



# Ice Machines and Water Dispensing Products and Services



Effective July 1, 2020 through June 30, 2023

## Products and Services Available

This category includes ice and water dispensing machines, stand-alone water dispenser units, healthcare-grade refrigeration/freezers and related services.

## How to Operationalize These Agreements

A Participating Member Designation Form (PMDF) or electronic price activation (PA) is required at Tier 2 with all suppliers.

## Aggregation Opportunities

Aggregation is allowed for multi-facility systems, group purchasing organizations and established networks of facilities with all suppliers.

## Class of Trade

- Agreements with Scotsman and Waterlogic are available to acute care, non-acute healthcare, non-healthcare, retail pharmacies and durable medical equipment suppliers.
- Follett's agreement is available to healthcare and healthcare-related classes of trade.

## Other Key Value and Terms

- Pricing is firm for the term of the agreement with all suppliers.
- [Financial analysis](#) reveals:
  - Follett's new agreement pricing has an overall 6.0 percent increase compared to its expiring agreement.
  - Scotsman's new agreement pricing has an overall 4.8 percent increase compared to its expiring agreement.
  - Price increases are due to increased price of steel and other raw materials.
  - Follett is a low-cost supplier on crossed items compared to Scotsman. Waterlogic cannot be compared to Follett or Scotsman because Waterlogic's pricing is based on 36-month and 60-month rental programs.
- Follett offers free one-day seminars to provide in-depth, hands-on training in diagnosing and servicing Follett equipment as a [value-add](#).
- Scotsman has a \$50,000 large order threshold.
- Available through distribution: Scotsman
- Available direct: Follett, Waterlogic




## Supplier Contact Information

- Follett LLC: Aaron Stout, 484.541.0443, [astout@follettice.com](mailto:astout@follettice.com)
- Scotsman Ice Systems: Jeff Biel, 847.215.4459, [jeff.biel@scotsman-ice.com](mailto:jeff.biel@scotsman-ice.com)
- Waterlogic USA Inc. dba Waterlogic Americas LLC: Marty Tiskos, 240.285.8626, [marty.tiskos@waterlogicusa.com](mailto:marty.tiskos@waterlogicusa.com)

**Note:** Supplier contact information is current as of June 9, 2020. For up-to-date contact information, see supplier's detail tab in Supply Chain Advisor.

## Related Categories

- General Laboratory, Products, Equipment and Services: General laboratory products, such as refrigerators and freezers, used for the storage of blood and laboratory reagents
- Pharmacy Grade Refrigerators and Freezers: Medical-grade refrigerator and freezers that maintain specific temperatures in order to protect and preserve pharmaceuticals or research materials
- Stainless Steel Equipment, Storage System and Mobile Carts: Cabinetry, casework, mobile transport carts (ice carts), shelving, scrub sinks and tables

Contracted Suppliers		
Supplier	New Contract	Expiring Contract
	PP-FA-811	PP-FA-596
	PP-FA-812	PP-FA-597
	PP-FA-813	New

For information about committed programs, please visit the [Performance Groups Portal](#) or the [portfolio books page](#) in PremierConnect®.



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## Full Launch Content and Additional Resources Available in Supply Chain Advisor

- [Executive summary](#): A high-level PDF overview intended for supply chain and C-suite executives. This document includes agreement highlights, purchasing considerations and information on Premier resources.
- [Product cross reference](#): An Excel spreadsheet reference identifying product comparisons and functional equivalents. Both non-awarded supplier and awarded supplier product information are included.

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## Category Information

Bacteria may be present in ice and ice machines. The two main sources of bacteria in ice are the potable water from which it is made and a transferal of organisms from hands.

Ice from contaminated ice machines has been associated with patient infections, bloodstream infections and pulmonary and gastrointestinal illnesses. Bacteria in ice can also secondarily contaminate clinical specimens and medical solutions that require cold temperatures for either transport or holding.

The following tools and resources within this toolkit are designed to assist you through the value analysis process:

- [Product offering](#)
- [Critical specifications](#)
- [Product review tips](#)
- [Supplier tiers](#)
- [Financial analysis](#)
- [Value-adds](#)
- [Terms and conditions](#)
- [Market highlights](#)

### U.S. Army Center for Health Promotion and Preventive Medicine, [Procedures for Cleaning Contaminated Ice Machines](#)

Outlines procedures for the cleaning and disinfection of commercial ice machines once they have tested positive for bacteria. Procedures include, but are not limited to:

- Wash all parts in hot detergent water.
- Sanitize parts in a solution of one ounce unscented household bleach in three gallons of clean potable water. Leave parts in solution for at least 30 seconds. Let parts air dry.
- Wash hands before handling sanitized parts. Reassemble the machines. Wipe all exposed surfaces with a fresh chlorine solution. Let air dry.
- Let the ice bin fill and run bacterial samples on water supply and ice. If negative, ice can be used for food operations. If positive, clean and sanitize the machine again.

### U.S. Centers for Disease Control and Prevention (CDC), [Guidelines for Environmental Infection Control in Health-Care Facilities, 2003](#)

Outlines general steps for cleaning and maintaining ice machines, dispensers and storage chests. Procedures include, but are not limited to:

- Thoroughly clean machine and parts with water and detergent.
- Dry external surfaces of removable parts before assembling.
- Inspect for rodent or insect infestations under the unit.
- Check door gaskets for evidence of leakage or dripping into the storage chest.
- Clean the ice storage chest with fresh water and detergent. Rinse with fresh tap water.
- Sanitize the machine by circulating 50 to 100 parts per million (ppm) solution of sodium hypochlorite through the ice-making and storage systems for two to four hours. Drain sodium hypochlorite solution and flush with fresh tap water.
- Allow all surfaces to dry before returning to service.

### U.S. Food and Drug Administration (FDA), [Food Code, 2013](#)

The FDA defines ice as food, thereby holding it to the same handling and cleanliness standards as everything else in the retail food industry.

- Ice machines must be cleaned at a frequency specified by the manufacturer which in most instances ranges from two to four times per year or “at a frequency necessary to preclude accumulation of soil or mold.”
- Ice contact surfaces must be sanitized after each cleaning.

### Standards for Ice Machines

- Energy Star® – Program requirements for [refrigerators and freezers](#), [automatic commercial ice makers](#), [commercial refrigerators and freezers](#)
- [ASTM F2432](#) – Standard specification for ice-making machines, icemaker-dispensers and ice dispensing equipment
- U.S. Department of Energy – [Energy conservation standards for automatic commercial ice makers](#)

### Additional Resource

- FoodSafety™ magazine, “[The Sanitation of Ice-Making Equipment](#),” 2013



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## Product Offering

Product images are a representation of products included in this category. For a complete list of contracted products, please see Supply Chain Advisor® for more details. Press ctrl + click on supplier name to visit supplier websites.

	<u>Follett</u>	<u>Scotsman</u>	<u>Waterlogic*</u>
Combination ice and water dispenser	✓	✓	✓
Freezers – Specialty	✓		
Refrigerators – Healthcare	✓		
Refrigerators – Specialty	✓		
Stand-alone ice dispenser – Commercial		✓	✓
Stand-alone ice dispenser – Healthcare	✓	✓	✓
Stand-alone water dispenser	✓		✓

\* Waterlogic's products are available for rental only.



Combination ice and water dispenser



Refrigerators – Specialty



Stand-alone ice dispenser

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## Critical Specifications

Premier considered the criteria below when making contract award decisions. These are recommended variables for evaluation in product selection. All information comes directly from supplier responses to Premier's Request for Information.

	Follett	Scotsman	Waterlogic
<b>Product Information</b>			
Recalls within the last three years	No	No	No
Backorders within the last two years	Yes, on upright refrigerators	No	No
Backorder notification	≤ 24 hours	24 to 48 hours	Does not track
Average product lifespan	7 to 10 years	7 to 10 years	10 to 15 years
Products are <a href="#">ENERGY STAR</a> certified	Yes	Yes	Yes
<b>Critical Criteria</b>			
Products are designed for easy replacement of parts	Yes	Yes	No
Types of ice styles	Nugget, flake	Cube, nugget, flake	Cube, flake
Uses ultraviolet (UV) germicidal lighting to eradicate mold	No	No	UV eradicates viruses and bacteria, but not mold
Quantities of ice production	425 pounds in 24 hours	40 to 2,600 pounds in 24 hours	35 to 860 pounds in 24 hours
Type of compressor	Both water-cooled and air-cooled	Both water-cooled and air-cooled	Both water-cooled and air-cooled
Maximum decibels of noise	60 decibels	62 decibels	60 decibels
Products use same size maker so they can be interchanged	Yes	No	Yes
Offers rental program	No	No	Yes
Temperature tracking capabilities	Yes	No	No
Refrigerators are compatible with medication dispensing systems	Yes	N/A	N/A
Time refrigerators will stay at temperature with loss of power	Varies	N/A	N/A
Mitigating biological growth capabilities	Yes, agion	Yes	Yes, ultraviolet bulbs
Provides cleaning specifications that cover all parts	Yes	Yes	No, products are cleaned by supplier technicians
Antimicrobial products	<a href="#">Agion</a>	<a href="#">Agion</a>	<a href="#">BioCote</a>
Recommended maintenance frequency	6 months to 1 year	6 months	1 year
Accommodate re-built kits	No	No	No
<b>Supplier Attributes</b>			
<a href="#">ISO registered</a>	No	Yes	Yes
Type of business that is highest market share	Acute care hospitals	Foodservice	Commercial accounts
Manufacturing locations	United States	United States	United States, China, Korea
Sales representatives (full-time employees)	61 to 80	< 5	> 100
Toll-free customer service support	8 hours per day/ 5 days per week	24 hours per day/ 7 days per week	12 hours per day/ 5 days per week



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## Product Review

Factors influencing the decision to move suppliers through the contracting process focused on committee member discussions and [critical specifications](#).

### When conducting a review in your facility, consider:

- Energy efficient options
- Size of units and space constraints
- Material of ice machine (steel or aluminum) – Steel machines cost more than aluminum, yet they are more durable and thus have a longer lifespan.
- Type of compressor (air-cooled or water-cooled) – Air-cooled ice machines are products that circulate air to draw heat away, while water-cooled machines use water to remove heat. Air-cooled units produce a large amount of noise and heat; water-cooled machines are typically more expensive than air-cooled machines because they produce less noise, produce less heat around the unit and can be installed in smaller spaces and in areas where temperatures are greater than 80° Fahrenheit.
- Ease of cleaning and disinfection
- Features such as antimicrobial parts, water filtration systems, alarms that indicate when the machine needs cleaning, timing and volume programmability and coatings to resist corrosion
- Ice types offered – Crushed or flaked ice is recommended for healthcare facilities to reduce choking risks
- Maximum daily production rate – Daily production rate can range from fewer than 100 pounds of ice every 24 hours to more than 3,000 pounds of ice every 24 hours.
- Flammability of refrigerants
- Installation, maintenance and repair costs
- Cost of accessories, such as storage bins, dispensers and filters (which need to be changed about every six months)
- Brand loyalty in your facility

### Consider speaking with the following influencers and decision makers:

- Infection control
- Facilities services
- Environmental services



## Supplier Tiers

Follett Expiring Tiers (PP-FA-596)	
Total purchases (per purchase order)	
Tier 1	< 25 units
Tier 2	≥ 25 units



Follett New Tiers (PP-FA-811)	
Total purchases	
Tier 1	No commitment required, PMDF not required
Tier 2	≥ 25 units (per purchase order) <b>OR</b> ≥ \$300,000 (per previous contract year*)

\*Any top parent with aggregate sales of greater than \$300,000 during a contract year (July 1 through June 30) of the contract period (July 2020 through June 2023) will also qualify for Tier 2 pricing. Initial baseline sales from July 1, 2019, through June 30, 2020, for top parents greater than \$300,000 in sales qualify for Tier 2 pricing effective July 1, 2020. Any top parent that reaches \$300,000 in sales during a contract year will qualify for Tier 2 pricing for the remainder of the contract year and automatically qualify for the next 12-month contract year during the contract period.



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## Supplier Tiers (Continued)

Scotsman Expiring Tiers (PP-FA-597)	
Total purchases (per purchase order)	
Tier 1	< \$25,000
Tier 2	≥ \$25,000

→

Scotsman New Tiers (PP-FA-812)	
Total purchases (per calendar year)	
Tier 1	No commitment required, PMDF not required
Tier 2	≥ \$25,000 <b>OR</b> academic health system

New supplier →

Waterlogic New Tiers (PP-FA-813)	
Total purchases (per calendar year)	
Tier 1	No commitment required, PMDF not required
Tier 2	≥ 10 units



## Financial Analysis

The financial analyses include the following:

- Incumbent new agreement pricing compared to incumbent expiring agreement pricing
- Supplier comparison – Follett as base
- Supplier new agreement pricing – Differential between tiers

Cross reference performed by product planning staff and validated by suppliers. Calculations are based upon overall Premier utilization. **Individual savings will vary.**

Notes: Weighted financial analysis considers the impact of each product increase/decrease in proportion to the aggregated Premier member purchase volume. Non-weighted financial analysis considers every product equally regardless of volume purchased.

When conducting an analysis, product quantity values are adjusted to represent the total number of consumable units for unit of measures (UOM). Using the same quantity of measurement values creates consistency for all calculations within a category.

Follett <u>New</u> Agreement Pricing Compared to Follett <u>Expiring</u> Agreement Pricing (Weighted)		
Tier 1/Tier 1	Tier 2/Tier 2	Overall
6.0% increase	6.0% increase	6.0% increase
Price increases due to increased price of steel and other raw materials.		

Scotsman <u>New</u> Agreement Pricing Compared to Scotsman <u>Expiring</u> Agreement Pricing (Weighted)		
Tier 1/Tier 1	Tier 2/Tier 2	Overall
4.8% increase	4.8% increase	4.8% increase
Price increases due to increased price of steel and other raw materials.		





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## Financial Analysis (Continued)

Supplier Comparison – Follett as the Base (Weighted)				
Supplier	Tier 1/Tier 1	Tier 2/Tier 2	Number of Products Crossed	Percent of Items with Crossed Spend
Scotsman	1.2% less favorable	2.9% less favorable	25 out of 226	49.5%

Waterlogic cannot be compared to Follett because Waterlogic's pricing is based on 36-month and 60-month rental programs.

Supplier New Agreement Pricing – Differential Between Tiers		
Supplier	List Price to Tier 1	Tier 1 to Tier 2
Follett	54.3% savings	3.0% savings
Scotsman	62.2% savings	1.5% savings
Waterlogic	50.0% savings*	Locally negotiated

\* There is a 21.6 percent savings for Waterlogic's 60-month rental program compared to its 36-month rental program.



## Value-adds

Supplier Value-Add Programs	
Follett	
See Exhibit J Value Adds for more details.	
Service seminars	Follett offers free one-day service seminars taught by Follett technical staff and designed to provide in-depth, hands-on training in diagnosing and servicing Follett equipment. Products covered include Maestro ice machines, Symphony Plus ice and water dispensers as well as medical-grade refrigerators and freezers.

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## Terms and Conditions

	Follett	Scotsman	Waterlogic
<b>Diversity status</b>	N/A	N/A	N/A
<b>Electronic PA/PMDF</b>	Required at Tier 2	Required at Tier 2	Required at Tier 2
<b>Aggregation</b>	Allowed for multi-facility systems, GPOs and established networks of facilities	Allowed for multi-facility systems, GPOs and established networks of facilities	Allowed for multi-facility systems, GPOs and established networks of facilities
<b>Class of trade</b>	Allowed for healthcare and healthcare-related classes of trade	Allowed for acute care, non-acute healthcare, non-healthcare, retail pharmacies and durable medical equipment suppliers	Allowed for acute care, non-acute healthcare, non-healthcare, retail pharmacies and durable medical equipment suppliers
<b>Local negotiation</b>	Allowed	Allowed	Allowed
<b>Price protection</b>	Firm for the term of agreement	Firm for the term of agreement	Firm for the term of agreement
<b>Direct/distribution</b>	Direct	Through authorized distributors	Direct
<b>Payment terms*</b>	Within 45 days of product delivery or invoice receipt, whichever is later	<b>Installation required:</b> 50% paid within 60 days of product delivery or invoice receipt, whichever is later, and the balance paid within 30 days of product acceptance <b>Installation not required:</b> 100% paid within 60 days of product acceptance or invoice receipt, whichever is later	Within 30 days of product acceptance
<b>Early payment discount*</b>	None	None	None
<b>Electronic payments*</b>	Electronic fund transfers, purchase cards and credit cards allowed at no added cost	Electronic fund transfers, purchase cards and credit cards allowed at no added cost	Electronic fund transfers, purchase cards and credit cards allowed at no added cost
<b>Shipping terms*</b>	Transportation and insurance paid by member; title and risk of loss transfer to member on delivery	Transportation and insurance paid by seller; title and risk of loss transfer to member on delivery	Transportation and insurance paid by seller; title and risk of loss transfer to member on delivery
<b>Freight management*</b>	Will accommodate at no added cost	Will accommodate at no added cost	Will accommodate at no added cost
<b>Acceptance</b>	Within 30 days of delivery date	Within 90 days of installation or delivery date	Within 90 days of installation or delivery date
<b>Minimum order*</b>	None	None	None
<b>Large order threshold*</b>	None	\$50,000	Locally negotiated
<b>Guaranteed delivery time*</b>	10 days for up to 10 units	5 business days	Locally negotiated
<b>User training</b>	Provided at no added cost	Provided at no added cost	Provided at no added cost
<b>Installation</b>	Member is responsible for product installation	Not included in product price; if member purchases installation services, seller will be fully responsible	Not included in product price; if member purchases installation services, seller will be fully responsible
<b>Returned goods policy*</b> See Exhibit H for details.	Standard, new and unused equipment may be returned within 45 days of shipment; 20% restocking fee may apply	Returned products must be in original packaging, unused and shipped within the last 6 months; restocking fee may apply	Not contracted for
<b>Ordering instructions*</b> See Exhibit I for details.	<b>Fax:</b> 610.250.0696 <b>Email:</b> <a href="mailto:customerservice@follettice.com">customerservice@follettice.com</a>	Through authorized distributors	<b>Phone:</b> 855.903.1806

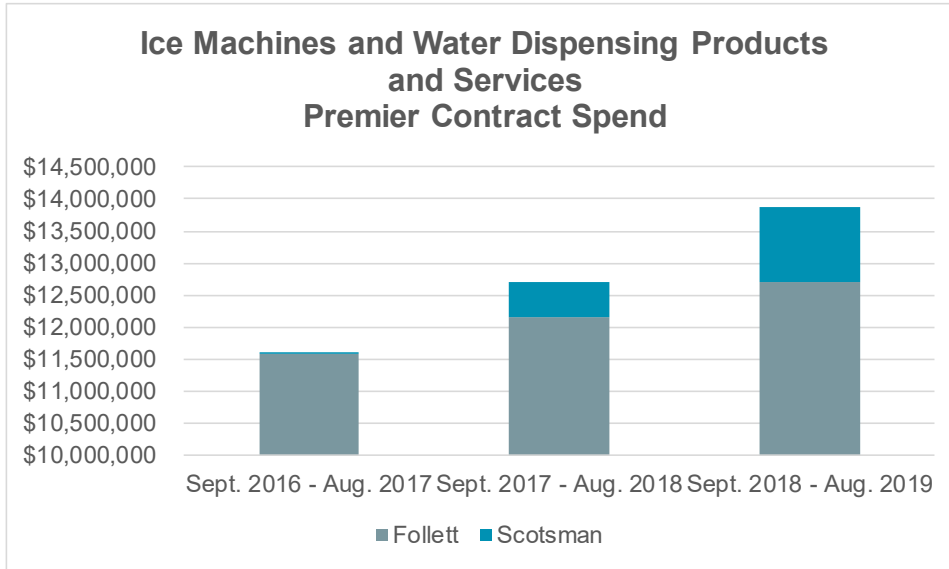
\*For orders through distributors, terms are negotiated between authorized distributor and member.



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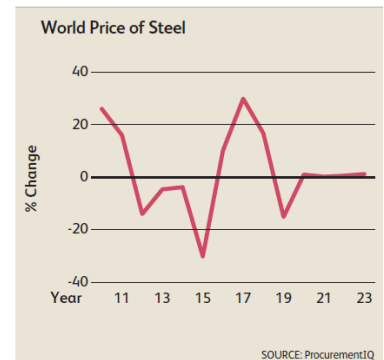
## Market Highlights



Source: Premier SARA database

### Raw Materials

Steel machines cost more than aluminum, yet they are more durable and thus have a longer lifespan. During the three years to 2019, the world price of steel has been rising sharply at an estimated annualized rate of 8.8 percent in response to greater global demand. Moreover, a 25.0 percent tariff on imported steel, enacted in March 2018, has caused steel prices to spike. From 2019 to 2022, the world price of steel is expected to continue rising at a much slower annualized rate of 0.6 percent due to the long-term effects of the tariff, which will reduce demand for imported steel.



The world price of aluminum has been rising at an estimated annualized rate of 4.8 percent during the past three years in response to rising global demand. In addition, a 10.0 percent tariff on imported aluminum enacted in March 2018. During the next three years, aluminum prices are forecast to grow at a slower annualized rate of 1.3 percent due to the long-term effects of the tariff, which will reduce demand for imported aluminum.

### Pricing Trend

In the three years to 2019, the average price of ice makers has been increasing at an estimated annualized rate of 2.7 percent. During the three years to 2022, the average price of ice makers is anticipated to continue increasing at an annualized rate of 0.9 percent.

Source: IBISWorld



# Ice Machines and Water Dispensing Products and Services



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## Sourcing Summary

Ice Machines and Water Dispensing Products and Services	
<b>Committee:</b>	Facilities and Environmental Services – All contract award decisions for the Facilities and Environmental Services portfolio are decided upon by this team of dedicated professionals
<b>Suppliers invited to participate:</b>	<ul style="list-style-type: none"> <li>• Follett</li> <li>• Scotsman</li> <li>• Waterlogic</li> </ul>
<b>Contracted suppliers:</b>	<ul style="list-style-type: none"> <li>• Follett</li> <li>• Scotsman</li> <li>• Waterlogic</li> </ul>

### About the Facilities and Environmental Services Committee:

The Facilities and Environmental Services Committee includes facility chief operating officers, vice presidents, directors of purchasing and contracting and environmental services directors. Member credentials include FASHE, PE, CPM, CHESP, CHFM and MBAs. The committee member facilities are in all regions of the United States, including both rural and urban settings. They represent large integrated delivery networks (IDN), small hospital systems and teaching institutions.

### Premier resources on environmentally preferable purchasing

Please visit the [Premier Safety Institute®](https://www.premier.com/resources/premier-safety-institute) website for additional resources on complete guidelines and downloadable information on the use of clean renewable energy for hospitals. Please ask distributors about their Energy Star products. More information about Energy Star is available at [www.energystar.gov](http://www.energystar.gov).

Please visit the **Premier Facilities, Construction, Energy and Environmental Services Community** on [PremierConnect](https://premierconnect.com).

The community will provide you with a guide to using Premier resources in the facilities arena and connect you to Premier's subject matter experts and your peers at other Premier member organizations.

Working in conjunction with Premier's field force, Premier's Construction Services Team provides expertise in facilities management and construction. With Premier's comprehensive Construction and Renovation Program, members have access to industry-leading agreements, vital construction expertise, a website with resources such as a construction calculator and sample specification documents – all at no cost. Whether the need is facilities management, construction support or capital planning and budgeting, Premier can support your efforts to achieve maximum outcomes.

Premier will build complementary relationships with your general contractor, architect and equipment planner; broaden the facilities portfolio specific to construction projects, including regional agreements; engage all stakeholders in the construction decision-making process; and educate third parties of the benefits to the project owner when Premier agreements are used.

**Information contained in this document is current as of June 9, 2020.**



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## Why Price Activation/PMDF is Important

In addition to ensuring member and supplier agreement for both appropriate price tier(s) and applicable facilities, price activation (PA)/PMDF also enables:

- Member visibility to the PA/PMDF status in the Supply Chain Advisor catalog at the contract and price tier level.
- Transmission of PA/PMDF information to SpendAdvisor® and Global Healthcare Exchange (GHX).
- Price tier visibility for boarded distributors (i.e. distributors with direct access to Supply Chain Advisor on all contracts where they were selected as a distributor).

## Questions

For questions about these agreements, please contact your local Premier representative or the Premier Solution Center at 877.777.1552 or [solutioncenter@premierinc.com](mailto:solutioncenter@premierinc.com). Pricing and other contract information may be accessed through Premier's Supply Chain Advisor® catalog at <https://premierconnect.premierinc.com>.

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