A Strategy Worth Its Salt: Group Purchasing to Supply Lower Sodium Foods & Reduce Food Costs

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PRESENTERS

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Healthier communities for all through better laws and policies.
Disclaimer

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GUEST SPEAKERS

RJ Harvey, RDN, LD, CEC
Corporate Executive Chef and Manager of Health & Wellness
Morrison Healthcare

Jason Angel
Program Manager
U.S. Communities Government Purchasing Alliance

AGENDA

- Sodium 101
- A Strategy Worth Its Salt
- Group Purchasing in Practice
- Q & A
Intake Levels

<table>
<thead>
<tr>
<th>Sodium in mg/day</th>
<th>USDA</th>
<th>USDA</th>
<th>WHO</th>
<th>AHA</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,300 mg General Adult population</td>
<td>2,000 mg An-risk groups</td>
<td>1,500 mg</td>
<td>1,500 mg</td>
<td>1,400 mg</td>
<td></td>
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</tbody>
</table>

**Recommendation #1: HEALTH RISKS**

- Increased blood pressure
- Heart disease
- Stroke
- Kidney disease
- Gastric cancer
- Among other health complications...

#2: ECONOMIC BURDENS

- Reduced productivity
- Employee absenteeism
- Disability
- High healthcare and clinical costs

Cost Concerns: Real or perceived?

Poll:
Have you used Groupon or LivingSocial to purchase a good or service?
A STRATEGY WORTH ITS SALT: Group Purchasing
Q: What does this have to do with sodium?

Poll: Has your organization / business used group purchasing for food?

1. Group Purchasing Organizations (GPOs)
2. Cooperative Purchasing Agreements
3. “Piggyback” Procurements
**Group Purchasing Organizations (GPOs)**

- Third-party organization
- Manage bidding process, negotiate, and award contracts
- Saves time and money!

**Cooperative Purchasing Agreements**

- 2+ entities collectively issue bid package
- Shared mission, intent, or goals
“Piggyback” Procurements

Extend pricing and terms of contract to other entities

Who stands to benefit?

Public Sector  (not including schools)

Schools

Institutions

Hospitals

Source: City of St. Petersburg
Example: Minnesota School Food Buying Group

9 out of 10 districts: Cooperative buying helped reduce food costs!
Hospitals

- Improved communication
- Greater efficiency
- Healthier products

Institutions (e.g., correctional; assisted living; child care)
Important Tip: Check your state laws!

Group Purchasing in Practice: Guest Speakers

RJ Harvey RD, LD, CEC
Corporate Executive Chef/Manager, Health & Wellness

be well
morrison healthcare
a strategy for sodium reduction
By the Numbers

200,000 associates in all 50 states, 10 provinces and two territories.

Our Specialties

Our Notable Clients
Today's Objectives

WHY?
Why should a healthcare foodservice organization support healthy eating initiatives, particularly related to sodium reduction?

HOW? WHAT?
How can a supportive procurement partner make a difference? What role do large food services companies play in supply chain?

Moving from...
SICK CARE
 to
HEALTH CARE

Healthy Food Is Good Business

Full Reimbursement

Readmission rates

Medicare
Wellness: What makes us different?

Mindful 8* Wellness Commitments

- Healthy Retail Menu
- Food Preparation
- Nutrition Labeling
- Healthy Food Marketing
- Healthy Registers
- Healthy Beverages
- Great Living™ Patient Menu
- Sustainability

The Salty Truth…

Sodium Facts, United States

- Average daily sodium intake age 2 and up: 3,490 mg
- Tolerable Upper Intake Level: 2,300 mg
- Adequate Intake Level: 1,500 mg
- How much daily sodium our bodies need: 180–500 mg

Decreasing sodium intake could prevent thousands of deaths annually.*

*Because nearly 400,000 deaths each year are attributed to high blood pressure.

Consumers Will Not Sacrifice Flavor for Nutrition!

- Create Tastes Memories
- Entice Consumers with Flavorful Options
- Incremental Change
- Utilize SIMPLE Culinary Techniques
What Does Wellness Look Like?

- Entice
- Excite
- Educate
- Promote
- Sell

How Do We Define Wellness in a Meal?

**Nutrient Profile**
- <600 Calories
- <10% Saturated Fat
- <720 mg Sodium

**Food Profile**
- 2 oz. lean meat, poultry, fish, or alt.
- ½ cup fruit
- ¾ cup non-fried vegetables
- 2 oz. whole grain

Global Flavors!
Play to your strengths...

Healthy Food is Good Business

2011

2012

Total sales

Total sales

$298.3K

$348.2K

17%

55%

Healthy offerings

The question is…

How can your purchasing partner help make a difference?

Key attributes?
Know Each Other’s “Playbook”

GPO Playbook

We exist to provide the best supply chain solutions in our industry.

We are optimistic, flexible, resourceful, and transparent.

We deliver custom supply chain and procurement solutions.

✔ Most cost competitive buyer in the industry.
✔ Providing solutions that are customized and transparent.
✔ Easy to do business with.

What’s most important right now?

Refine and implement changes to the Foodbuy business model.

To drive sustainable growth and improved performance for all stakeholders as we lead the industry.

Define customers’ strategic needs.

Create commercial terms that meet needs.

Maximize partner logistics and capabilities.

Deconstruct our current processes and systems in order to radically simplify.

Enable Member conversion model.

Food Philosophy

alive with flavor  authenticity healthy  local
Identify and Support Key Partnerships

Engage Business Partners/Manufacturers

Thank you!
"We support public agencies’ ability to deliver quality services by linking private sector expertise and a competitive marketplace for public benefit."

National Cooperative Purchasing Program
- No cost to use; no commitments or minimum order requirements
- Operates on the same principles as local and regional cooperatives
- National structure for public agencies to aggregate collective purchasing power – over 55,000 agencies registered
- Improves the overall effectiveness of the purchasing processes
- Nonprofit organization: partnership dedicated to establishing solutions to save time and money
- Dedicated team of field and administrative professionals to ensure supplier performance and public agency benefit
Why Use U.S. Communities?

**Savings**
- FEES are revealed or reduced to participants.
- An impartial third party audits and analyzes all contracts.
- Bidders commit not to participate in the process if the price is not favorable.

**Efficiency**
- Reduce time and resources for contract creation.
- Contract validation is performed and analyzed by the ASBO.
- Independent audits and contract issues:
  - oversights
  - compliance

**Value**
- Transparency to protect your fiscal, legal, and financial interests.
- Independent verifications and contract issues:
  - compliance
  - oversights

www.uscommunities.org

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Presence and Credibility

**State Sponsors:**
Over 90 State Sponsors Nationally

**Advisory Board**
Professional Oversight: Advisory Board of well-respected public procurement professionals to ensure responsible and ethical best practices

- Auburn University, AL
- City of Chicago, IL
- City and County of Denver, CO
- City of Houston, TX
- City of Kansas City, MO
- City of Los Angeles, CA
- City of Ocean City, NJ
- City of San Antonio, TX
- City of Seattle, WA
- Cobb County, GA
- Denver Public Schools, CO
- Emory University, GA
- Fairfax County, VA
- Fresno Unified School District, CA
- Great Valley School District, PA
- Harford County Public Schools, MD
- Hennepin County, MN
- Los Angeles County, CA
- Maricopa County, AZ
- Miami-Dade County, FL
- Nassau BOCES, NY
- North Carolina State University, NC
- Onondaga County, NY
- Port of Portland, OR
- Prince William County Schools, VA
- Salem-Kaplan School District, OR
- San Diego Unified School District, CA
- State of Iowa
- The School District of Collier County, FL

Advisory Board Program Purchased Over $168 Million in 2014

www.uscommunities.org
Eligible Agencies

- Cities
- Counties
- Special Districts
- K-12 (Public or Private)
- Universities and Colleges (Public or Private)
- Nonprofit Organizations
- State Agencies

Registration Growth

Accountability and Transparency

- Lead Public Agencies to ensure open and competitive solicitation process
- Supplier audits and verification to ensure pricing integrity and public agency benefit
- Strict contract compliance and supplier commitments to ensure public agencies interests are served
- Integrity of procurement standards
- Founded and owned by our distinguished sponsors
- Oversight from national advisory board of purchasing professionals
- Innovative resources: online shopping portal, educational webinars and trainings
Solicitation Process: Lead Public Agency Model

- Solicitations are run by a Lead Public Agency (LPA)
  - The RFP or ITB is issued by the LPA and posted online
  - National evaluation team - public procurement officials from 3 to 5 public agencies across the country
- Evaluation is performed and award is made
- Contracts are held and managed day to day by LPA
  - All RFP/ITB and Contract documents are available on www.uscommunities.org
  - LPA's are available for questions about solicitation

Solutions

- Focus on providing full solutions to public agencies
- Contracts include ability to purchase products and services accompanying them

Facilities
- Office & School
- Specialty
- Technology
How to Participate

1. Complete registration information
2. Can register more than one dept. and buyer
3. Registration enables agency to use program and to be automatically notified of new contracts and solutions

Already a customer of a supplier partner?
✓ Work directly with your current representative and request "best U.S. Communities member pricing".
✓ Pay exactly as you always have.

Never worked with a company?
✓ Work with Program Manager to connect with sales representative.
✓ Set up an account and pay the company directly.

Program Information

• Register online
• Authorizing legal statutes
• Frequently asked questions (FAQ) sheet
• Documentation: original solicitation and contract
• References: Advisory Board members, state sponsors
• Supplier links, product information & contact information
• Participant login page
Contact Information

www.uscommunities.org

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- jangel@uscommunities.org

RESOURCES

For articles, case studies, and reports on the health impact of reduced sodium consumption, as well as business strategies for using group purchasing to obtain reduced-sodium foods, visit and download our resources handout:

http://bit.ly/1N7Bc3A

Questions?

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Thank you!

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