



# City of Richmond

## Report to Committee

**To:** General Purposes Committee **Date:** August 30, 2019  
**From:** Laurie Bachynski **File:** 08-4150-01/2019-Vol 01  
 Director, Corporate Business Service Solutions  
**Re:** **Proposed Richmond Food Recovery Network Program**

### Staff Recommendation

That the Chief Administrative Officer and General Manager of Finance and Corporate Services be authorized to enter into a partnering agreement with FoodMesh for the delivery of the proposed Richmond Food Recovery Network Program as outlined in the staff report from the Director, Corporate Business Service Solutions dated August 30, 2019 entitled "Proposed Richmond Food Recovery Network Program".

Laurie Bachynski  
 Director, Corporate Business Service Solutions  
 (604-276-4335)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Community Social Development	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Sustainability	<input checked="" type="checkbox"/>	
Environmental Programs	<input checked="" type="checkbox"/>	
Corporate Communications	<input checked="" type="checkbox"/>	
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

## Staff Report

### Origin

FoodMesh has submitted a proposal to the City of Richmond seeking one-time funding in the amount of \$25,000 to support the expansion of their Food Recovery Network into Richmond.

By supporting the expansion of the FoodMesh Food Recovery Network into Richmond, the City can be a leader in the development of a more sustainable local business community and agrifoods sector.

This initiative supports Council's Strategic Plan 2018-2022 Strategy #2 - A Sustainable and Environmentally Conscious City:

*Environmentally conscious decision-making that demonstrates leadership in implementing innovative, sustainable practices and supports the City's unique biodiversity and island ecology.*

*2.1. Continued leadership in addressing climate change and promoting circular economic principles.*

This initiative supports Council's Strategic Plan 2018-2022 Strategy #7 - A Supported Economic Sector:

*Facilitate diversified economic growth through innovative and sustainable policies, practices and partnerships.*

*7.1. Demonstrate leadership through strategic partnerships, collaborations and exploring innovative and emerging economic practices and technical advancements.*

The Food Recovery Network supports the Richmond Food Charter, endorsed by Council in 2016. The Charter outlines Richmond's values and commitments concerning the production, processing, distribution, consumption and disposal of food. FoodMesh's Program complements the Charter in all aspects, most notably as follows:

#### Economic Development

*Foster a culture that values and supports farmers and farm workers*

#### Responsible Government

*Collaborate with community groups, businesses & all levels of government to ensure a food secure future*

The FoodMesh Food Recovery Network also supports goals from the Metro Vancouver Regional Food Systems Action Plan. The Council-endorsed Action Plan specifically focuses on actions that local governments have committed to in the next three to five years, as well as suggested new actions to advance a sustainable and resilient regional food system. Examples of some of the goals the Food Recovery Network support are as follows:

Goal 4: Everyone has Access to Healthy, Culturally Diverse and Affordable Food

*4.1. Improve access to nutritious food among vulnerable groups*

*4.3. Enable non-profit organizations to recover nutritious food*

Goal 5: A Food System Consistent with Ecological Health

*5.2. Reduce waste in the food system*

*5.3. Facilitate adoption of environmentally sustainable practices*

## **Background**

The development of a Richmond Food Recovery Network has been proposed by FoodMesh, which is an incorporated, for-profit social enterprise<sup>1</sup>. Active in other communities across the province including the Fraser Valley and Kelowna, FoodMesh's Food Recovery Network is an online exchange platform for food manufacturers, processors and retailers to divert unsold food inventory to secondary markets and away from waste streams. Edible food is connected to the highest value end use which includes meals, food production inputs, feedstock and compost.

According to a recently released technical report on food waste<sup>2</sup>, 58% of all food produced in Canada is never consumed. Over half of that waste (32%) is avoidable, but is discarded because it is currently easier and cheaper to discard food than to redistribute it. Meanwhile the need for accessible food is evident as the Richmond Food Bank had 3,484 users who visited over 27,000 times in 2018 while more than 100,000 people in Canada access food banks monthly.

The introduction of a Food Recovery Network in Richmond would enable local food manufacturing, processing, and retail businesses to adopt circular economy practices and add value to what would otherwise be a waste stream in their operations. Food products that are surplus or off-spec (i.e. mislabelled or deviate from a specified recipe) would be sold to other businesses or donated to local charities and social groups. FoodMesh has developed an online business-to-business exchange portal that simplifies and digitizes the redistribution of this surplus food for companies and social groups.

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<sup>1</sup> Innovation, Science and Economic Development Canada defines a social enterprise as a revenue-generating organization whose objective is to have a social impact. It does not have a specific corporate form and can include non-profit organizations, registered charities and for-profit businesses.

<sup>2</sup> The Avoidable Crisis of Food Waste: Technical Report. <https://secondharvest.ca/wp-content/uploads/2019/01/Avoidable-Crisis-of-Food-Waste-Technical-Report-January-17-2019.pdf>

## Analysis

FoodMesh is successfully operating in communities across British Columbia through partnerships with municipalities, regional districts, major businesses and community organizations. Since launching in 2016, FoodMesh has diverted over 1,400,000 kg of edible food from landfills to higher value uses. The company has already established relationships with key stakeholders in Richmond including Save-On-Foods, PriceSmart, and the Richmond Food Bank. By providing one-time financial support for this initiative, the City would enable the expansion of the Food Recovery Program in Richmond through broad engagement with local food businesses and other key stakeholders. The anticipated outcomes for the Richmond Food Recovery Network over a one year period are as follows:

- Divert 225,000 kg of food from waste streams;
- Create 300,000 meals for charity;
- Generate \$1.25 million in savings to food brands and charities; and
- Provide 50,000 kg of feed to local hobby farmers.

### FoodMesh Proposal

FoodMesh proposes to expand its Food Recovery Network to Richmond for a one-time cost to the City of \$25,000. This funding would be used to educate and engage the private sector to join this online food exchange portal, with the goal of diverting 225,000 kg of food from waste streams to the highest end use. By supporting this initiative, the City would be encouraging sustainable growth of the agrifoods sector while encouraging the adoption of circular economy practices, as well as achieving additional environmental and social goals. The proposed partnering agreement terms are outlined in Attachment 1.

Aside from funding, the City's involvement in the development of the Richmond Food Recovery Network would be limited to communication support and strategic input from staff. Specifically, the City would provide the following:

- a) Communications support with a joint press release
- b) Digital and Social Marketing support via City channels for community engagement
- c) Provision of a staff member from the Economic Development Department to liaise with for City events, marketing and reporting
- d) Recommendations for potential businesses/charities/farmers to participate

It is anticipated that this program will be self-sustaining after one year and no additional financial resources will be sought from the City. Table 1 includes a summary of the deliverables to be completed by FoodMesh.

**Table 1: Summary of FoodMesh Program Deliverables**

<b>Communication Package</b>	<ul style="list-style-type: none"><li>• Press release x 1</li><li>• Webinars x 2</li><li>• Community events x 2</li><li>• Social media coverage (monthly)</li><li>• Blog post - spotlight a Richmond business</li><li>• Co-host project completion celebration (2020)</li><li>• Richmond Recovery Network website</li></ul>
<b>Network Development</b>	<ul style="list-style-type: none"><li>• Attract 30 Richmond food businesses, charities and farmers to agree to divert not dispose their surplus via the exchange platform.</li><li>• Train and provide ongoing technical support for users.</li><li>• Semi-dedicated account manager to ensure listings find a local home (charity or buyer)</li></ul>
<b>Network Results</b>	<ul style="list-style-type: none"><li>• 225,000 kg food diverted from waste streams</li><li>• 300,00 meals created</li><li>• \$1.25 million in savings to food brands and charities</li><li>• 50,000 KG to local hobby farmers (feed savings)</li><li>• Year-end sustainability report</li></ul>

Next Steps

Based on input from the Law and Purchasing departments, the next steps are as follows:

1. Publish a Notice of Intent to Contract

A Notice of Intent to Contract will be published on BC Bid for a duration of two weeks to provide notification that the City plans to enter into a partnering agreement with FoodMesh. This will provide the opportunity for any comparable companies to come forward with a similar proposal, though staff are not aware of any entities that could deliver the program as described.

2. Enter into a Partnering Agreement

The City would enter into a partnering agreement with FoodMesh for a one-year term in order for the company to deliver the Richmond Food Recovery Network Program on behalf of the City. Notice would be provided in accordance with Section 94 of the *Community Charter*. The key business terms that would form this agreement are found in Attachment 1.

### **Financial Impact**

A one-time cost to the City of \$25,000 is required to implement the Richmond Food Recovery Network Program. This will be jointly funded from operating budgets of the Economic Development, Sustainability, Community Social Development, and Environmental Programs departments.

### **Conclusion**

Staff are seeking approval to enter into a partnering agreement for a one-year term with FoodMesh in order to implement the Richmond Food Recovery Network Program. By supporting this initiative, the City would be encouraging sustainable growth of the agrifoods sector while encouraging the adoption of circular economy practices. This is a cross-departmental initiative that aligns with multiple City objectives around economic development, circular economy, food security and environmental and social sustainability.



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KF:jt

Att. 1: Partnering Agreement Key Business Terms

**FoodMesh/City Partnering Agreement Key Business Terms**

<b>Key Business Term</b>	<b>Details</b>
<b>1. Duration</b>	Term – the agreement is for a one (1) year term with a start date of November 15, 2019.
<b>2. FoodMesh's Role</b>	FoodMesh shall develop a supported virtual network for Richmond food businesses, charities, farmers and waste haulers to exchange, track and measure sustainability efforts for surplus/off spec food product.  This is limited to providing a technology platform and does not include transportation and other logistics.
<b>3. Communication Package</b>	FoodMesh shall provide to the City: <ul style="list-style-type: none"> <li>a) One (1) press release</li> <li>b) Two (2) webinars</li> <li>c) Two (2) community events</li> <li>d) Monthly social media coverage</li> <li>e) One (1) blog post highlighting a Richmond business</li> <li>f) Co-host project completion celebration</li> <li>g) Richmond Recovery Network website</li> </ul>
<b>4. Network Results</b>	In accordance with FoodMesh's pilot project proposal, all program targets shall be met: <ul style="list-style-type: none"> <li>a) Divert 225,000 KG of food from waste streams</li> <li>b) Create 300,000 meals</li> <li>c) Provide \$1.25 Million in savings to food brands and charities</li> <li>d) Provide 50,000 KG to local hobby farmers in feed savings</li> <li>e) Provide the City of Richmond with a year-end Sustainability Report</li> </ul>
<b>5. City Responsibilities</b>	<ul style="list-style-type: none"> <li>a) Communications support with a joint press release</li> <li>b) Digital and Social Marketing support via City channels for community engagement</li> <li>c) Provision of a staff member from the Economic Development Department to liaise with for City events, marketing and reporting</li> <li>d) Recommendations for potential businesses/charities/farmers to participate</li> </ul>
<b>6. Compensation</b>	The City of Richmond shall pay FoodMesh \$25,000 + applicable taxes as full payment and reimbursement for performing the services described herein the Partnering Agreement.