

## Provincial Linen Services for Saskatchewan

### Frequently Asked Questions

**Q1: What do we mean when we talk about provincial linen services?**

**A1:** Six central laundries service 150 end user sites in Saskatchewan (hospitals and other health care facilities). These laundries process approximately 23 million pounds of linen per year which represents 75% of all health care laundry processed in the province. They are currently located in Regina, Prince Albert, Yorkton, Moose Jaw, Weyburn and Calgary (temporarily providing service for Saskatoon).

The linen that is processed at these central laundries includes sheets, towels, soaker pads, and other institutional linen. The central laundries do not process the personal laundry for long-term care residents.

**Q2: What about the other 25% of linen service?**

**A2:** There are a number of smaller, on site laundry facilities located across Saskatchewan that do this work. These laundries were not considered within the scope of the work that was done by 3sHealth.

**Q3: Why do we need to change the way we provide clean linen to health care facilities?**

**A3:** Several issues have contributed to a very compelling need to change the current system including:

- A safety related incident at the 67 year old Saskatoon central laundry resulted in its permanent closure in November, 2011. Linen services for Saskatoon are now being provided by K-Bro Linen Systems in Calgary, a third party service provider. This is only a temporary solution.
- In February, 2012 the government announced that it would be closing the Valley View Centre in Moose Jaw. The pending closure will leave a gap in linen service for the Five Hills Health Region in Moose Jaw since the Valley View centre currently processes linen for that health region.
- The central laundries in Yorkton and Regina are old, and in need of a replacement. Most of the equipment at these sites is beyond its useful life. This creates potential safety hazards, infection control issues, and increased cost.
- The central laundries in Prince Albert and Weyburn lack the size and scale to be able to provide linen services as efficiently and effectively as a larger, new plant.

Without a solution to the current situation, there is a very real risk of not being able to meet the linen service needs of patients and residents.

**Q4: How do linen services impact the patient and resident experience?**

**A4:** High quality linen products, comfort and cleanliness, infection prevention and control and availability are all factors that clients notice and appreciate. Improved linen services will support the province’s “patient first” mandate.

**Q5: Why do we need a provincial linen service?**

**A5:** Processing linen centrally makes the most sense. New laundry technology is designed to work most efficiently and effectively on a large scale. A provincial linen solution will also create uniform standards for linen, infection prevention and control, and linen processing.

**Q6: What will the new Provincial Linen Service look like?**

**A6:** There will be one central laundry located in Regina and two distribution depots located in Saskatoon and Prince Albert. The central laundry in Regina will process all of the soiled linen in the province and the depots will result in the ability to ensure linen is available in a timely manner.

**Q7: How long will it take to implement the new linen service?**

**A7:** It is expected to take approximately two years to implement the new linen system. The current central laundries are expected to remain operational until that time.

**Q8: Who will deliver the Provincial Linen Service?**

**A8:** The service will be delivered by K-Bro Linen Systems Inc. (K-Bro) subject to successful contract negotiations. K-Bro is the largest linen services provider in Canada. It has operations in Ontario, Alberta, Quebec and British Columbia. Its core business is healthcare linen services. K-Bro is a publicly traded company with over 60 years in the linen service industry.

**Q9: Who will administer the contract with KBro?**

**A9:** Health Shared Services Saskatchewan (3sHealth), our province’s shared services organization, has been asked to enter into contract negotiations with K-Bro and see if it can finalize an agreement. If 3sHealth is successful, it will also administer that contract over its term.

3sHealth currently manages a number of shared services that support our province’s health care system including payroll, employee benefits and group purchasing of health care supplies and equipment. In the past 3 years, shared services initiatives have saved over \$33 million for Saskatchewan’s health care system.

**Q10: Who is going to pay for this contract?**

**A10:** The regional health authorities and Cancer Agency will pay K-Bro for the services they receive. The cost of the contract will be significantly lower than the cost of providing that service today. The estimated savings over a ten year period are \$93 million.

**Q11: How did you select K-Bro?**

**A11:** K-Bro was selected as the preferred vendor after concluding a competitive tendering process. Based on K-Bro's response in that process, 3sHealth is now entering into contract negotiations to see if a final agreement can be reached.

**Q12: Who made this decision?**

**A12:** This decision was made by the 3sHealth Board, Regional Health Authority and Cancer Agency leadership and the provincial government.

**Q13: Why are we not just upgrading the central laundries that we have?**

**A13:** The central laundries require over \$31 million in capital reinvestment and even with the investment, would not result in the most efficient or effective option.

**Q14: What are the advantages of contracting out linen services to a third party provider?**

**A14:** There are several advantages in partnering with this third party provider:

- K-Bro has extensive experience in healthcare linen services. This is K-Bro's core business. Allowing third parties to focus on their core business allows the health system to focus on its core business of providing care to patients and residents.
- Reduced capital investment on the part of the province;
- Reduced operating costs; and
- Contingency services are available out of K-Bro's Calgary and Edmonton plants in the event of a major event like a flood or fire.

**Q15: Isn't this just a first step in privatizing healthcare?**

**A15:** Contracting out linen services is part of the health system's commitment to improve quality for patients while maintaining a sustainable, publicly funded health care system.

**Q16: Doesn't the private sector pay lower wages to its employees?**

**A16:** Wage rates will be determined by K-Bro. However, we believe that K-Bro will need to pay competitive market rates to attract and retain a qualified workforce.

**Q17: What criteria were used to locate the plant in Regina?**

**A17:** K-Bro proposed to locate the plant in Regina because the majority of linen processed in the province is used in the areas closest to Regina.

**Q18: Isn't this decision going to have a negative impact on some rural communities?**

**A18:** This decision is about ensuring quality, cost effective service is available to Saskatchewan patients, families and residents in both rural and urban Saskatchewan. Rural communities can expect to receive the same standard of quality linen service as is expected in urban Saskatchewan.

**Q19: Does it make sense to decommission North Sask Laundry in Prince Albert? Didn't it recently add a new tunnel washer and other equipment?**

**A19:** The North Sask Laundry did undergo an upgrade with the purchase of new equipment. Utilizing that laundry, and/or expanding it to take on more linen volumes were considered as part of 3sHealth's review. However, the K-Bro option was deemed more effective and efficient. The new equipment can be sold and the space where the laundry is currently located can be used by the Victoria Hospital for other purposes without the need for extensive capital costs.

**Q20: With the price of fuel as high as it is, does it really make financial sense to ship all of this linen across the Province?**

**A20:** Yes. Having more linen processed at one plant reduces the costs to wash the linen, and significantly reduces the capital costs required for more plants and equipment. These efficiencies more than make up for the increased transportation costs.

**Q21: What happens if there is a snow storm and the trucks can't get through?**

**A21:** It is common practice to hold some inventory at sites in case these circumstances come up. Even within our current system we transport a lot of linen across the province. The attached map of current distribution networks demonstrates that transporting linen has been done successfully for many years.

**Q22: What about the environmental impacts of having more trucks on the road?**

**A22:** In our current central laundry system, routes are not coordinated between the six central laundries. As a result, sometimes trucks are operating less efficiently than they could be. By delivering the linen service provincially, we can optimize the distribution networks and mitigate this impact. In addition, the new plant will use the latest technology designed to reduce energy and water consumption and the use of chemicals. For example, we estimate that we will reduce water consumption by over 20 million gallons annually.

**Q23: What will happen to the current laundry workers when these facilities close?**

**A23:** The health regions and 3sHealth will work together with employees and unions to find ways to mitigate the impacts on staff. In the meantime, we will be counting on our current complement of laundry workers to continue the excellent work they are doing until the new system is in place.

**Q24: How many people are currently employed in the central laundries?**

**A24:** There are approximately 220 Full Time Equivalent (FTE) positions:

Regina – 79

Saskatoon Distribution Centre – 22

Weyburn – 12

Yorkton – 21

Prince Albert – 52

Moose Jaw - 34

**Q25: Local distribution companies currently provide service to the central laundries. Will these companies lose this business?**

**A25:** It is our understanding that K-Bro will be looking for partners to ensure the distribution network is well managed. These companies can negotiate with K-Bro about providing the service.

**Q26: How will the new service incorporate Saskatchewan’s commitment to continuous improvement principles?**

**A26:** Lean methodology will be used to plan workflow, and manage performance. This will ensure the system is efficient, safe for both workers and patients, and that it provides top quality service to patients.

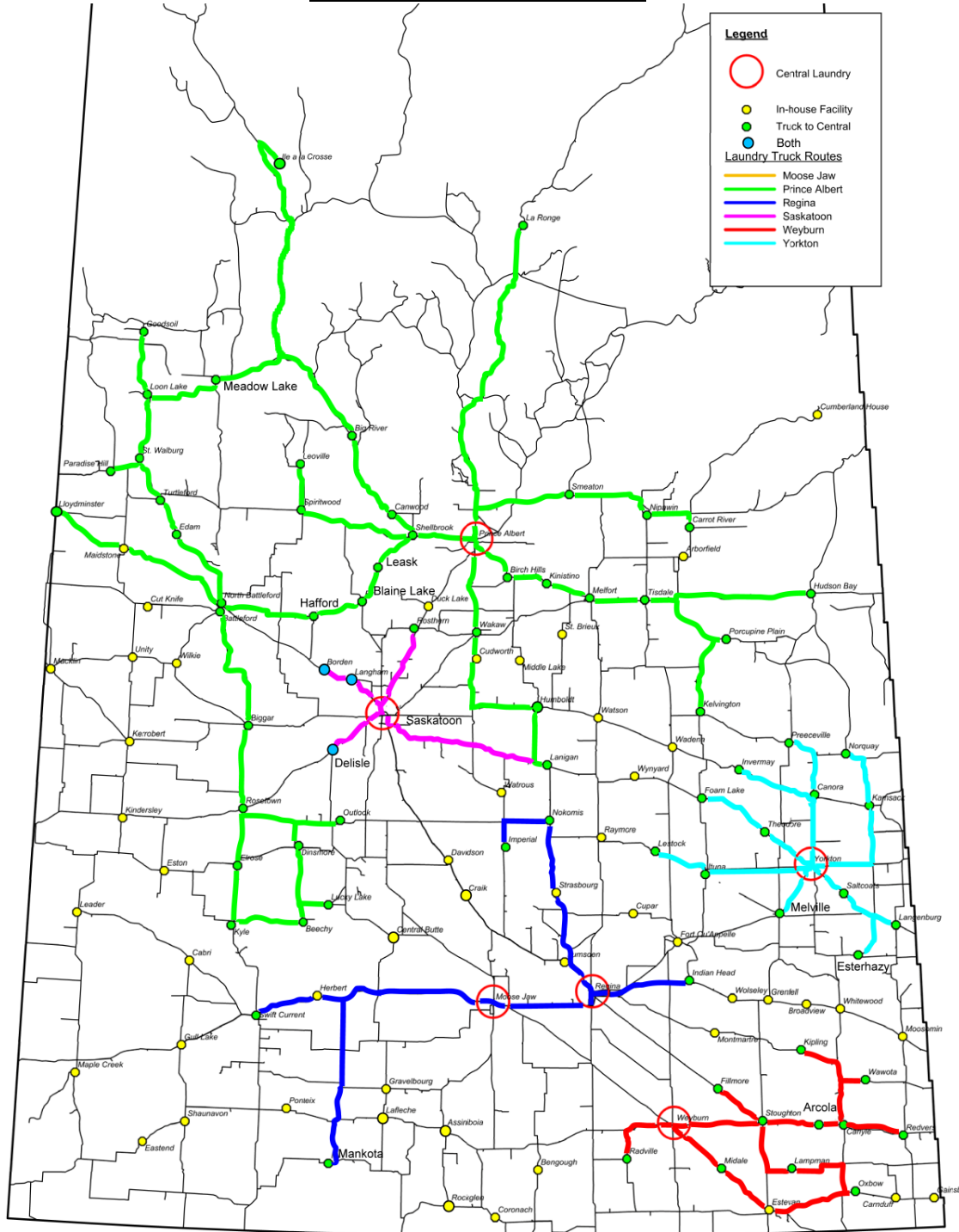
**Q27: How do other provinces deliver healthcare linen services?**

**A27:** In most other provinces linen services are delivered by a combination of private service providers and public organizations. They also have a combination of central and local laundries. The new Saskatchewan Provincial Linen Service is consistent with what is happening in other provinces. In fact, K-Bro is the primary service provider in Alberta and also provides service in Ontario and British Columbia.

**Q28: The CUPE Saskatchewan collective agreement (article 6.02) says that you must disclose your intentions to outsource this work, provide the rationale, and allow the Union to make a counter proposal. Do you intend to honour this article?**

**A28:** Yes. Over the next several weeks 3sHealth and the RHAs will fully disclose their rationale for the decision and provide an opportunity for discussion. A contract with K-Bro will not be signed until this process is complete.

### Current Distribution Map



**Note:** this map shows the distribution from the Saskatoon depot. It does not show the routes to get linen processed in Calgary and delivered to Saskatoon.