

Greening the Supply Chain

Environmentally Preferable Purchasing

Associated Purchasing Services

In partnership with

K-State Pollution Prevention Institute

Optimizing Supply Chain Solutions for Kansas and Missouri

APS Partners with K-State to Green Supply Chain

Partnered to Sponsor Intern Research and Reporting

Mikhail Marchenko (Intern):

1. Performed an audit of in-place EPP programs, services or policies offered by APS contracting vendors
2. Identified which programs, services or policies could immediately benefit healthcare facilities electing to implement them.
3. Recruited healthcare facilities to participate in free cost studies and impact analyses of application of said programs.
4. Conducted cost studies and impact analyses for subject facilities.

What were the keys to the partnership between K-State's PPI and APS?

- The partnership brought together the environmental expertise of K-State's PPI with the group purchasing and contracting power of APS
- Facilitated potential intern access to APS' over 300 Participant Hospitals
- Allowed for the dissemination of findings to those Participants via APS e-blasts, e-newsletters and website.

K-State's Pollution Prevention Institute (PPI)

- A Kansas State University organization
- PPI promotes sustainability through environmental education and services to industry and institutions
- Environmental protection serves as the very foundation of PPI's mission and activities

Associated Purchasing Services (APS)

- APS is a Regional GPO owned by the Kansas Hospital Association (KHA) and the Missouri Hospital Association (MHA)
- Increases contracting efficiency and reduces overhead costs by coordinating the research and development of product and service contracts
- Negotiates discounts and passes along the savings based on the combined purchasing power of all APS facilities
- Manages purchasing contracts with wide array of vendors

What is a Group Purchasing Organization (GPO)?

GPOs are entities created to leverage the purchasing power of a group of businesses to obtain discounts from vendors based on the collective buying power of the GPO members.

In Healthcare there are National GPOs and Regional or Specialized GPOs.

Two Channels for Supply Chain Savings & “Greening”

Regional GPOs (APS)

- Group purchasing applied to products and services typically unavailable or noncompetitive through national group purchasing organizations
- Examples: Natural Gas, Bulk Oxygen, Waste Hauling (Solid, RCRA, Regulated Medical, Recycling), Electronic Health Records, Air Filters, Lighting, Emergency Preparedness

Two Channels for Supply Chain Savings & “Greening”

National GPOs

- Serve as advocates for hospital efforts to improve hospital margins through supply chain and revenue cycle services.
- Focused on larger volume clinical, dietary and capital contracts.

Keys to Implementing EPP in Healthcare Setting:

Develop:

- Guiding Principles and Policies
- Executive and Individual Goals & Metrics
- Sourcing & Standards Teams
- Strategic Opportunity Assessment
- Sustainability Scorecard
- **Alignment with GPO and Health Systems**
- **Supplier Engagement**

Source: Robert Gotto, Executive Director, National Facility Services, Procurement & Supply for Kaiser Permanente
http://www.cleanmed.org/2011/downloads/presentations/B-6/B6_Gotto.pdf, Accessed October 1, 2011

General Waste Reduction Opportunities?

- Waste Reduction
- Opportunities?
- HIPAA/Confidential Paper
- Red bag waste minimization
- Reusable Sharps
- Fluid Management Systems
- Recycling programs
- Single-Use Device Reprocessing
- Universal waste recycling
- Food Composting/Regional Food Sourcing
- Reusables – food service ware, under pads, totes
- Asset management –Major equipment and furniture

Source: Waste Wisdom – a “How to” for Tracking Materials and Wastes – Case Study by St. Patrick Hospital Mary Larsen, MS Beth Schenk, RN, MHI, http://www.cleanmed.org/2011/downloads/presentations/B-3/B3_Larsen.Schenk.WasteWisdom.pdf, Accessed October 1, 2011

Specific Waste Reduction Opportunities Identified through Mikhail Marchenko's Research of APS Contracts:



AESCULAP®

Blue wrap represents approximately 19% of waste generated by surgical services

Newton Medical Center in (NMC) Newton, KS, a hospital with 82 staffed beds (70 acute, 12 long-term), has taken additional steps towards sustainability by utilizing Aesculap reusable containers instead of traditional disposable blue wrap.

Based on information provided by NMC, the use of Aesculap surgical containers has reduced the use of blue wrap by about 70%.

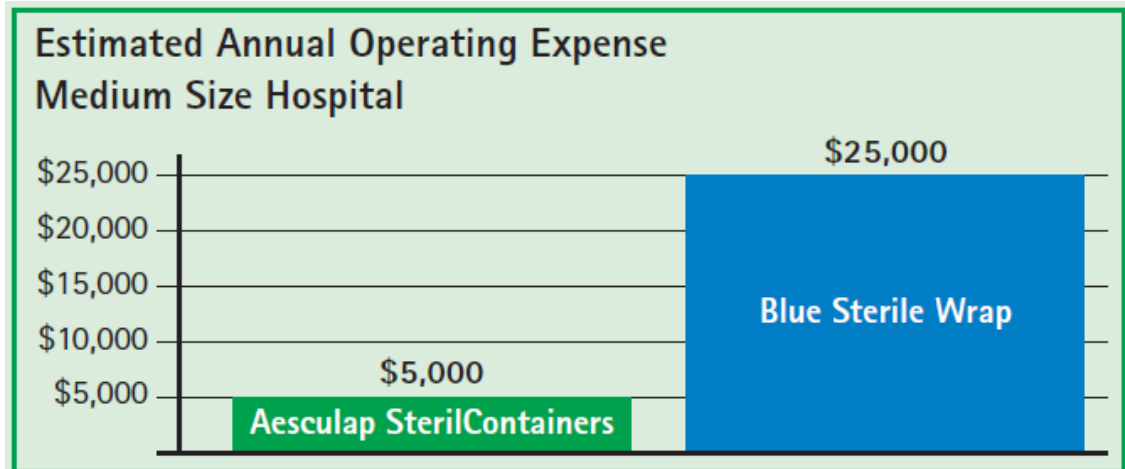


AESCULAP®

The 70% reduction at NMC prevented 130,337.2 sq ft of blue wrap from going to the landfill

Analysis of implementation of program at NMC:

Program	Calculated Annual Cost Savings	Environmental Results	Status
Aesculap Surgical Containers	\$2,052.05	2,496 lbs	Recommended





NMC uses 4' 32 watt T8 linear florescent light bulbs, a more energy efficient 25 watt T8 light bulb is available

Bulb	F32T8 TL735 ALTO Plus	F32T8 ADV835 XEW ALTO II
Average Rated Life (12-Hr Prog St)	42,000 hrs	36,000 hrs
Energy Used	32 W	25 W
Mercury (Hg)	1.7 mg	1.7 mg
Picogram Per Lumen Hour	21 p/LuHr	29 p/LuHr
Color Temperature	3,500 K	3,500 K
Color Rendering Index	78 Ra8	85 Ra8
Lumens (brightness)	2,800 Lm	2,500 Lm
Packing Configuration	25	25
APS Price Per Unit	\$1.19	\$1.32



Analysis of implementation of program at NMC:

Program	Calculated Annual Cost Savings	Environmental Results	Status
Lighting	\$2,230.3622	36,691 kWh	Recommended

GPOs Streamline EPP for Your Facility by:

- Managing vendor relationships and maintaining contract portfolio for your facility
- Collecting EPP data on vendors as they are added to contract
- Performing cost studies, value/impact analysis on program implementation suggestions
- Maintaining connections in multiple departments in your facility – to facilitate easier education and adoption of programs
- Monitoring your purchasing history to identify areas you may need to increase efficiency compared to like-sized facilities

APS Staff Contact Information

Staff	Title	Division	Email
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Visit us online: apskc.org

Primary Resources

- <http://www.medassets.com/ResourceCenter/Environmental-Resources/Pages/EnvironmentalResourcesMain.aspx>
- http://sustainablehealthcare.files.wordpress.com/2010/05/hcwh_green_purchasing_health_care_eu.pdf
- www.cintas.com/green/Cintas2010SustainReport_LoResFinal.pdf
- http://www.wm.com/sustainability/pdfs/2010_Sustainability_Report.pdf
- http://about.officemax.com/html/officemax_environmental_policy.shtml
- <http://www.foodservicewarehouse.com/education/going-green/flourescent-lighting.aspx>
- http://apps1.eere.energy.gov/buildings/publications/pdfs/alliances/hea_lighting_fs.pdf
- <http://www.shredit.com/paper-shredding-environment.aspx>
- <http://www.wmorangecounty.com/env/cardboard.asp>
- http://www.cleanmed.org/2011/downloads/presentations/B-3/B3_Larsen.Schenk.WasteWisdom.pdf
- http://www.cleanmed.org/2011/downloads/presentations/B-6/B6_Gotto.pdf
- Findings as detailed in report completed by Mikhail Marchenko “Pollution Prevention Institute 2011 Intern Project Report” August 2011