
<i>Tea</i>	Caffeinated and decaf tea, loose, in teabags, or brewed hot or iced	Tea sold in vending machines or bottled
<i>Sugar</i>	Granular, raw cane, brown, or powdered sugar sold, provided or served in bulk or individual packets as a sweetener	Sugar purchased to use as an ingredient (recommended for a featured “fair trade cookie” or pastry)
<i>Cocoa/chocolate</i>	Hot or cold beverage chocolate in bulk or packets	Baking chocolate and chocolate bars should be treated separately (bars are recommended as an option)



In rare cases, modifications to bid specifications may be necessary if fair trade products don't match the conventional varieties that have been purchased. For example, if freeze-dried fair trade coffee were not available in the size used in the past, a small change to the technical specifications would allow for compliance. Changes such as this should be discussed with end-users to make sure they can be incorporated into their food service operations.

Educational institutions can use these guidelines to determine which products should be included in their fair trade purchasing efforts, and which might be considered for phase-in in the future or as a current option for purchasers alongside conventional varieties. For example, a bottled-drink vending machine could offer both fair trade and conventional cold tea products.

## Look for Fair Trade Products on Existing Contracts

Though your institution may be new to fair trade purchasing, it's likely that you hold at least one contract with a vendor or service provider that already offers fair trade products. Here are some strategies for finding fair trade certified products on existing contracts:

- 1) **Work with current providers** to determine if any of your contracts offer fair trade certified items. Many widely used food service providers such as Aramark, Bon Appetit, and Sodexo welcome fair trade purchasing, and are providing it on campuses around the country. For example, Sodexo has an entire fair trade coffee line called Aspretto. Working with your current food service provider is often the easiest and fastest way to shift purchasing at your institution.
- 2) **Look beyond food contracts.** The four "covered" fair trade food products all fall under the category of "breakroom supplies," and have long shelf lives. As a result, these products are often offered by office supply companies such as Staples and Office Depot. Fair trade coffee is available from most major suppliers, and tea and other products may be offered. If you have a blanket purchase order relationship with these providers, fair trade products may well be available through your purchase order system. These contracts can provide a "backup" method for purchasing fair trade products if your current food commodity or service providers can't supply them right away. They can also be useful when converting office coffee machines to fair trade.
- 3) **Consider cooperative purchasing agreements to purchase fair trade items.** Cooperative Purchasing Agreements are contracts developed by a single purchaser, such as a university or college consortium, that are made available to members or other institutional buyers to save time and money. If you're purchasing food products directly (rather than purchasing food services), there may be ways to purchase fair trade items from others' contracts. These contracts typically have a wide variety of products, and prices negotiated low due to volume. Some are negotiated by your state government, and may have language that allows institutions of higher education in the state to purchase at those same terms.

## Fair Trade Certifications and Standards

The following fair trade organizations work to ensure that supply chains of US companies are equitable, sustainable, and transparent through third-party auditing, certification or organizational screening. A fair trade claim cannot be effectively monitored by the company itself, but rather through a third-party certification system, or by membership in a body that conducts audits and/or organizational screening.

### Fair Trade USA



[www.fairtradeusa.org](http://www.fairtradeusa.org)

Fair Trade USA is a widely available third-party certifier of Fair Trade products in the United States. Fair Trade USA enables sustainable development and community empowerment by cultivating a more equitable global trade model that benefits farmers, workers, consumers, industry and the earth. They audit transactions between US companies offering Fair Trade Certified™ products and the international suppliers from whom they source in order to guarantee that the farmers and farmer workers behind Fair Trade Certified goods are paid a fair, above-market price. In addition, annual inspections are conducted on the farms to ensure that strict socioeconomic development criteria are being met using increased fair trade revenues.

### Fair for Life



[www.fairforlife.net](http://www.fairforlife.net)

"Fair for Life" is a brand neutral third-party certification program for social accountability in agricultural, manufacturing and trading operations. The Fair for Life certification was developed by the Swiss BioFoundation and Institute for Marketecology (IMO). It was developed as a complementary approach to the existing fair trade certification systems. The Fair for Life Social and Fair Trade Program is based on Fairtrade International (FLO) standards and ISEAL recommendations for social standard-setting. The certification combines strict social and fair trade standards with adaptability to local conditions. Under the program, operators must take care to protect the environment at and around their production or processing sites.

### Fairtrade America



[www.fairtrade.net](http://www.fairtrade.net)

Fairtrade America is the US arm of the global Fairtrade umbrella organization Fairtrade International (FLO). Fairtrade America licenses the Fairtrade Mark, the world's most recognized ethical label found on over 27,000 products in 120 countries. The Fairtrade Mark is backed by global standards developed through consultation with producers and their trade partners and audited by a rigorous certification system from farm to shelf. More than 1.2 million farmers and workers around the world participate. Fairtrade farmers and workers are represented at the highest levels of decision-making, including Fairtrade International's Board of Directors, General Assembly, and Standards Committee.

### Fair Trade Federation



The Fair Trade Federation is the trade association that strengthens and promotes North American organizations fully committed to fair trade. Members are rigorously evaluated for their commitment to Fair Trade Federation's Nine Principles – companies that have Fair Trade at the heart of what they do. The Federation is part of the global fair trade movement, building equitable and sustainable trading partnerships and creating opportunities to alleviate poverty.

[www.fairtradefederation.org](http://www.fairtradefederation.org)



Fair trade organizations are structured differently, and can serve somewhat different functions in the marketplace. To help you figure out which fair trade labels apply to your purchases, here's a table that shows the types of products each label covers:

	<b><i>Certifies and labels...</i></b>		
	<i>Commodity products (e.g. sugar)</i>	<i>Products with multiple ingredients (e.g., ice cream)</i>	<i>Businesses that make products (e.g., coop that weaves baskets)</i>
<b>Fairtrade America</b>	X	X	
<b>Fair for Life</b>	X	X	X
<b>Fair Trade USA</b>	X	X	
<b>Fair Trade Federation</b>			Provides membership (does not "certify")

### ***A word on Artisan and Craft Goods...***

In the case of **artisan and craft goods**, a "fair trade" designation can be given to the product, OR, in most cases, to the organization that produces it. Artisan groups or retail stores can gain membership to the Fair Trade Federation, which ensures that the products made or sold by them are fairly traded. Fair for Life certifies either a craft product or the business producing it. Therefore, unlike coffee and other commodity products, artisan goods may or may not carry a label or certification seal. Purchasers can look for Fair Trade Federation membership or Fair for Life certification to find a fair trade product. Buyers are encouraged to choose fair trade artisan goods for the campus bookstore, or when purchasing gift baskets, decorative office items, etc.

A robust fair trade purchasing program includes not only fair trade commodities such as coffee and sugar, but also craft goods made by fair trade cooperatives. The biggest buyers of these goods are likely to be different than the primary buyers of food items, but they can have a unique role to play in fulfilling the campus' commitment to fair trade, and making an impact with dollars already being spent. Items such as stationary, household items, accessories and gifts are popular in campus bookstores, and are all available in fair trade varieties. Advocacy groups or local fair trade stores are good sources of information about available artisan goods, such as kitchen and decorative items, and how they might be purchased.

### ***What Fair Trade Labels Mean***

Through third-party verification or screenings, these organizations take a close look at three areas of the supply chain: producers, importers and exporters, and brand holders. The value of looking at each area of the supply chain is listed below:

#### **Producers**

- Are given a more equitable position in negotiating contracts,
- Are paid fair wages in the local context,
- Utilize production methods that promote soil and water conservation methods, waste management and integrated pest management,
- Avoid use of genetically-modified seed varieties and toxic chemicals,
- Use cooperative ownership or worker organizations to establish and enforce health and safety standards for working conditions, and

- Have access to healthcare.

### Importers/Exporters

- Report the purchasing and selling of Fair Trade goods,
- Pay producer organizations fair prices for goods (these prices are negotiated by buyer and seller and monitored by certifier and screening organizations), and
- Use fair trade seals to identify products to brand holders.

### Brand Holders

- Report product composition,
- Submit supplier information to allow for produce traceability, and
- Use fair trade seals to identify products to consumers.

In addition, fair trade organizations also verify that the production of goods bearing their seal meets the International Labor Organization's (ILO's) *Declaration on Fundamental Principles and Rights at Work*.

Due to differences in the production and processing of fair trade goods (for example, coffee versus quinoa production) and differing approaches, these fair trade labeling organizations have developed unique ways to ensure rigorous social, economic and environmental principles are upheld. Looking at their standards and principles online is recommended. The next page describes the major fair trade organizations, which help purchasers find fair trade products easily.

## Bid Specifications

*This section primarily applies to fair trade-certified commodity products such as coffee, tea, sugar and cocoa. For guidance on artisan and craft goods, see above.*

An important first step for purchasers is to investigate if existing or cooperative purchasing opportunities are available (see [above](#)), or if any other institutions have prepared bid specifications that can be used as a model. For example, the City and County of San Francisco has included a fair trade preference in its requests for concession proposals (see below, or click [here](#)). Fair Trade Campaigns (<http://fairtradeuniversities.org/colleges>) will be able to help you find additional colleges and universities that have passed policies and may have sample contracts available.

### Adding Fair Trade Products to Bid Solicitations

A college or university designing its own bid solicitation will need to determine how best to incorporate fair trade specifications (i.e., mandatory requirements) and/or preferences for specific products into its bid solicitation documents. Below are some options.

#### *Specifying the Recommended Fair Trade Certifications*

When purchasing coffee, tea, chocolate or sugar, Fair Trade USA, Fair for Life, and Fairtrade America can be considered equivalent certifications. Including all three certifiers in your bid specifications will increase the number of products that can meet your purchasing criteria, and preserve competition between certification bodies and vendors. A sample specification could read: *Black Tea, Bags, 24 per box, 6 boxes per case; certified by Fair Trade USA OR Fair for Life OR Fairtrade America only.*

### **Specifying Fair Trade Alongside Other Certifications**

In some cases, it may make sense to require products to have one of a few different sustainability certifications in order to meet the specification. For example, many food commodity contracts and food service contracts involve the purchase, directly or indirectly, of a long list of products. Not all products will have fair trade varieties. Your institution may be interested in sustainably raised beef or local apples, and these products may appear alongside fair trade-certified coffee or sugar in a contract for groceries or food services. The language below, which is adapted from a concessions bid solicitation, helps accommodate multiple criteria and certification schemes:

*“Sample Menu. Respondent must include sample menus detailing food provided. Sustainable food items must be included in the overall operation. Sustainable foods are those which, through their production, purchase, and consumption, enhance the health of the environment, producers and consumers. Sustainable foods carry one of the following certifications: USDA Certified Organic, Fair Trade USA Certified, Fair for Life Certified, Fairtrade America Certified, Protected Harvest Certified or Certified Humane.*

*Lessee shall provide an annual report on each anniversary date of this Lease outlining how they incorporated these sustainable food concepts into everyday operations of the food and beverage concession and how they informed customers and those employed by the Lessee regarding sustainable foods.*

Some campuses will already require a percentage of food to meet sustainability criteria. Many use food purchasing to reach sustainability goals laid out by organizations such as Real Food Challenge, Leadership in Energy & Environmental Design (LEED), or Sustainability Tracking, Assessment & Rating System (STARS, a tool developed by the Association for the Advancement of Sustainability in Higher Education, or AASHE). The good news is that fair trade certified products count toward food sustainability goals in all three of these standards, and are easy to identify, purchase and track.

### **Ways to Reference Fair Trade in Bid Specifications and Other Contracting Documents**

To get the best prices on fair trade products, you must communicate to vendors that you are serious about fair trade purchasing, and that these products will be purchased in volume. Bid specifications must also be clear about what qualifies as “fair trade.” Here are some suggestions for places to insert clear language about fair trade purchasing into contracting documents such as bid specifications and RFPs:

#### **Places the fair trade requirements could be written into the contracting document:**

- As a part of the minimum specifications (which are typically focused on health)
- In the vendor questionnaire, which can be used as the basis for awarding points in the bid evaluation
- In the bid sheet, where fair trade certified products would be offered as part of a bid or market basket list
- As a part of a “commitment to sustainability” section at the beginning of the solicitation, which notifies vendors of the institution’s desire to acquire certified fair trade products
- Next to other environmental requirements such as recycling (in food service contracts only)
- In an appendix with details about food to be purchased (in food service contracts only)
- In a section of the bid solicitation and/or Price Agreement that requires contractor compliance with all college policies, if there is a policy in place

#### **Additional places to reference fair trade in contracting documents:**

- In a section referring to the campus food service committee, a fair trade subcommittee could be referenced
- In a section about annual purchasing reports, a fair trade report could be referenced
- Food service contractors could be asked to submit a “fair trade purchasing plan” alongside other aspects of the proposal

The University of California, San Diego used several of these approaches in its contracting documents. Their language can be used as a model when crafting bid solicitations for your institution:

**Fair Trade University:** *In addition to the UC Presidential Policy on Sustainable Practices, UC San Diego, in 2009, made the decision to promote Social Responsibility by demonstrating a commitment to the principles of Fair Trade. This is achieved through exclusive offerings of selected Fair Trade Certified™ Products within campus dining halls and throughout the University. By making a commitment to promote Fair Trade Certified™ Products, UC San Diego supports livable wages, humane working conditions, and guarantees against the use of child labor. Through various programs, UC San Diego identifies and acknowledges campus venues who utilize and promote these products.*

All HDH food venues adhere to, the Fair Trade requirements listed below:

1. Exclusivity of Fair Trade Certified in the following product lines, if sold:
  - Coffees (brewed and bagged regular, decaf, and espresso)
  - Tea (brewed, bagged)
  - Sugar (retail pack, bulk, and packets)
2. Fair Trade Certified consumer options in the categories listed below, if sold:
  - Chocolate (candy and hot drinks)
  - Ice Cream
  - Grains (rice and quinoa, where sold)

**Supplier Commitment to Sustainability:** *In accordance with UC San Diego’s sustainability goals and consistent with UC system wide practices, each Proposer must address their commitment to sustainable practices, as applicable to their business operations and/or specific commodity, or service. This should be accomplished by outlining their practices and products, as they relate to recycled content, energy-efficiency, reduced packaging, products recycling/disposal, and Fair Trade Certified™ products, where applicable. A Supplier must include this information in their Technical Proposal (detailed in Section V and VI), as well as agreement to adhere to the UC San Diego Fair Trade policy, if applicable. Failure to do so ensures they will not succeed in obtaining a UC San Diego contract.*

(Note: “Fair Trade Certified™” refers to only one of the major certifiers. It is recommended to include all three by specifying “certified fair trade” goods.)

### Setting the Stage for Full Integration of Fair Trade Goods

Any institution developing a fair trade purchasing program should expect to integrate fair trade products into its contracts as completely as possible. This may mean starting with contracts that are easy to modify and easy for staff to adapt to, such as those in which the style of coffee or tea would not change. It may mean starting with a pilot project, with a detailed plan to expand it to the entire contract in the following year. It may mean securing a commitment from one or more food outlets, cafes, offices, facilities or dining halls to convert certain products and serve as a testing site and model for the rest of campus to convert later. It also may mean adding fair trade products to a contract that also offers conventional products, and then promoting the new products while working toward full conversion.

### Tracking Purchases of Fair Trade Products

It is important to document fair trade purchases by requiring vendors to identify the quantity or dollar amount of fair trade items they sold to your institution over a set amount of time. This can be submitted in an annual report, or presented through ongoing analytics, if available. Such tracking will be easiest if the vendor’s ordering system or internal purchasing mechanism includes a “tag”, logo, or other way to differentiate fair trade products. Working with your vendor to add such tags before purchasing on the contract begins will avoid the need to sift through records later on.

### Bid Strategies to Acquire Price-Competitive Fair Trade Products

**Fair trade products do not always cost more!** Some can even save money over previously contracted conventional products. At times, however, these products do cost more, either because the market is newer,

or because fair trade requires fairer compensation and more care to production techniques, which means a higher-value product.

Sometimes, purchasers will encounter high prices because vendors assume fair trade products will not be purchased in high quantities, and therefore will not earn high-volume discounts that are routinely applied to conventional items. Equally, vendors may charge a wildly higher price for goods they see as “specialty” purchases, if they think they will not be challenged by competition. There are many strategies to signal to vendors that your institution is serious about fair trade purchasing, and that you are committed to securing a competitive price for these goods. This section will share some useful strategies to promote competition for fair trade products, widening selection and lowering prices for buyers. The approaches can differ based on what is being purchased – food commodities versus food services, for example.

### ***Strategies to Use for Either Food Commodities or Food Services:***

- **Publicize your bid request widely.** The vendors with the widest selection of fair trade products (and/or the best prices) may be focused on consumer markets and may not be aware of your request for bids. One way to find distributors of these products is to contact certifiers, who can then pass information along to vendors of certified products. Other related strategies include issuing a request for information to help alert vendors to your interest in fair trade products and contacting vendors that supply fair trade products to other colleges or institutions in your region.
- Consider holding a **pre-bid meeting**, preferably early on in the contract development process. This will enable you to collect market availability and performance information from vendors in the region and give potential bidders time to become an approved vendor or set up an arrangement to subcontract with a vendor that already has a contract with the college or university. You may also want to hold a meeting immediately after the bid solicitation has been issued to make sure bidders understand your specifications and bid evaluation procedures.
- **Set up a point system** that rewards vendors that offer fair trade products. Vendors can be awarded extra points in the bid evaluation process based on the variety of their fair trade offering, their training and outreach programs, their tracking system, etc. This practice recognizes that fair trade products embody valuable social and environmental contributions that often are not calculated into the price of the product. Rewarding vendors that offer a wide variety of fair trade products can be incorporated into a best value analysis for the contract. This strategy works best with awards based on points earned, often used in RFPs (requests for proposals). For more information about how to evaluate vendor practices into the contract award process, see the [Vendor Evaluation](#) section below.
- Consider requiring vendors to provide an online ordering system that will automatically substitute fair trade options. This can help remove the guesswork for employees who place orders for food products and may not be aware of the fair trade products that are available on the contract. It also sends a strong signal for vendors that you are committed to purchasing fair trade products. It may be useful to do this across multiple contracts. For example, if a food service provider agrees to serve only fair trade coffee, it can alert its preferred coffee provider never to supply conventional coffee to that campus. Equally, if a campus has several self-operated cafes that all order through a centralized computer system, that system can list only fair trade teas as ordering options, to facilitate the switch without requiring a behavior change. By doing this, the campus is making it easier than not to purchase the fair trade products.

- **Offer a price preference for fair trade products.** This enables the fair trade option to be considered competitive as long as its price falls within a specified percentage of the lowest responsive conventional alternative's price. Purchasers sometimes worry that a price preference will simply increase the cost of the contract by the percentage allowed. But this is not generally the case, especially because the conventional product bid price will be unknown until after all the bids are in. Rather, a price preference can give enough room for fair trade products to qualify while their markets are still developing. As those markets mature, their cost is likely to trend even closer to their conventional competitors.

### *Strategies to Use When Purchasing Food Commodities (buying products and ingredients directly, usually for self-operated food service):*

- **Contract for fair trade products only on a separate contract, to secure higher price breaks.** Fair trade products are typically identical in function to conventional, and can be cost competitive. Therefore, the most effective strategy for securing competitive pricing may be to simply specify those products only. Seeing that the educational institution is committed to buying fair trade products, vendors will likely offer their best available price breaks.
- **Include fair trade items on your core or market basket list.** A contract with both fair trade and conventional products may place fair trade products at serious, unfair disadvantage if, for example, regular tea products win the biggest discounts because they appear on a “core” or “market basket” list of high-volume items on the contract. Adding fair trade products to the core list (and removing the equivalent non-fair trade options) is another way to demonstrate to vendors that buyers are serious about transitioning to fair trade products, which can result in additional discounts and price breaks. If core or market basket prices are used to evaluate the incoming bids, this will also help buyers select the vendor(s) with the best fair trade prices.
- **Allow for multiple awards.** Smaller vendors of fair trade items may have better prices on certified fair trade products, but not on other goods. If you can't contract separately for fair trade products, allowing for a specialized vendor to help fulfill the contract could ensure you get the best availability and prices on fair trade items.
- Once the award is (or awards are) made, **promote the use of fair trade products offered on your contracts.** When vendors offer multiple competing products, employees may choose the conventional option out of habit or without noticing. Employee education about the benefits of purchasing fair trade products will help purchasers and p-card users remember to choose fair trade goods, and will also bring awareness of the institution's commitment to fair trade.

### *Strategies to Use When Purchasing Food Services:*

- **Make fair trade certification a requirement for covered goods.** Requiring food services contractors to offer all coffee, tea, sugar and chocolate with a fair trade certification will direct them to order these products in bulk, thereby securing higher discounts from their suppliers. This strategy also levels the playing field among food service providers and encourages them to identify certified products in advance of securing the contract. Conversely, if fair trade purchasing is phased-in over time or only partially required, your campus may not benefit from volume-based discounts from the food service provider.



- **Assert your right to purchase fair trade goods, even if your vendor doesn't provide them.** An existing vendor with a major food service contract at your school may not be able (or willing) to supply one of the fair trade products required by your policy or contract due to restrictive relationships with their suppliers. To address this, design your contract language to preserve the right to use “opportunity buys” to purchase fair trade products from other suppliers if they are unavailable from your vendor. This will allow you to remain in compliance with your contract, and also may encourage the vendor to go the extra mile, to prevent the college buying “off contract.” To cover related problems, include the following language; “the University retains the right to add or remove a product from the contract if it has been misrepresented as fair trade, has been found out of compliance or loses its fair trade certification.”
- **Balance costs by finding savings that promote sustainability and health.** Many food service providers must balance their costs year to year so the price per meal is exactly the same. To this end, there are many ways to make other changes to promote healthy eating or sustainability that also help cut costs. Reducing food disposal costs by starting a food scrap composting program is one way. Introducing “trayless dining,” which usually results in diners bringing fewer dishes to their table, has proven to cut down on uneaten food, save money and help stem overeating habits.
- **Switch vendor markup type to promote consistency.** Many service agreements are structured on a cost-plus model, which allows the food service vendor to add a percentage markup on the price that it paid for each product it provides. This can amplify small price increases that may result from the switch to fair trade products. An alternative strategy that would not further penalize higher-priced fair trade products is to use a drayage fee, which is a fixed cost per case or carton of product. That way, if the price of a product such as a case of fair trade bananas fluctuates based on the market, the university would still pay the vendor the same amount to deliver it. This contracting approach may be significant change, so be sure to discuss it with all involved parties.
- To lower prices on an existing contract, **negotiate separately for a popular brand.** If a brand is already offered on campus through an existing contract, a purchaser can negotiate directly with that brand owner to raise their market share by allowing them to enter new venues or to become the exclusive purveyor of a product on campus in exchange for a lower per-unit price. This can be used for fair trade products, or for widely purchased products of any kind, in order to free up funds for purchasing changes.

## Once The Bids Are In...

### Best Ways To Award

To encourage the greatest selection of low-price, high-value fair trade goods, the best strategy is to allow for multiple awards, ideally based on line-item pricing. Because the list of products available with fair trade certifications is short, this method helps to promote responsive bids for all products. For more details, see the [previous section](#).

## Verifying Compliance

### *Verifying products' compliance during bid evaluation*

It is important to verify the fair trade certifications on each product that requires it. (In the case of artisan goods, it may be important to verify the fair trade status of the producer or vendor organization.) Certifications claimed by the vendor should be checked against listings by the certifying organization, each of which provides lists on their website (see [Fair Trade Certifications and Standards](#)).

### *Once the contract is awarded: continued compliance*

Certifiers' guarantees that the products bearing their label comply with their standards should be assumed. However, if evidence of non-compliance with fair trade certifier standards, domestic labor laws in the country of production, or International Labor Organization standards (see Appendix A) in the supply chain for Covered Goods is made public after the contract is awarded, the institution should take such concerns seriously. A representative of the purchasing office should substantiate the claim by establishing communication with the fair trade certifier, and contact any vendors supplying the Covered Goods in question, requesting any available information on the violation and steps toward remediation. If the college or university has an Advisory Committee for Sustainability, Fair Trade, or Sweatshop-Free Purchasing, that committee can assist with the response. If violations persist, the purchasing representative could notify vendors that products in question may be eliminated from future contracts, if the contract grants the university the authority to do so.

## Vendor Evaluation

Being able to purchase fair trade products is the main aim of these procurement changes. However, vendors of these products can facilitate fair trade purchasing by making it easy for purchasers to identify, buy, and track fair trade varieties. If your college or university issues a bid solicitation document that includes a vendor evaluation, such a process can be an important part of maximizing fair trade purchasing for the best result that is easiest on purchasers. By using a Vendor Evaluation Form, which is similar to a "Green Point Weighting System" that might be used to evaluate suppliers of other green products, you can compare vendors on a number of factors. You can give extra points to vendors for:

- Offering the widest variety of fair trade products
- Including clear labeling of fair trade products in their ordering system
- Allowing fair trade products to be automatically purchased in place of conventional goods
- Providing a "Fair Trade Spend Report" quarterly or annually
- Providing employee training on fair trade product identification, tracking and use
- Promoting the fair trade values of social and environmental responsibility in their business, such as having fair employment practices or using sustainable packaging, etc.

## Integrating Fair Trade with Other Socially and Environmentally Responsible Purchasing

Fair trade purchasing efforts exist alongside a long list of other worthwhile responsible purchasing initiatives, such as promoting ethical employment practices, resource conservation, toxics reduction, climate protection, product re-use and recycling, and others. If your college or university incorporates other sustainability goals and standards into your purchasing practices, they are likely compatible with fair trade. Here are some suggestions for how to best integrate fair trade with other responsible purchasing policies and practices.

- **Add fair trade boilerplate language into bid documents.** As shown in our Bid Specifications section, RFPs and other bid solicitation documents can have boilerplate language that allow for any one of many certifications to be used. As long as desired thresholds or percentages remain strong, fair trade can be added to the list of accepted sustainability labels. For example, an existing food commodity contract including coffee, tea, fruits, vegetables and dairy products might include a provision for 15% of the food to be locally produced. If the provision is changed to add in fair trade labels, a new threshold can be arrived at based on quantities purchased. The bid solicitation document might read, “25% of food items offered on this contract annually must be EITHER locally produced or certified fair trade.”
- **Integrate fair trade into related committees or commissions.** To help facilitate fair trade purchasing, identify and approach a relevant committee or advisory group within your institution. A sweatshop-free procurement committee or sustainability group is a natural forum for advancing fair trade purchasing. This group can appoint a “Fair Trade Purchasing Advisor,” to keep an eye on fair trade purchasing, and support implementation. If there is no existing group, a Fair Trade Purchasing Advisory Committee can be formed. To promote integration, the committee can become a forum for discussion of other environmentally and socially responsible purchasing initiatives.

## Maximize Fair Trade Impact

To maximize the impact of the institution’s fair trade purchasing practices, a few steps can go a long way.

- **Establish a Fair Trade Purchasing Advisor or Committee.** Advisors can help bring pertinent information to purchasers, ease implementation, and navigate setbacks or barriers. Suggestions such as those in this Guide can be made on an ongoing basis, to help ensure speedy, streamlined application of a fair trade policy or program. A Fair Trade Purchasing Advisor position can be added to an existing relevant committee, such as a Sustainability or Sweatshop-free purchasing committee. If no such group exists, a Fair Trade Purchasing Committee made up of students, faculty, staff and dining representatives should be established.
- **Track fair trade purchases** to help the college or university determine its fair trade impact, identify any areas for growth, and stay accountable to interested constituencies. It is also the only way to determine the real-world impact of this purchasing. For example, each pound of coffee purchased that is Fair Trade USA certified translates into a certain amount of community development premium earned by the coffee producing community. These premiums contribute to new schools being built, resources for local health clinics, and business development for coffee production. If a university tracks its fair trade purchases, it can have some idea of the real-world impact of its fair trade purchasing program and identify opportunities for improvement.
- **Setting goals for fair trade purchasing** can help speed implementation. It can also set a timeframe for considering expansion beyond the initial commodities to products such as fair trade bananas, which provide a whole new context and reach for world impact.
- **Request additional information from vendors** if evidence of non-compliance with fair trade certifier standards, ILO standards, or domestic labor laws is reported.

- **Identify purchases that can support fair trade artisans.** Gift baskets and office, kitchen or decorative items can be found in inexpensive fair trade versions. Items sold in a campus bookstore such as jewelry, dorm décor, and notebooks could directly benefit cooperatives around the world. Thinking creatively about how to integrate fair trade into the purchase of these items can have an important impact. Supporting fair trade artisans may fit into your university's disadvantaged business goals.
- **Stay current with your Fair Trade Purchasing Policy.** If your institution doesn't have a fair trade purchasing policy, pass one! If it does, make sure to update it every few years to keep up with purchasing trends and continue expanding your impact.

## What's on the Horizon?

Staying aware of new developments in fair trade products will help the college or university identify additional opportunities for impact and best meet its needs for a variety of products.

- **New sizes and containers for fair trade coffee and tea are likely to become available in the future.** Fair trade coffee is now available in k-cups and pillow packs in addition to bags of whole and ground beans. As coffee serving machines evolve, so will fair trade offerings.
- **Domestic fair trade: part of the food procurement landscape.** Initiatives such as the Agricultural Justice Project (the "[Food Justice Certified](#)" label) have been maturing over the last few years, and beginning to certify products sourced from North America. Including these initiatives and labels in your fair trade policy or program will make it even stronger.
- **New product categories all the time!** Each fair trade certifier is continually innovating, and introducing new products. Visit certifiers' sites for the most up-to-date offerings.