



Red Flags



Critical events can occur that will cause you to critically review your contract. The retirement or transfer of a well thought of contractor employee, a change of District Manager, a contractor merger or acquisition are all normal reasons to review your contractual relationship. Unfortunately there can also be a contractor caused crisis that should cause you to consider change. Examples include: food borne illness, serious human resource issues, poor accreditation survey results, contractor employee theft, serious health and safety problems, maintenance negligence, even a poorly executed catering function.

In addition to these obvious events, there are **Red Flags** that should be cause for concern:

- An unsolicited offer by your contractor to make a large capital investment
- Going through several contract renewal periods, with no request for price or fee increases
- A request for a long contract extension, with limited price or fee increases

There is no "free lunch", if an offer appears too good to be true...it probably is!

An Alternative to "Going out to bid"

An RFP process can be time consuming and potentially disruptive to your organization. RFP's are almost always disruptive to the contractor and their employees. Additionally, it is unfair to "use" prospective contractors just to keep your current contractor in line. If a critical event occurs or there is a **Red Flag, you should not automatically "test the market"** through an RFP process. I recommend to my clients that unless they are realistically seeking to change contractors (at least a 20 - 30% probability of change), that they do not go through an RFP process. Consider using a Consultant to review your current agreement, bench mark the financial and operational results and assist you in negotiating a new contract with your current contractor. If this contract review process does not achieve the desired results, then the spade work for a full blown RFP process will already be completed. Of course, I recommend using **Support Service Group, LLC**.

Feedback:

A new position paper will come out every month or so.

If you'd prefer to receive future position papers electronically, send me an email. Make sure and let us know what format you prefer. They are available electronically in MS Word (.doc) and Adobe Acrobat (.pdf) formats.

The position papers are also available on our web site www.supportservicegroup.com for your future reference.

We welcome your comments and suggestions for future position papers. Either drop me an email or give me a call.

If you'd like to explore how **Support Service Group, LLC** can help you maximize the results from your food service, housekeeping or facilities departments, I'll be happy to meet with you.

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