



Is It Time to Review Your Foodservice Management Contract?

ASK YOURSELF THESE 3 QUESTIONS:

#1: Do your costs compare with national prices?

Most healthcare providers establish a budget with their foodservice management contractor. If the contractor can meet the budget — great. If the contractor cannot, then you have to fix the problem. However, that leads to the bigger question: Is the budget that you are agreeing to appropriate in the first place?

It's important to have some sense as to where your costs are related to the market. If an analysis indicates your costs are higher than they should be, then you should require your foodservice contractor to reduce and/or justify those additional expenses.

#2: Does your contract include current best practices?

Many foodservice contracts are five to ten years old. In many cases, healthcare providers have a tendency to roll over the same agreement year after year without any type of competitive bid or meaningful review that would identify areas for improvement.

Look for ways to optimize the existing terms of your agreement and identify potential new contract terms. You will want to compare your existing financial terms to the types of financial terms that are available in the market today with respect to financial guarantees, shareback of contractor retail sales revenues and more.

#3: Do you check to make sure you're billed correctly?

Foodservice management invoices are notorious for being complicated. Most of the improper billing results from a simple failure to follow the terms of the agreement. It is very easy to verbally agree to something with the contractor that never gets documented in the agreement.

Your organization could be losing money if you have failed to analyze this aspect of your foodservice management agreement. Compare your recent invoices to your existing contract to confirm whether those invoices are consistent with the terms of your existing contract.

If you answered “No” to any of these questions —

Then now is a good time to review your foodservice management agreement. The most successful organizations look to continuously improve the terms and conditions of their foodservice management agreements.

Find a partner that can help you uncover valuable opportunities to improve your organization's economic, patient satisfaction and operational health.

Let us help:

Our Nutrition Contract Audit and Analysis Service is designed to help optimize your contracted foodservice management agreement. The audit is performed by a national law firm with expertise in foodservice contracting and strategic direction to ensure your needs and expectations are fully met.

Our audit service includes:

- A review of your current contractor costs compared to national benchmarks.
- A legal review of the terms and conditions of the agreement.
- A full review of your recent invoices.

Please contact our Nutrition Team at 877-711-5700 to learn more.



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