

Procurement Strategies

Dining and Organizational Services

SENIOR DINING ASSOCIATION
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Procurement Planning and the Procurement Plan: Why are they Important?

- Define your procurement requirements
- Identify all of the items you need to procure
- Create a sound financial justification for procuring them
- Involvement of Principals, COO, CFO
- Research, identify procurement platform competitors, selection
- Implementation timeline / Communication to organizational users and all vendor participants

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Vendor Partnerships

- Vendors are the most important success to your organization – they deliver what we sell, produce, represent. This includes food, supplies, marketing, uniforms, programing, office supplies, medical needs, maintenance, FF&E!
- Group Purchasing Organizations – GPO's
 - Are you benefiting from the depth of these organizations?
 - Contract Management Agreements – CMA's
 - Financial Incentives returned to organization
 - Participations in sponsored events – Culinary Programs, FFE / Maintenance, Medical
- Managed Order Guides – MOG and Formularies
 - Create an MOG or FRM to manage purchases
 - Target GPO CMA's for most effective contractual pricing and incentive return
 - Through Procurement Platform with select vendors implement MOG's and FRM

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Implementing Procurement Platform

- Ownership of Implementation
- Commonwealth Senior Living VP P&D / Procurement Partners – Project Leader
- Vendor Partners – National Leaders
- Timeline set – Q2 Test communities / Q3 Test Region / Q4 Organizational Completed – Q1 of new year operational
- Financial justifications

Utilizing Technologies

- Training of all disciplines to understand and effectively use the portal
- Manage to budget and census needs
- Vendor management with Price Discrepancy reporting
- Continuous product enhancements using proven technology (not funding experiments)

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Weekly Price Discrepancy Report

As of 02/09/2018

Pricing Difference

Vendor	Invoice Date	Invoice Total	Order Date	Location	Item Desc	Invoice	Invoice Price Per	DB Price Per Unit	DB Price Effective	Processing Note
S&D Coffee and Tea	02/05/2018	\$256.3100	02/05/2018	Williamsburg (5HC)	TEA HOT S&D DCF 5/100CT	1	\$38.6400	\$18.2000	01/09/2018	Guaranteed Price: 18.2000 Invoice Price: 3.64
HD Supply	02/05/2018	\$58.2800	01/30/2018	Georgian Manor (3GM)	Fabuloso Professional All Purpose Cleaner/Degreaser, 1 Gallon, Case of 4	1	\$105.9900	\$64.9500	01/24/2018	Guaranteed Price: 64.9500 Invoice Price: 54.99
Medline Industries, Inc.	02/06/2018	\$320.9200	02/05/2018	The West End (5WE)	GLOVE,EXAM,NITRILE,MG ES, 300, M	1	\$181.9900	\$103.7600	12/15/2017	Guaranteed Price: 103.7600 Invoice Price: 181.99
Medline Industries, Inc.	02/06/2018	\$331.4900	02/01/2018	Gloucester House (2GH)	GLOVE,EXAM,NITRILE,MG ES, 300, M	1	\$181.9900	\$103.7600	12/15/2017	Guaranteed Price: 103.7600 Invoice Price: 181.99
HD Supply	02/06/2018	\$69.1800	02/05/2018	Christiansburg (3WC)	Office Depot Plain Dividers With Tabs And Labels, 8-Tab, 5 Sets Each Of 5	2	\$48.8600	\$27.4900	12/08/2017	Guaranteed Price: 27.4900 Invoice Price: 28.86
State Cleaning Solution	02/06/2018	\$248.9700	02/06/2018	Hampton (3MH)	State Kontrol Apple Spice -Odor Remover	3	\$81.3700	\$57.5300	06/07/2017	Guaranteed Price: 57.5300 Invoice Price: 51.37
S&D Coffee and Tea	02/06/2018	\$57.8900	02/06/2018	Georgian Manor (3GM)	TEA HOT S&D DCF 5/100CT	1	\$31.6400	\$18.2000	01/09/2018	Guaranteed Price: 18.2000 Invoice Price: 3.64
Medline Industries, Inc.	02/07/2018	\$681.1000	02/01/2018	Hampton (3MH)	GLOVE,EXAM,NITRILE,MG ES, 300, M	2	\$181.9900	\$103.7600	12/15/2017	Guaranteed Price: 103.7600 Invoice Price: 181.99
Medline Industries, Inc.	02/07/2018	\$1,168.3100	02/05/2018	Kilmarnock (3MK)	UNDERWEAR,PROTECTIVE,ULTRA,XL,56-68	2	\$53.2500	\$40.7200	10/09/2017	Guaranteed Price: 40.7200 Invoice Price: 53.25
Medline Industries, Inc.	02/07/2018	\$1,168.3100	02/05/2018	Kilmarnock (3MK)	GLOVE,EXAM,NITRILE,MG ES, 300, M	2	\$181.9900	\$103.7600	12/15/2017	Guaranteed Price: 103.7600 Invoice Price: 181.99
Medline Industries, Inc.	02/07/2018	\$1,168.3100	02/05/2018	Kilmarnock (3MK)	GLOVE,EXAM,NITRILE,MG ES, 300, L	2	\$181.9900	\$103.7600	12/15/2017	Guaranteed Price: 103.7600 Invoice Price: 181.99
Medline Industries, Inc.	02/07/2018	\$1,168.3100	02/05/2018	Kilmarnock (3MK)	LANCET,SAFETY,28G,1.6MM,PUSH BUTTON	2	\$24.6200	\$22.7600	01/03/2018	Guaranteed Price: 22.7600 Invoice Price: 24.62
Medline Industries, Inc.	02/07/2018	\$1,168.3100	02/05/2018	Kilmarnock (3MK)	GOWN,ISO,POLY CTD,CLSDBCK,ELSTCF,BLUE,RG	1	\$53.0200	\$46.8900	06/07/2017	Guaranteed Price: 46.8900 Invoice Price: 53.02
S&D Coffee and Tea	02/07/2018	\$226.2000	02/07/2018	Kilmarnock (3MK)	TEAREVFOIL SWTGNGRPCH 6/20CT	6	\$55.1700	\$31.0200	01/09/2018	Guaranteed Price: 31.0200 Invoice Price: 5.17
S&D Coffee and Tea	02/07/2018	\$129.0200	02/07/2018	Abingdon (4CA)	COCOA NESTLE 6/50CT	1	\$9.7500	\$8.7500	08/08/2017	Guaranteed Price: 8.7500 Invoice Price: 9.75
State Cleaning Solution	02/07/2018	\$141.6700	02/07/2018	Georgian Manor (3GM)	Gentle Fresh Defense Foaming Hand Soap	4	\$54.0500	\$44.0400	06/07/2017	Guaranteed Price: 44.0400 Invoice Price: 40.05
Medline Industries, Inc.	02/08/2018	\$614.8900	02/01/2018	Hillsville (3WH)	LINER, CLEAR, 24X33, 15 GAL 8 MIC	6	\$25.0000	\$20.0500	01/03/2018	Guaranteed Price: 20.0500 Invoice Price: 25
Medline Industries, Inc.	02/08/2018	\$68.3300	02/06/2018	Williamsburg (5HC)	EQUOS BORDERED GAUZE, BULK,4"X4",STE	2	\$5.8800	\$4.7700	06/07/2017	Guaranteed Price: 4.7700 Invoice Price: 5.88
Medline Industries, Inc.	02/08/2018	\$68.3300	02/06/2018	Williamsburg (5HC)	UNDERWEAR,PROTECTIVE,CLASSIC,SM,20-28	1	\$52.7000	\$36.2500	01/03/2018	Guaranteed Price: 36.2500 Invoice Price: 52.7
Medline Industries, Inc.	02/08/2018	\$700.9800	01/31/2018	Abingdon (4CA)	GLOVE,EXAM,NITRILE,MG ES, 300, M	1	\$181.9900	\$103.7600	12/15/2017	Guaranteed Price: 103.7600 Invoice Price: 181.99
Medline Industries, Inc.	02/08/2018	\$700.9800	01/31/2018	Abingdon (4CA)	GLOVE,EXAM,NITRILE,MG ES, 250, XL	1	\$181.9900	\$99.7700	12/15/2017	Guaranteed Price: 99.7700 Invoice Price: 181.99
Medline Industries, Inc.	02/09/2018	\$882.4700	02/06/2018	CMC Norfolk (3MN)	HAND SANITIZER, GEL, SPECTRUM 70%, 8OZ	1	\$58.1500	\$19.0300	01/03/2018	Guaranteed Price: 29.0300 Invoice Price: 28.15
Medline Industries, Inc.	02/09/2018	\$882.4700	02/06/2018	CMC Norfolk (3MN)	GLOVE,EXAM,NITRILE,MG ES, 300, S	1	\$181.9900	\$103.7600	12/15/2017	Guaranteed Price: 103.7600 Invoice Price: 181.99
Medline Industries, Inc.	02/09/2018	\$882.4700	02/06/2018	CMC Norfolk (3MN)	GLOVE,EXAM,NITRILE,MG ES, 300, M	1	\$181.9900	\$103.7600	12/15/2017	Guaranteed Price: 103.7600 Invoice Price: 181.99
Medline Industries, Inc.	02/09/2018	\$882.4700	02/06/2018	CMC Norfolk (3MN)	GLOVE,EXAM,NITRILE,MG ES, 300, L	1	\$181.9900	\$103.7600	12/15/2017	Guaranteed Price: 103.7600 Invoice Price: 181.99
Medline Industries, Inc.	02/09/2018	\$882.4700	02/06/2018	CMC Norfolk (3MN)	GLOVE,EXAM,NITRILE,MG ES, 250, XL	1	\$181.9900	\$99.7700	12/15/2017	Guaranteed Price: 99.7700 Invoice Price: 181.99
Medline Industries, Inc.	02/09/2018	\$882.4700	02/06/2018	CMC Norfolk (3MN)	PAPER, TISSUE,FACE,STAND,FLAT,90SHT/30BX	1	\$21.0500	\$17.0200	01/03/2018	Guaranteed Price: 17.0200 Invoice Price: 21.05
Medline Industries, Inc.	02/09/2018	\$374.2600	02/05/2018	CMC Norfolk (3MN)	LINER, CLEAR, 24X24, 10 GAL 6 MIC	3	\$18.7600	\$14.2500	12/15/2017	Guaranteed Price: 14.2500 Invoice Price: 18.76
Medline Industries, Inc.	02/09/2018	\$432.4800	02/07/2018	CSL Cedar Bluff (4CB)	GLOVE,EXAM,NITRILE,MG ES, 300, M	1	\$181.9900	\$103.7600	12/15/2017	Guaranteed Price: 103.7600 Invoice Price: 181.99
Medline Industries, Inc.	02/09/2018	\$432.4800	02/07/2018	CSL Cedar Bluff (4CB)	WIPE,GERM,MICRO-KILL+ ALC,6X6.75,160CT	1	\$95.3000	\$91.2100	01/03/2018	Guaranteed Price: 91.2100 Invoice Price: 95.3

FUTURE

\$1,107.00 Overcharged per Contracts

Weekly Price Discrepancy Report

- As of 02/18/2019

Pricing Difference

Vendor	Invoice Date	Invoice Total	Order Num	Order Date	Location	Item Desc	Invoice	Invoice Price Per	DB Price Per Unit	DB Price Effective	Processing Note
State Cleaning Solution	02/12/2019	\$123.1600	CSL114995	02/11/2019	Christiansburg (3WC)	Pyxis Powerwash Detergent & Builder Blend	2	\$58.4800	\$58.4100	06/07/2017	Guaranteed Price: 58.4100 Invoice Price: 58.48
State Cleaning Solution	02/12/2019	\$84.3500	CSL115006	02/11/2019	Charlottesville (5CV)	Gentle Fresh Defense Foaming Hand Soap	2	\$40.0500	\$44.0400	06/20/2018	Guaranteed Price: 44.0400 Invoice Price: 40.05
State Cleaning Solution	02/12/2019	\$474.8600	CSL115023	02/11/2019	Williamsburg (5HC)	Lime Eliminator De-Limer	1	\$33.3300	\$37.3300	07/10/2018	Guaranteed Price: 37.3300 Invoice Price: 33.33
State Cleaning Solution	02/13/2019	\$448.9400	CSL115066	02/12/2019	South Boston (5SB)	State Kontrol Apple Spice -Odor Remover	1	\$51.3700	\$57.5300	06/07/2017	Guaranteed Price: 57.5300 Invoice Price: 51.37
State Cleaning Solution	02/13/2019	\$448.9400	CSL115066	02/12/2019	South Boston (5SB)	Pyxis Powerwash Detergent & Builder Blend	1	\$58.4800	\$58.4100	06/07/2017	Guaranteed Price: 58.4100 Invoice Price: 58.48
State Cleaning Solution	02/13/2019	\$448.9400	CSL115066	02/12/2019	South Boston (5SB)	Gentle Fresh Defense Foaming Hand Soap	3	\$40.0500	\$44.0400	06/20/2018	Guaranteed Price: 44.0400 Invoice Price: 40.05
T & N Print	02/18/2019	\$371.2600	CSL115343	02/18/2019	Abingdon (4CA)	Women's Short Sleeve Oxford	1	\$16.5000	\$19.7500	11/05/2018	Guaranteed Price: 19.7500 Invoice Price: 16.5000
T & N Print	02/18/2019	\$371.2600	CSL115343	02/18/2019	Abingdon (4CA)	Women's Short Sleeve Oxford	2	\$19.7500	\$21.2500	11/05/2018	Guaranteed Price: 21.2500 Invoice Price: 19.7500


Procurement Tracker Q2 2017

Procurement Tracker

Property List
CSL - All VA Only

Communities

All Communities



COMMONWEALTH
SENIOR LIVING
Welcome Home


Year Account	2015					2016					2017				
	Qtr...	Qtr...	Qtr...	Qtr...	Total	Qtr...	Qtr...	Qtr...	Qtr...	Total	Qtr...	Qtr...	Qtr...	Total	
DINING SUPPLIES	0.28	0.30	0.39	0.40	0.34	0.32	0.36	0.36	0.36	0.35	0.36	0.40	0.39	0.39	
FOOD	5.38	5.40	5.73	5.82	5.59	5.65	5.95	6.17	6.19	5.99	6.30	6.50	6.02	6.27	
HOUSEKEEPING SUPPLIES	0.77	0.66	0.68	0.72	0.70	0.65	0.72	0.67	0.69	0.68	0.74	0.76	0.75	0.75	
LAUNDRY & LINEN	1.25	1.01	1.12	1.11	1.12	1.06	1.13	1.16	1.21	1.14	1.22	1.30	1.25	1.26	
MEDICAL/NURSING SUPPLIES	0.35	0.43	0.31	0.54	0.41	0.37	0.43	0.42	0.41	0.41	0.40	0.38	0.37	0.38	
OFFICE SUPPLIES	0.35	0.40	0.38	0.49	0.41	0.39	0.38	0.36	0.60	0.44	0.42	0.44	0.32	0.39	
Total	8.39	8.20	8.60	9.06	8.58	8.44	8.97	9.15	9.46	9.01	9.44	9.77	9.10	9.44	

Year	Quart...	ADC
2015	Qtr 1	3,389...
	Qtr 2	3,630...
	Qtr 3	3,790...
	Qtr 4	3,977...
2016	Qtr 1	4,228...
	Qtr 2	4,290...
	Qtr 3	4,252...
	Qtr 4	4,430...
2017	Qtr 1	4,433...
	Qtr 2	4,472...
	Qtr 3	4,531...


Account	Q2 PRD	Q3 QRT Spend at Q2 PRD	Q3 Spend	Cost Savings
OFFICE SUPPLIES	0.44	61,138.44	44,057.04	-17,081.40
MEDICAL/NURSING SUPPL...	0.38	52,801.38	51,268.84	-1,532.54
LAUNDRY & LINEN	1.30	180,636.30	173,313.97	-7,322.33
HOUSEKEEPING SUPPLIES	0.76	105,602.76	104,653.44	-949.32
FOOD	6.50	903,181.50	835,947.44	-67,234.06
DINING SUPPLIES	0.40	55,580.40	54,860.41	-719.99
Total	9.77	1,357,551.27	1,264,101.14	-93,450.13

Date Range

1/1/2015 9/30/2017



Current Quarter Cost Savings



Report Notes

Per Resident Day Cost - Cost/Resident Days

Procurement Cost Savings Table and Chart - Current quarter resident days times 2nd quarter PRD cost versus current quarter spend.

Cost includes = Dining, Food, Housekeeping Supplies, Laundry & Linen, Medical/Nursing Supplies, Office Supplies.

Community List

- CSL - All VA Only
- CSL - New Store
- CSL - Same Store VA Only
- CSL & MCAP
- Fund II
- Fund III
- Fund IV-All
- Fund IV-VA
- Fund V-All
- Fund V-VA
- Region-Central
- Region-East
- Region-West


Procurement Tracker Q3 2017

Procurement Tracker

Property List
CSL - All VA Only

Communities

All Communities



COMMONWEALTH
SENIOR LIVING
Welcome Home

Per Resident Day Cost																
Year	2015			2016			2017			2018			Total			
	Qtr...	Qtr...	Total	Qtr...	Qtr...	Qtr...	Qtr...	Qtr...	Qtr...	Qtr...	Total	Qtr...	Qtr...	Total	Total	
Account																
DINING SUPPLIES	0.39	0.40	0.34	0.32	0.36	0.36	0.36	0.35	0.36	0.40	0.40	0.27	0.36	0.33	0.33	0.33
FOOD	5.73	5.82	5.59	5.65	5.95	6.17	6.19	5.99	6.30	6.50	6.02	5.85	6.16	5.97	6.16	6.07
HOUSEKEEPING SUPPLIES	0.68	0.72	0.70	0.65	0.72	0.67	0.69	0.68	0.74	0.76	0.75	0.71	0.74	0.73	0.71	0.72
LAUNDRY & LINEN	1.12	1.11	1.12	1.06	1.13	1.16	1.21	1.14	1.22	1.29	1.25	1.19	1.24	1.19	1.22	1.20
MEDICAL/NURSING SUPPLI...	0.31	0.54	0.41	0.37	0.43	0.42	0.41	0.41	0.40	0.38	0.37	0.41	0.39	0.40	0.36	0.38
OFFICE SUPPLIES	0.38	0.49	0.41	0.39	0.38	0.36	0.60	0.44	0.42	0.44	0.32	0.31	0.37	0.37	0.44	0.41
Total	8.60	9.06	8.58	8.44	8.97	9.15	9.46	9.01	9.44	9.77	9.11	8.74	9.26	8.99	9.22	9.11

Average Daily Census

Year	Quart...	'ADC'
2015	Qtr 1	3,389...
	Qtr 2	3,630...
	Qtr 3	3,790...
	Qtr 4	3,977...
2016	Qtr 1	4,228...
	Qtr 2	4,290...
	Qtr 3	4,252...
	Qtr 4	4,430...
2017	Qtr 1	4,433...
	Qtr 2	4,473...
	Qtr 3	4,526...
	Qtr 4	4,427...
2018	Qtr 1	4,323...
	Qtr 2	4,340...


Procurement Cost Savings

Account	Q2'17 P...	Q2'18 QRT Spend at Q2'17 PRD	Q2'18 Spend	Cost Savings
OFFICE SUPPLIES	0.44	57,936.12	58,395.66	459.54
MEDICAL/NURSING SUPPLI...	0.38	50,035.74	46,979.55	-3,056.19
LAUNDRY & LINEN	1.29	169,858.17	160,211.88	-9,646.29
HOUSEKEEPING SUPPLIES	0.76	100,071.48	93,073.58	-6,997.90
FOOD	6.50	855,874.50	811,499.89	-44,374.61
DINING SUPPLIES	0.40	52,669.20	43,983.09	-8,686.11
Total	9.77	1,286,445.21	1,214,143.65	-72,301.56

Date Range

1/1/2015 6/30/2018

Current Quarter Cost Savings (Based on Q2'17 PRD)



Report Notes

Per Resident Day Cost - Cost/Resident Days

Procurement Cost Savings Table and Chart - Current quarter resident days times 2nd quarter PRD cost verses current quarter spend.

Cost includes -
Dining Food, Housekeeping Supplies, Laundry & Linen, Medical/Nursing Supplies, Office Supplies.

Community List

- (Blank)
- CSL - All VA Only
- CSL - New Store
- CSL & MCAP
- Fund II
- Fund III
- Fund IV-All
- Fund IV-VA
- Fund V-All
- Fund V-VA
- Region-East
- Region-West

Community

- Select All
- CMC-CEDAR BLUFF
- CMC-NORFOLK
- CSL at Hampton
- CSL-ABINGDON
- CSL-CEDAR BLUFF
- CSL-CHARLOTTESVILLE
- CSL-CHESTERFIELD
- CSL-CHRISTIANSBURG
- CSL-CHURCHLAND HOUSE
- CSL-FARNHAM
- CSL-FRONT ROYAL
- CSL-GEORGIAN MANOR
- CSL-GLOUCESTER HOUSE
- CSL-HILLSVILLE
- CSL-KILMARNOCK
- CSL-KINGS GRANT HOUSE
- CSL-LEIGH HALL
- CSL-RADFORD
- CSL-SOUTH BOSTON
- CSL-STRATFORD HOUSE
- CSL-THE BALLENTINE
- CSL-THE WEST END
- CSL-Williamsburg
- Farnham Apartments
- Radford Apartments

Procurement Tracker Fiscal 2018

- CSL maintained PRD's for a 2 year period
- Total Cost Management savings \$**460,000**
- 2019 Budgets for all disciplines simplified

Procurement Tracker		Communities
Property List		All Communities
CSL - All VA Only		

Per Resident Day Cost						
Year	2018				Total	Total
Account	Qtr 1	Qtr 2	Qtr 3	Qtr 4		
DINING SUPPLIES	0.33	0.33	0.37	0.36	0.35	0.35
FOOD	5.94	6.16	6.00	6.29	6.10	6.10
GARBAGE & TRASH REMOVAL	0.39	0.38	0.32	0.26	0.34	0.34
HOUSEKEEPING SUPPLIES	0.73	0.71	0.79	0.83	0.76	0.76
LAUNDRY & LINEN	1.16	1.21	1.20	1.30	1.22	1.22
MEDICAL/NURSING SUPPLIES	0.40	0.36	0.41	0.41	0.39	0.39
OFFICE SUPPLIES	0.36	0.44	0.39	0.42	0.40	0.40
Total	9.30	9.59	9.47	9.87	9.57	9.57

Average Daily Census		
Year	Quarter	'ADC'
2018	Qtr 1	4,267.68
	Qtr 2	4,341.72
	Qtr 3	4,418.52
	Qtr 4	4,526.49

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Contract Incentives

- 2014 % 2015 % 2016 % 2017 % 2018 %
- Participating in GPO / Vendor incentives
 - \$11,081 \$28,688 +159% \$36,889 +28.5% \$54,993 +49.1% \$89,044 +49.0%
- CMA's
 - 2019 Projection
 - \$108,000 +17%
- MOG's / formularies
- Ask, question

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- CEO, COO, CFO, Operations
- Target top 85% spend categories

Organizational goals on procurement

- RFP
- Implementation
- Financial Measurements
- Vendor participation

Procurement Platform Selection



Continuous Improvement
Community
Corporate
Procurement Platform

Organizational operations
Community
Corporate



- Training
- New Technologies
- Vendor partners
- Financial measurements

- Training
- Timeline
- Financial ROI

Thank you

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