

EVOLUTION OF A NEW PROCUREMENT PROCESS

The 18-month review of food and beverage processes at Tufts University proved to be a valuable learning experience *By Patti Klos*

In 2005, after 35 years as head of food and supplies purchasing for Tufts Dining, our purchasing manager Dave Goddard decided it was time to retire. In the course of selecting his replacement, we took the opportunity to embark on a thorough, end-to-end review of our entire food and beverage supply chain management process. We wanted to evaluate and analyze our purchasing, current technology and opportunities to improve our supply chain process.

We set out on an 18-month journey that has brought us to what I feel is an industry-leading position. Further, I think the approach and results we took can serve as a case study for other colleges and universities that want to improve.

INVOLVING THE ENTIRE ORGANIZATION

At the time of Dave's retirement, we assessed that we had senior managers with hotel and contractor experience. Also, our associate director had recently attended an industry workshop on purchasing that laid the groundwork for our team to think differently. We were also aware that the lodging industry had taken a new approach.

Additionally, Tufts new purchasing director for the entire University, Diane Devlin, had an interest in our project. As a result, Diane joined our group and kept our focus on process improvement.

Ultimately our goal was to put the best process in place to get the most value for our University and our students for our nearly \$5 million in food and beverage purchases.

We wanted a company that would think of Tufts as a strategic partner, not just an account with a street salesman. Over the three-year contract, our goal was to find a supplier that would help us continuously improve, work smarter and refine our methods.

SETTLING ON KEY RESULTS

As we deliberated and shared our ideas, we came up with a list of key considerations:

- **Ability to Aggregate and Leverage Our Purchasing.** To get great pricing, we were open to a long-term, strategic sourcing solution rather than a bid approach. We were looking for expertise and advice from our new purchasing partner and wanted to get down to item-level analysis.
- **Experience in Serving Higher Education.** We wanted a company that had experience in the higher education market.
- **Reputation.** We wanted a distributor with excellent references who was highly regarded in our industry and who would put all of our potential suppliers through a rigorous supplier selection process. Further, we wanted to make sure they were well-

Pierina Avellani makes custom drinks for thirsty customers at the Brown & Brew Coffee House, located on the edge of the Tufts University campus.



We wanted a company that would think of Tufts as a strategic partner, not just an account with a street salesman.

RIGHT: Students self-serve at Basil's Pasta & Grill, and the Pan Asia station at Hodgdon Good-to-Go, a take-out facility that accepts meal plans on the Tufts University Medford/Somerville campus.



capitalized and able to expand or had the ability to take on additional SKUs for us. Very importantly, we wanted to do business with a company with great people.

- **Proximity to Campus.** It was important for a distributor to be within a two-hour drive from campus.
- **Ability to Meet Our Environmental Needs.** It was important that our distributor share our environmental concerns and have access to suppliers that offered industry-leading solutions.
- **Quality Assurance.** We wanted to be sure we would get consistent, similar or better quality than we were currently getting. We wanted assurance that the distributor would adhere to our quality standards, and if possible, we wanted a distributor that had the ability to enhance our risk management practices.
- **Access to Natural, Organic and Local Suppliers.** We wanted access to local produce, fresh meat, sustainable seafood suppliers and local farms.

SETTING A TIMELINE AND ON-SITE VISITS

We then set an 18-month timeline for the whole process improvement. This was extremely aggressive, as everyone in education knows, but our whole team, including multiple levels of managers and dining team members, was committed to making the timeline work.

After examining our current processes and reviewing our top 200 SKUs purchased in dry goods, frozen and fresh, we put

together an RFP. We attached a market basket and issued the RFP to our current vendors and other suppliers. From this RFP offer, 12 companies responded. We asked the five companies that stood out to make a presentation.

The presentations were very enlightening. We were able to see what other industries were doing to get really great value and pricing. We saw the latest in quality assurance concepts—such as surprise, on-site, back door “Meet the Truck” audits of suppliers.

At these meetings, we were able to ask all the potential bidders a series of questions that were important to us. For example, we asked where they would get our fresh fish and locally grown items. We did not have specific expertise to find and screen these suppliers, and bidders that demonstrated this knowledge were very attractive.

Also, we began to see the quality of people we would be dealing with over the next three years. We began to form opinions of which companies were knowledgeable in new technologies, had the expertise to help us improve, could determine product specifications, and had capabilities to help us track our purchases down to the item level.

Following these presentations we scheduled on-site visits to each company’s distribution center, which we highly recommend. Visiting the facility tells you a great deal about the company. We saw some places that we would not want to return to and others with impressive, state-of-the-art facilities. We visited companies that had the foresight to purchase

property for expansion. We saw others strategically located near key highways and with rail access. We visited one facility that was beautiful but did not recycle one thing! Another, despite many great attributes, failed to utilize system integration.

THE FINAL DECISION

At this point we created a list of three finalists. Our core committee shared notes and finished the process by gathering follow-up information. From the responses, we were able to reach a final consensus. Even though not everyone agreed 100 percent with our final decision, our whole team understood the decision and fully supported the final recommendation.

At this point, without knowing they were our finalist, the company suggested that they conduct a free “Discovery Process,” which turned out to be an excellent experience. A team of three people spent two days on-site, reviewed all of our processes, offered advice on where we might save even more and protect ourselves by better practices. They were very thorough, taking the time to get a sense of how we operate and what is important to us. We felt that we had made the right decision and had the strategic, long-term partner we had set as an original goal.

BUILDING A STRATEGIC PARTNERSHIP

You would think our decision would be the end of our process, but this is where some of the hardest work took place. Between the decision and transitioning was a period of great challenge and great accomplishment. During this “Implementation Stage” there were two challenges—to work out any contract details *and* meticulously look at

everything we had been buying to match to as good or better-quality food items.

What we found was that our database was not in pristine condition. We were very pleased with the professionalism and experience of our new procurement company, Avendra, and its distributor, US Foodservice, to help us match and weed through the 3,600 SKUs in our system—many of which should not have been in our active file.


HOW TO AVOID SOME BUMPS

In our transition, we took note of how we were doing and how we might do a better job. To avoid some of the pitfalls, be ready on your end. Refresh your data systems before the changeover.

Also, make it clear that you need help with nutritional and ingredient information. In the college world, nutrition and allergy information is essential. Communicate this in your early discussions. In our case, the need was communicated late, but when we did clearly articulate this need, Avendra understood that meeting this need was expected.

Finally, build requirements into your RFP for the new vendor to spend time with your employees before, during and after the changeover. Early on, Avendra recognized this need and scheduled a large team meeting at the 30-day mark to better explain and manage the partnership. Some of our employees couldn't understand how a "procurement company" could provide us better value if they were adding a layer between us and the master distributor. I think in this matter, we could have done a better job explaining how they leverage their purchasing across so many customers that they can demand great pricing, service and quality.

As a result of our 18-month journey, today we now have a procurement provider that helps us align our supply chain management strategy with our goals of dining excellence, customer satisfaction, fiscal responsibility and administrative process excellence.

Certainly a possibility is to go out and hire a consultant before you put together your RFP. It can be very beneficial. But I felt our process of involving our university colleagues in the purchasing department and our own internal resources including a team of people from each part of our operation, proved to be an excellent way to get everyone on board and find the areas where we needed to be open to improvement. 



Patti Lee Klos joined the staff at Tufts Dining in 1989 as the FoodPro Coordinator. After serving as Manager of Systems, Operations

Manager and Director of Dining, she has been the Director of Dining and Business Services since 1992. Patti received her B.S. degree in Foods & Nutrition in Business from Purdue University. Contact her at patti.klos@tufts.edu.