

# CASE STUDY

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## HALTON HEALTHCARE – KNOWING YOUR POWER TO PURCHASE LOCAL



Courtesy of Halton Healthcare Local Food Expo



Possibility grows here.

The Greenbelt Fund

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## INTRODUCTION

Halton Healthcare is harnessing their sector’s potential to change the food system. With three community hospitals serving more than half a million patient meals a year, Halton Healthcare is using its purchasing power to bring more healthy, Ontario food to market.

The decision on where healthcare organizations award their food contracts has a big impact on increasing demand from Ontario farmers and manufacturers. Broader Public Sector (BPS) institutions have a significant opportunity to contribute to the local economy and help sustain agriculture in Ontario.

Marianne Katusin, Halton Healthcare Food Services Manager, has been able to maximize public funds to buy more locally grown food while supporting patient healing. “I ask our food distributors and vendors – what can you do for us? They listen because we are one client that is always going to be around.”

It’s this direct communication with distributors and vendors about prioritizing local food, a full cost analysis, the willingness to dive deep into food contracts, and a Local Food Procurement Statement to help actualize their goals, that has catapulted Halton Healthcare into local food purchasing.

## THE DRIVER

In 2013, Marianne became aware that the Government of Ontario was drafting a local food bill that would encourage local food purchasing in BPS institutions (hospitals, universities and colleges, municipal long-term care facilities, child care centres, and schools). She had no concept of how much local product Halton Healthcare was already purchasing, but she knew her responsibility to implement a healthy, values-based procurement as a healthcare institution and understood the purchasing power her organization held.

So, she cold-called Steve Crawford, a representative at Halton Healthcare’s distributor, Gordon Food Services (GFS). “I asked for 30 minutes to talk about local food.

It turned into a four-hour phone meeting,” says Marianne with a smile. Steve encouraged Marianne to start tracking local food purchases and helped her to do that by providing velocity reports - purchasing reports that identify products purchased over a specific timeframe. The velocity reports identified Ontario food purchases to assist with local food tracking. The tracking showed a baseline of 5% local Ontario purchases. Marianne now had a solid number and a challenge to beat.

GFS became a partner in Halton Healthcare’s local food purchasing. Marianne grew her local food purchases by identifying and testing new local products in retherm ovens to ensure consistency, running taste panels to test recipes made with local product, hosting cooking demonstrations, supporting new menu creation and more.



## THE STRATEGY

### Local Food Procurement Statement

With a newfound knowledge of what was possible for local food purchasing, Marianne worked with her leadership team to create a policy document that would put into writing the preference for purchasing local when all other criteria is equal. The Local Food Procurement Statement was created over a year in which Halton Healthcare engaged other hospitals who were looking at similar local food strategies. The statement includes goals to purchase more local foods, train staff on local foods; and partner with manufacturers of the healthcare food industry to develop local products that meet the nutritional, quality, pricing and food safety standards required in healthcare institutions.

**“We use the Local Food Procurement Statement any time we do any menu change,” says Marianne. “We go through the guiding principles and look first to see if the item is available locally, then ask is it a cost neutral implementation for us? And then we schedule testing.”**

### FULL COST ANALYSIS

As a BPS institution with a policy statement committing Halton Healthcare to “prioritize local when available and ensure fiscal responsibility,” it is essential for Marianne and her team to understand their budget and purchasing habits. It helps them to know which of the items they currently purchase are local and to look for comparable local products they can replace the imports with on their menus. They mitigate any financial impact of adding local items to patient menus by introducing complementary lower cost items to the menu.

Marianne regularly runs a menu analysis report through their foodservice software, Computriton, to look at any high cost items and asks: “Can I make this or something comparable in-house?” This analysis led to the development of soups now made with local ingredients at the Oakville-Trafalgar Hospital and offered to patients at the three Halton hospitals - chicken noodle, harvest vegetable and butternut squash.

### HALTON HEALTHCARE SERVICES (HHS) LOCAL FOOD PROCUREMENT STATEMENT

At HHS, we believe that making good food choices is an important part of health and wellness. In our efforts to achieve our Mission and Vision statements, we will support the health of our communities through the following actions:

- Increase the amount of local foods purchased at HHS.
- Enhance our patient and customer awareness of the availability and diversity of local food in Ontario.
- Support our local farmers and producers by hosting food expos and theme menu days.
- Educate and train our department staff about local foods.
- Expand partnerships with key manufacturers and distributors to develop sustainable menu planning and procurement of local food ingredients.
- Partner with manufacturers of the healthcare food service industry in the development of local products that will meet the nutritional, quality, pricing and food safety standards required in healthcare institutions.
- Share key learnings in the implementation of this ongoing initiative so that other healthcare institutions can benefit from the opportunity of increasing local food options in the communities they serve.







**The raw food cost was cut in half” – Marianne Katusin, Halton Healthcare Foodservice Manager**

By bringing these soups in-house, Marianne explains that, “the raw food cost was cut in half. Nutritionals are better because we can control the nutrients. We’re not worried about high salt or high fat because we control it internally. You have to really investigate the pricing, especially when you have the food preparation labour.”

## KNOW YOUR CONTRACTS

With the Local Food Procurement Statement documenting the goal to increase the amount of local foods purchased at Halton Healthcare, Marianne started to look more closely at her food contracts.

The limitations of purchasing local food through a Group Purchasing Organization (GPO) was apparent to Marianne from both sides of the coin. A GPO is an entity that aims to help institutions, such as healthcare providers, realize savings and efficiencies by aggregating purchasing volume and using that leverage to negotiate discounts with manufacturers, distributors and other vendors. With considerable knowledge of her GPO, HealthPro, as a member of their Nutrition & Food Services Quality committee, Marianne was quick to engage HealthPro at the beginning of Halton Healthcare’s local food purchasing journey. The need to include “local” as a part of contract evaluation when all other criteria was equal was supported by many members of the GPO. However, the challenge of a national GPO is to have contract evaluation criteria specific to one province. Small manufacturers are not included in the Request for Proposal (RFP) process for food service contracts. Not only can they not meet the demands of a “national” GPO, they cannot compete with pricing when compared to large national or multinational manufacturers.

So Marianne dove into the details of her GPO contract.

Institutions like Halton Healthcare don’t have group purchasing contracts for all categories. An institutional purchaser can make the decision to opt-out of GPO categories based on what is available through the GPO in the category and if it meets the needs of the operation.

Many institutions that use GPOs for food purchasing do not have contracts in place for fresh produce, fresh proteins and in some cases frozen entrées. These contract exclusions offer opportunities for food purchasing departments to look outside of what is offered through the GPO in this category to new vendors and new possibilities. For Marianne, it offered her the opportunity to look at vendors that sell locally grown products.

“You need to look at your contract commitments with a fine-tooth comb,” advises Marianne. She looked at the chicken options through their GPO and saw that there was a fully cooked chicken product that would be travelling all the way from Indonesia. “I just couldn’t agree to the GPO offerings knowing that there were Ontario proteins available. So, she turned her focus to the raw protein category where there was no contract and she could cook in-house with Ontario chicken. Marianne speaks the wisdom of anyone running a kitchen on a budget when she advises bringing in one ingredient and extending to multiple menu items. She utilized that local chicken she found, in three delicious entrées; Chicken Cacciatore, Herbed Chicken and Greek Chicken. **And it saved Halton Healthcare \$14,000.**



**Even within the categories where a GPO contract exists, there are opportunities to buy local – 80% is contracted, 20% can be negotiated separately.**

There are rarely contracts for fresh produce categories due to the fluctuations in pricing. Some local produce is more expensive, but some is not. Furthermore, because fresh produce spend is usually under \$100,000, a formal Request for Proposal (RFP) is not required. Local produce that now appears regularly on Halton Healthcare's patient menus include Martin's Family Fruit Farm's Macintosh whole apples and Cohn Farm's pre-cut peeled potatoes and peeled carrots for soups prepared in-house. Ontario Greenhouse Vegetable Growers offer greenhouse cucumbers and peppers that are available all year and are price-competitive. Marianne found that

some local cases of greenhouse veggies are cheaper than the imports. The smaller amounts of potatoes needed for a made in-house soup recipe means there is little price impact on the total cost of the recipe.

Even within the categories where a GPO contract exists, there are opportunities to buy local – 80% is contracted, 20% can be negotiated separately. Marianne purchased outside of the 80% required in the contracted GPO category for frozen vegetables to switch four of their seven imported frozen veggies with Ontario vegetables prepared by Bonduelle.

## USING THE RFP TO DEFINE LOCAL FOOD PRIORITIES

Marianne includes stipulations about local food priorities when a RFP is required. Halton Healthcare exercised their goal to purchase more local foods on the most popular patient lunch choice – sandwiches. There was no GPO contract for prepared sandwiches, thus in the RFP for prepared sandwiches, they specified a Basket of Goods - a set list of ingredients for the Halton Healthcare-developed sandwich recipes in order to evaluate the best prices vendors had to offer. Halton Healthcare ushered proponents out of their comfort zones by asking each bidder to cost out each type of sandwich with local ingredients, then again with imported ingredients. The contract was awarded to a company who produced 40% of the sandwiches using local ingredients including eggs and deli meats grown and produced in Ontario.

As a BPS institution using public funds to purchase patient food, the Halton Healthcare Request for Proposals for food distribution services includes a heavily weighted financial category. But cost is not the only criteria. There is room to consider local food explicitly in the value-add section of the RFP, including the request for regular velocity reports, support for menu creations using local ingredients and the provision of local food lists.

Marianne lets her distributors know that she needs a lot of time to speak with vendors and manufacturers. As part of the value-add component of their food distribution contract they have a dedicated hour every month to discuss availability of local options. It's one of the key ways they get introduced to new manufacturers and the possibilities of creating new local dishes together.

### LOCAL FOOD KEY PERFORMANCE INDICATORS OF FOOD DISTRIBUTION CONTRACT

- Monthly meetings with their distributor partner Account Manager and their Local Food Specialist.
- Regular reports of local listings.
- Regular velocity reports.
- Regular Business Performance Reviews.
- Work with the distributor chef on recipe development.

The value-add portion of the food distribution contract includes the use of the distributor's kitchen and professional chef to train staff and test out new recipes – a key opportunity for Halton Healthcare to foster staff engagement in the local food options. During the most recent recipe development day, ten frontline food service staff attended the entire day and sharpened their cooking skills. (safe knife handling, cutting, dicing, sautéing), as well as plating and presentation – an important skill now that food service staff take pride in delivering meals personally to patients. Staff see first-hand the positive response of patients to the new local food identifiers on patient menus and local food plate cards.

## SIGNS OF SUCCESS



**Local Food purchasing has increased at Halton Healthcare from 5% when they first reviewed local purchasing, to 30% in 2017. And patients are noticing.**

A lot has changed since 2013 when Halton Healthcare started their local food journey. Before the new Oakville Trafalgar Hospital was completed in 2015 with its full production kitchen, patient food was mostly outsourced meals reheated for patients. Healthy, local, hospital food is now taking its rightful place as a fundamental factor in patient health and healing. Local food purchasing has increased at Halton Healthcare from 5% when they first reviewed local purchasing, to 30% in 2017. And patients are noticing.

A recent patient survey on new Ontario egg menu offerings including egg salad sandwich, boiled egg, plain and cheese omelets revealed an average 97.5% patient satisfaction with the Ontario egg choice. Patients reported their excitement at seeing Ontario farmer information accompanying their meals. "Wow, local menu items!" and "Thank you for the great breakfast. I really like the farmer card," were just a few of the patient voices on new local food options.

It's these signs of success reflected in the patient experience that continues to motivate Marianne. "I am building a legacy inspired

by serving quality foods to patients. It is the one item patients have control of – what they want to eat when they want to eat it. They may not have control over their clinical outcome, or which doctor is taking care of them, but food, they can have control over," Marianne says. "And if they eat a whole plate of nutritious food, they may get out of here faster."

## SUSTAINING THE WORK



Legacies live through people. For Marianne, her people are the patients she serves on their journey of healing, and her staff who will carry on actualizing the goals of the Local Food Procurement Statement long after Marianne retires. In a food service sector where staff retention is a challenge, Marianne and her team have found a big piece of the solution. “When we started getting people cooking they loved it. Not a lot of people are leaving my department,” Marianne says proudly. “They are engaged, we let them play. Our full-time chef’s skills were underutilized, putting trays of pre-made food in the oven. Now we backfill him for a day so he can create. He comes up with new recipes and fixes others. He’s been involved in this change every step of the way.”

Chef is currently experimenting with an Ontario turkey tetrazzini with a lowered sodium content, and a wine-less Ontario beef bourguignon. Food services staff, including front line staff, dietitians and supervisors from all three Halton Healthcare hospitals were also engaged to develop new departmental mission and vision and local food was a big part of their vision.

Over the past five years, Marianne has put the policy, purchasing practices and staff engagement pieces in place to ensure sustained local food purchasing. Has she laid enough of a foundation to ensure sustained purchasing of local foods? She believes so. The procurement statement with guiding operational principles, a GPO and distributor who know that local food is a priority, food service staff who are excited and engaged in the development of new local recipes leads her to believe her goal of increasing local food purchasing to 50% of food purchases is achievable.

“Food services has always been a basement operation, but we have elevated it to a different level. People here now know what happens in the kitchen.”

Marianne is taking their support of local food in institutional food services above ground and all the way to the Ontario government. As an innovator in the [Nourish program](#) which addresses the future of food in healthcare, Marianne leads the Food for Health Policy Team. This group of innovative Ontario healthcare organizations are committed to generating the most value for Ontarians through the foods they source for patients and residents. They know the significance of their purchasing power as BPS organizations and are encouraging the provincial government to develop local food goals and targets under the Local Food Act. Clear goals backed up by the local food purchasing successes of Halton Healthcare and others, will incentivize Ontario’s public institutions to buy more local product. In turn this will increase demand from Ontario farmers, and build the vibrancy of our local food industries and rural economy.

In the spirit of sharing key learnings in the implementation of healthy, local food purchasing so other healthcare institutions may benefit as outlined in Halton Healthcare’s Procurement Statement, Marianne says she’s open to an email anytime. Contact Marianne Katusin at: [mkatusin@haltonhealthcare.on.ca](mailto:mkatusin@haltonhealthcare.on.ca).

## LOCAL PRODUCTS AND VENDORS CURRENTLY USED BY HALTON HEALTHCARE

- Bonduelle – Frozen diced carrots, corn, parsnip, peas, squash (GFS Brand)
- Burnbrae farms – Omelets, boiled eggs
- Butterball – Turkey burger
- Fresh Start Foods – Whole peeled onions
- Gay Lea Foods – Cottage cheese
- GFS – Seasonal local fruit including peaches, pears, nectarines when in season
- IC Custom Meats – Raw pork loin chop
- Jianno's – Meat lasagna
- Cohn Farms - Pre-cut peeled potatoes and peeled carrots
- La Patisserie – Cheese quiche, seasonal loaves (Pumpkin Loaf, Lemon Cranberry Loaf)
- Martin's Family Fruit Farm – Apples
- Ontario Greenhouse Vegetable Growers – Cucumbers, red & green peppers, tomatoes
- Pasta Quistini – Turkey chili
- T & T Foods - Raw chicken thighs
- Sofina Foods – Sliced turkey
- Stemmler Meats – Turkey sausage
- Sol Cuisine – Black bean burger
- Windmill Farms – Mushrooms

