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### Objectives

 <p>Utilize GPO to maximize the value of the program for your facility.</p>	 <p>Review menu items with vendor and GPO to choose the best quality and value products for meals and snacks.</p>
 <p>Select correct products for right application and minimize food waste.</p>	 <p>Account for food expenses accurately in food cost per patient day (PPD) accounting.</p>

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### Food Inflation

- The average cost of food has increased 3.8% in the past 12 months ending May 2025.
- US Labor Department Bureau of Labor Statistic (BLS) - Consumer Price Index
  - Food Away from Home



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### Group Purchasing Organizations

- A group purchasing organization (GPO) is an entity that helps healthcare providers realized savings and efficiencies by aggregating purchasing volume and uses leverage to negotiate discounts with manufacturers, distributors, and vendors.

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### Food Group Purchasing Organization

- 
**Negotiate contracts with manufacturers**

Lower prices through joint negotiations  
Volume and other discounts
- 
**Broadline distributors**

Learn online ordering system to identify  
GPO contracted items
- 
**Secondary vendors (dairy, bakery, produce, chemicals, paper)**

Link your account to GPO pricing

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### Group Purchasing Contracts

- Get to know your GPO rep
- Learn about program requirements and benefits
- Obtain and review reports
  - Opportunity
  - Compliance
  - Incentives



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### July 25 Pricing for Reviewing Menu Cost



- Apple juice - \$39.49 (12/46 oz) = .0715/oz
- Orange juice - \$51.57 (12/46 oz) = .0934/oz
- 2% milk - \$9.23/ 2 gallons = .29/1 cup
- Liquid eggs - \$121.14/15/2lb = .252/oz
- Sweet potato fries - \$31.17/15 lbs = .13/oz

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### Produce Ordering Tips to Manage Food Cost

- Evaluate the use of small pack sizes before purchasing. In most cases, the cost is over double per pound or each when compared to the bulk size.
- Avoid using salad mixes and pre cut produce.
  - Fresh whole produce has longer shelf life.
- Consider fresh when in season, the quality is good, & cost is reasonable.
  - Seasonal – asparagus, berries, squash




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### Food Receiving Tips

- Ensure the food order is checked in using invoice provided by driver.
- Arrange staff schedule to allow time to properly put order away including:
  - Date items with receiving date.
  - Rotate food for first in, first out
  - Store food in the correct locations according to the menu and when food is needed.
  - Review substitutions.




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### Food Receiving Tips to Manage Food Costs



- Process all items upon delivery and according to the menu for current and future needs.
- If items need to be split and repacked, do it before storing item.
  - Example – separating out a 40 lbs case of random chicken to 10 lb bags.
- Maintain proper temperature and food safety of all food items during receiving process.

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### Food Receiving Tips to Manage Food Costs



- If product is poor quality such as spoiled produce, dented cans, broken, items shorted on truck, outdated or close dated items, request vendor credit memo and submit delivery tag information and number of items for credits.
- Log credits to ensure all credit memos are received and processed by accounting.

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### Tips for Reducing Food Waste

- Proteins
  - Know what you have in inventory & what you will be using since this is the highest spend category.
  - Use scale to weight correct amount of meat for recipes.
  - Ensure meat thermometer is used to cook all meats to ensure quality and proper yield.
  - Use small amounts of leftover proteins for alternate meals for residents with allergies, sandwich fillings, and texture modified foods.




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### Tips for Reducing Food Waste and Cost



#### Beverages

- Keep beverage selections current on tray cards.
- Offer a variety of beverages other than juice at lunch and dinner.
- Rotate all beverages according to date.
- Utilize extra citrus produce to make fruited waters.
- Maintain temperature of beverages and only serve what is needed on beverage carts or trays.

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### Tips for Reducing Food Waste and Cost

#### Vegetables

- Don't overcook the vegetables.
- Leftover vegetables can be pureed and stored.
- Extra vegetables can be used for snacks and mixed vegetables.

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### Tips for Reducing Food Waste and Cost

#### Fruit

- Use small amounts of leftover fruit for seasonal fruit.
- Use cost effective fruits such as bananas for snacks and seasonal fruit.
- When opening a #10 can & all of the product is not needed, label and date it, and use within 7 days.



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**Tips for Reducing Food Waste and Cost**

**Baked Goods**

- Score all items before cutting so they are the same size & the correct yield is obtained
- Use a timer so edges of baked goods do not get over cooked.
- Use leftover baked goods as snacks
- Use scratch or speed scratch
  - Muffin mix is 1/2 the cost of frozen muffins

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**Tips for Reducing Food Waste and Cost**



Condiments are necessary for resident satisfaction and enhance meal intake.

Avoid placing multiple condiments on tray unless the resident has requested it.

Do not overfill condiment bins.

Excess condiments leads to waste.

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**Kitchen equipment needed to manage food cost**

- Scales
- Measuring cups and spoons
- Storage containers or freezer bags
- Labeling and dating supplies
- Squeeze bottles for portion control
- China and glass or plastic ware that matches serving sizes.



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**Tips for Reducing Food Waste and Cost**

- Convenience Foods
  - Increases inventory
  - Higher sodium and preservatives
  - Convenience items are more costly

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**Scratch Vs. Convenience Salisbury Steak Comparison**

**Salisbury Steak with Gravy – Sysco Classic**

- \$1.61 per 3.5 oz with gravy
- 280 kcal, 12 grams protein, 640 mg sodium, 21 g fat

**S&S Nutrition Salisbury Steak - Recipe**

- \$1.09 per 3 oz portion
- 310 kcal, 26 grams protein, 540 mg sodium, 18 g fat



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**Tips for Reducing Food Waste and Cost**

- Check every cooler, freezer and food storage area every day.
- Ensure that all opened or prepared items are **covered, labeled, and dated**.
- Organize all ingredients so they are in the correct storage location.
- Make a plan for all leftover items to be used or frozen before UB date.
- Make staff aware of all items that need to utilized first.
- Use small amounts of left over produce for alternate vegetable needs.



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### Staff Tips for Managing Food Cost



- To eliminate on the spot menu changes, check inventory the day before to ensure all items are available.
- Monitor and report plate waste.
- Maintain record of all non-resident meals served including free and paid meals.

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### Reduce All Forms of Waste



- Food waste is a primary reason food cost is over budget.
- Identify all forms of waste:
  - Excess ingredients used in recipes
  - Leftover ingredients not properly stored and labeled for identified use.
  - Excess food production.
  - Over portioning of food.
  - Food discarded because it was not labeled.
  - Food discarded because it was ignored.
  - Damaged food.
  - Emergency food and water not rotated.

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### Food Inventory and Valuation



- Per Resident Day (PRD) calculation
- $(\text{Beginning inventory} + \text{food purchases} - \text{ending inventory}) / \text{resident days}$
- More accurate than total food invoices paid/resident days
- Requires food to be counted and valued on the last operating day of the month
- Process food invoices to be paid in month purchased.
- Post all foods to monthly spenddown to track

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