

TEXTILE CARE MANAGEMENT

1. PURPOSE. This revised Veterans Health Administration (VHA) Handbook provides procedures and reporting requirements concerning textile management costs attributed to the procurement and distribution of textiles and the processing of laundry. *NOTE: This report assists managers by developing comparative data supporting the development of business plans and other management initiatives.*

2. SUMMARY OF MAJOR CHANGES

a. The Sample Worksheet for the Textile Distribution and Inventory Cost Report (App. A), and the Sample Worksheet for the Textile Care Production Information and Cost Report (App. B) have been modified to identify and capture the various laundry and linen distribution cost which contribute to the overall cost of operation.

b. Department of Veterans Affairs (VA) Form 10-9036, Textile Inventory Control Report (Report Control Number (RCN) 10-0132) has been revised. Data collection is based upon a 100 percent line-item inventory control survey to be conducted during the first quarter of each Fiscal Year (FY) for the previous FY.

3. RELATED ISSUES. VHA Directive 1850 (to be published).

4. FOLLOW-UP RESPONSIBILITY. The Director, Environmental Programs Service (10NP) is responsible for the contents of this Handbook. Questions concerning this Directive may be directed to the Environmental Programs Service (10NP) at 202-266-4632.

5. RESCISSIONS. VHA Handbook 1850.3, dated July 12, 2002, is rescinded.

6. RECERTIFICATION. This VHA Handbook is scheduled for recertification on or before the last working day of January 2013.

Michael J. Kussman, M.D., MS, MACP
Under Secretary for Health

DISTRIBUTION CO: E-mailed 1/16/08
FLD: VISN, MA, DO, OC, OCRO, and 200 – E-mailed 1/16/08

CONTENTS

TEXTILE CARE MANAGEMENT

PARAGRAPH	PAGE
1. Purpose	1
2. Background	1
3. Scope	1
4. Responsibilities of the Director Environmental Programs Service	2
5. Responsibilities of the Facility Director	2
6. Responsibilities of the Textile Control Officer (TCO)	2
7. Textile Inventory	4
8. Textile Control and Security	5
9. Laundry Consolidation Agreements	6
10. Textile Inventory Control Report, RCN 10-0132	6
11. Weigh Scales	8
12. Cost of Operations Template	8
APPENDIXES	
A Sample Worksheet for the Textile Distribution and Inventory Cost Report	A-1
B Sample Worksheet for the Textile Care Production Information and Cost Report	B-1

TEXTILE CARE MANAGEMENT

1. PURPOSE

This Veterans Health Administration (VHA) Handbook provides the scope, and reporting requirements concerning textile management costs attributed to the procurement and distribution of textiles and the processing of laundry.

2. BACKGROUND

a. In 1982, requirements for conducting local and national textile inventories were annotated in M-1, Part VII, Chapters 6 and 7. Later revisions applicable to this reporting requirement were updated routinely through 1991.

b. National textile inventory reports were published to the field using Information Letters from 1983 through 1997. As a result of these inventories, textile management was improved, resulting in more comprehensive inventory management at local facilities.

c. In 1999, the General Accounting Office (GAO) issued report B-283006 and in 2000, GAO issued phase II of that report (Code 406201), which revealed some inconsistencies in definition and the calculation of textile management. The final report, GAO-01-61, recommended a systematic assessment to reduce costs while maintaining quality. Those findings and recommendations contributed to the revising and reinsurance of this recurring report in July 2002.

d. In 2007, the Management Analysis Business Process Reengineering (MA BPR) pilot study revealed opportunities to improve the way VHA collects laundry operations data. These improvements have been included in the revision of this recurring policy to provide a mechanism for collecting costing data with a greater level of accuracy necessary for labor and non-labor costs of operations.

3. SCOPE

This Handbook documents the revision of Department of Veterans Affairs (VA) Form 10-9036, Textile Inventory Control Report (Report Control Number (RCN) 10-0132) and the addition of the Textile Distribution and Inventory Cost Report (see App. A) and the Textile Care Production Information and Cost Report (see App. B), to be submitted only by textile care processing facilities or those utilizing contracted services. This revision of data collection is based upon a 100 percent line-item inventory control survey to be conducted during the first quarter of each Fiscal Year (FY) for the previous FY. Reports are due not later than December 15 of each calendar year. These reports are to be forwarded through official channels to the Director, Environmental Programs Service (10NP), VA Central Office.

4. RESPONSIBILITIES OF THE DIRECTOR ENVIRONMENTAL PROGRAMS SERVICE

The Director, Environmental Programs Service (10NP) is responsible for report assimilation and the development and distribution of an annual report during the second quarter of each FY. This report assists field and corporate managers in appraising comparative data, and in supporting the development of market-based business plans and other management initiatives.

5. RESPONSIBILITIES OF THE FACILITY DIRECTOR

The VHA facility Director, or designee, is responsible for:

a. Preparing and submitting RCN 10-0132 using VA Form 10-9036, which must include 100 percent of all textile line items processed, the Textile Distribution and Inventory Cost Report (App. A), and the Textile Care Production Information and Cost Report (App. B), to be submitted only by textile care processing facilities or those utilizing contracted services."

NOTE: The Appendix A and B costing reports will be electronically submitted. The Inventory Report (10-9036) must be submitted by fax and electronically (web interface or email).

b. Ensuring that Government-owned Contractor-operated (GOCO) and Contractor-owned Contractor-operated (COCO) textile processing facilities submit required data through the facility responsible for contract management using the sample format contained in Appendix B. This requirement must be included as part of the contractor performance requirements.

c. Ensuring there is a published Textile Management Plan. Each medical center's textile management plan must include the following primary objectives:

- (1) Implementation of a workable textile distribution system.
- (2) Implementation of a reliable record keeping system.
- (3) Development of working relationships with using services.
- (4) Education of service employees.
- (5) Achievement of administration support through effective planning and coordination.
- (6) Establishment of optimum par levels that directly relate to patient care needs.

NOTE: Par levels are explained in subpar. 7b(1).

- (7) Maintenance of the established textile par levels through effective textile management.
- (8) Establishment of textile control and security measures.

6. RESPONSIBILITIES OF THE TEXTILE CONTROL OFFICER (TCO)

The Textile Control Officer (TCO) is responsible for:

a. Textile management, which includes the inventory control, inventory security, and required reports. The review and analysis of all collected data is used to evaluate the status of the textile management and control functions.

b. Developing a local policy documenting the system used to enable the TCO to recognize and assess the degree of out-of-line situations.

c. Implementing an effective textile management plan that meets the needs of the medical center.

d. Managing the textile inventory in an economical and efficient manner. **NOTE:** *Supervisory personnel and service employees need to be motivated and trained to properly accomplish their respective duties.*

e. Visiting the using units at regular intervals to discuss problems and plan textile service improvements. **NOTE:** *These visits need to occur as often as possible at medical centers with large patient workloads and or where problems in textile use occur.*

f. Reviewing, carefully, the active textile inventory needs to determine if unusual situations exist that may require an adjusted par level.

g. Textile management record keeping. Textile management record keeping must be accurate and account for the textile inventory in each stage of the textile service cycle.

(1) The annual textile inventory is used to validate textile management records.

(2) Textile Care Processing Facility (TCPF) textile reserves, supply requisitions, and deliveries need to be accounted for by this record keeping system. **NOTE:** *Textile Management Software Systems, which meet the requirements of this Handbook, are available on the open market; their use to provide reports and management control is strongly recommended.*

h. Implementing effective textile controls, which meet the needs of the medical center. The textile security policies and procedures used are to be coordinated with all using services, and the medical center police unit.

i. Developing a close, cooperative relationship with the medical center police and security force to ensure that textile control procedures properly interface with police security procedures, and that suspicious losses or conditions receive prompt investigation.

j. Meeting, at least quarterly, with users to discuss refinement of textile levels, improved service procedures, and improved textile control procedures. The objective is to optimize service to the users and minimize textile misuse. **NOTE:** *TCOs are encouraged to consider implementing innovative approaches to textile security, such as electronic textile security systems and or video surveillance.*

k. Ensuring that each delivery cart and ward storage area post a copy of the textile quota or standards for the using units.

l. Ensuring the use of disposable textiles in lieu of reusable textiles is fully justified by means of a cost and or benefit analysis.

7. TEXTILE INVENTORY

a. A medical center's active textile inventory level is based upon the:

(1) Type of patients,

(2) Medical specialty program,

(3) Type of textile service,

(4) Length of time needed to collect and deliver textiles,

(5) TCPF turnaround time, and

(6) Any other pertinent factors, such as, use of uniform and protective clothing valet systems.

b. Par is the term used to describe the quantity of each textile item needed in circulation for a 24-hour period. The quantity of each item required in circulation (par level) is directly related to linen usage, losses, processing locations, and storage locations.

(1) Par level is a term for the number of pieces of each item needed per bed, per patient day times the number of occupied beds served, times the number of locations the textile item is stored, used, and processed.

(2) The par level should be sufficient to maintain productivity and to preclude linen shortage at the using unit.

(3) One par level (24-hour supply) is normally needed for each of the following stages of the textile service cycle:

(a) Facility Related Textile Care Processing. Facility-related textile care processing includes:

1. Soiled transport and or receiving;

2. Soiled sorting and or wash;

3. Drying, conditioning, and finishing; and

4. Stored inventory for distribution.

(b) Medical Center Related Textile Care. Medical center related textile care includes:

1. Central Distribution,

2. Cart or shelf, (ward or unit closet), and

3. Bed or room.

c. The preceding seven locations represent seven par. The seven pars are based on a 5-day TCPF operation. The par level determines the beginning inventory for each piece. Medical facilities with no on-premise-laundry need to maintain an additional one to two par in central distribution for emergencies.

d. The inventory of textiles directly affects the:

(1) Number of processes,

(2) Availability,

(3) Life expectancy, and

(4) Cost of each piece.

e. Changes in inventory are to be adjusted by the:

(1) Number of active beds,

(2) Turn-over rate,

(3) Level of service or acuity,

(4) Delivery system,

(5) Ambulatory care workload, and

(6) Special emphasis programs and/or research.

f. The level of customer service, or patient acuity, determines the volume of each piece washed per day, and directly affects pounds per adjusted patient days, outpatient visits, and total poundage.

8. TEXTILE CONTROL AND SECURITY

Textile control must include, but is not limited to, the following security procedures:

- a. All textile storage areas and vehicles are to be under locked and controlled access.
- b. Only one 24-hour supply (one par) is to be kept in storage for each using unit.
- c. Prior to distribution, textile items must be permanently marked in an easily visible location, as follows:

VA PROPERTY
NOT FOR SALE

- d. All clean textile delivery carts are to be clearly labeled as to their destinations including a copy of the textile quota or standards for the using units (see subpar. 6k), and must be delivered directly to the designated textile drop point for each using unit.
- e. The clean textile cart must be attended by designated employees until secured at the using unit.
- f. Carts utilized by an automated delivery system must be enclosed and have a provision for locking the contents for safekeeping.
- g. Written facility policy to deter the loss of linen (by theft, unauthorized transport, usage, etc.) stating the consequences of such acts.

9. LAUNDRY CONSOLIDATION AGREEMENTS

If a laundry is providing service to another VHA health care facility, a written laundry consolidation agreement must be in place that addresses:

- a. Emergency contingency planning;
- b. Adjustable linen quantities based on demonstrated need, e.g., patient activity;
- c. Cost transfer methodology and process;
- d. Linen control responsibility documentation; and
- e. Routine (quarterly) customer service visits to the recipient facilities by the Textile Care Manager or representative.

10. TEXTILE INVENTORY CONTROL REPORT, RCN 10-0132

- a. Textile Inventory Control Report (RCN 10-0132) data is based upon an inventory control survey to be conducted during the first quarter of each FY for the previous FY. The report is due from each facility, not later than December 15th of each calendar year. These reports are to be forwarded through official channels to the Director, Environmental Programs Service (10NP), VHA Central Office.

b. The data submitted is to be based upon the contents of documented (auditable) textile management records and effective survey procedures. The survey must be conducted within a single 24-hour period. TCO must submit an RCS 10-0132 using VA form 10-9036, and document which medical centers are included in each annual report.

c. Once the Beginning Inventory has been established, the following formula needs to be used to determine Unexplained Disappearance and or Appearance of textiles:

(1) Abbreviations and definitions of the inventory variables are:

(a) BI = Beginning Inventory (Ending Inventory of previous year).

(b) NTR = New Textiles Received (and entered into the inventory).

(c) FW&T = Fair Wear and Tear.

(d) UD = Unexplained Disappearance.

(e) UA = Unexplained Appearance.

(f) EI = Ending Inventory (actual physical count).

(2) Formula for determining UD is: $BI + NTR - FW\&T - EI = UD$ and UA.

d. The TCO must review and analyze data to determine its validity and evaluate the status of the textile management and control functions. This evaluation needs to identify the priority of need, i.e., short-term actions and long-term direction for future objectives for improved operations.

(1) Positive (+) UD values generally indicate a lack of linen control, e.g., loss or misuse, or it may indicate problems with record keeping, as well as inventory methods.

(2) Ironically, a negative (-) value or UA is likely to be indicative of inaccurate record keeping and inventory methods. In any case, a negative UA, requires an adjustment increase to the current EI and next BI.

e. The data and summary factors of the Textile Inventory Control Report (RCN 10-0132) are to work in conjunction with the Textile Distribution and Inventory Cost Report (see App. A) and the Textile Care Production Information and Cost Report (see App. B). That information when integrated with a 100 percent line-item inventory enables the TCO to pinpoint the most prevalent items comprising UD and or UA, so that appropriate actions and objectives can be determined.

11. WEIGH SCALES

Weigh Scales used to weigh clean and soiled linen carts must be calibrated annually to ensure accurate costing and workload associated with laundry production and billing.

12. COST OF OPERATIONS TEMPLATE

The cost of operations template, which is available from the Environmental Programs Service (10NP), VHA Central Office, website at: vaww.vhaco.va.gov/dushom/eps/, provides a mechanism to collect the supporting costing information necessary for labor and non-labor costs of operations. The cost of operations template has been tailored to identify the various laundry-specific costs that are charged to the 8570 cost center, which contributes to laundry cost of operations. This template can be used to collect data needed to formulate the laundry financial indicator for cost per pound.

**SAMPLE WORKSHEET FOR THE
TEXTILE DISTRIBUTION AND INVENTORY COST REPORT**

(to be submitted by all health care facilities)

1. FISCAL YEAR _____

2. FACILITY NUMBER _____

3. FACILITY NAME _____

4. POINT OF CONTACT _____

Telephone number _____

E-mail address _____

5. Soiled pounds laundered. _____. *NOTE: Pounds processed by contractor and or Department of Veterans Affairs (VA).*

6. Total Full-time Equivalent (FTE) employee(s) assigned to Linen Distribution Production Cost Center 8571 _____. *NOTE: Staffing FTE must match FTE data in the 830 Report.*

7. Total Linen Distribution Employee Labor Cost \$ _____. **NOTE:** Total dollar amount for distribution labor. This would include all full-time and part-time staffs associated with the distribution of linen including benefits; all Wage Grade (WG), Wage Leader (WL), Wage Supervisor (WS), and General Schedule (GS) staff that distribute linen within the medical center or health care system and that are directly assigned to the 8571 cost center. Labor cost must match labor cost data in the 830 Report. Any exceptions must be referred to the Environmental Programs Service (10NP) at 202-266-4632.

8. Contract Labor (to include Compensated Work Therapy (CWT)) Cost \$ _____

NOTE: Total dollar amount for staff contracted through temporary agencies or CWT staff that is charged to the 8571 cost center; retrieve data from the 830 Report.

9. Total value of the current textile inventory purchased by the facility \$ _____.

NOTE: Based on inventory results, determine the dollar value of total textile inventory, e.g., bed linens, surgery textiles, towels, bed pads, patient apparel, uniforms, and specialty linen items. Exclude those items purchased by other entities. Retrieve data from Department of Veterans Affairs (VA) Form 10-9036, Textile Inventory Control Report.

10. Textile replacement cost for this report period \$ _____

NOTE: Based on inventory results, determine annual cost to replace any linen item (Cost Center 8571, Sub Accounts 2665 divided by 2666) within the textile inventory. Retrieve data from VA Form 10-9036.

11. Total unexplained loss of textiles in dollar amount \$ _____.

NOTE: Based on inventory results, determine the value of losses that cannot be accounted for through fair wear and tear, report of survey, or other documented process. Retrieve data from VA Form 10-9036.

12. The cost Facility Transportation (Drivers), if in house \$ _____.

NOTE: Total labor costs for in-house FTE employees that provide transportation services for linen distribution on station and or to pick up laundry from contractor.

13. Inter Facility Vehicle Cost (including fuel) \$ _____. **NOTE:**

Total vehicle costs associated with the transportation of linen on station and, if appropriate, to pick up laundry from contractor.

The following are to be completed by VA facilities receiving laundry service from the private sector.

14. Total Annual Laundry Service Contract Cost\$ _____. **NOTE:**

Total dollar amount spent for laundry processing services provided by contractor (exclude Government-owned Contractor-operated (GOCO)).

15. The service(s) provide:

a. Transportation: Yes _____ No _____

b. Linen Replacement: Yes _____ No _____

c. Laundry Service: Yes _____ No _____

16. Last date of scale certification provided from Contractor. _____. **NOTE:**

There must be documentation that commercial scales, used to weigh clean and soiled linen carts, have received maintenance and are certified by independent service company.

**SAMPLE WORKSHEET FOR THE
TEXTILE CARE PRODUCTION INFORMATION AND COST REPORT**

(to be submitted only by textile care processing facilities)

1. FISCAL YEAR _____

2. FACILITY NUMBER _____

3. FACILITY NAME _____

4. POINT OF CONTACT _____

Telephone number _____

E-mail address _____

5. Identify all types of textile care operation, i.e., Government-owned Government-operated (GOGO), Government-owned Contractor-operated (GOCO), Contractor-owned Contractor-operated (COCO).

6. Total Full-time Equivalent (FTE) employee assigned to Laundry Production (Cost Center 8570) _____

NOTE: Staffing FTE must match FTE data in 830 Report.

7. Last date of scale certification. _____

NOTE: Documentation that commercial scales, used to weigh clean and soiled linen carts, have received maintenance and are certified by independent service company.

8. Soiled pounds (all customers) laundered. _____

NOTE: Pounds processed, including Department of Defense (DOD), other government and state agencies, private sector, etc.

8A. Total Textile Care Administrative Employee Labor Cost \$ _____

NOTE: Total dollar amount of non-production labor associated with laundry production including benefits. This would include all administrative, supervisory and management support that is directly assigned to the 8570 cost center. Labor cost must match labor cost data in 830 Report.

8B. Total Textile Care Administrative Employee man-hours worked. _____

NOTE: Labor hours (Cost Center 8570) worked associated with non-production labor as stated at item #8A.

9A. Total Textile Care Production Employee Labor Cost \$ _____

NOTE: Total dollar amount of production labor. This would include all full-time and part-time staff associated with the production of linen including benefits. This would include all WG, WL staff that process linen and that are directly assigned to the 8570 cost center. Labor cost must match labor cost data in 830 Report.

9B. Total Textile Care Production Employee man-hours work. _____

NOTE: Labor hours (Cost Center 8570) worked associated with production labor as stated at item #9A.

10A. Contract Labor (to include CWT) Cost \$ _____

NOTE: Total dollar amount of staff either administrative or production that are contracted through temporary agencies or CWT staff that are charged to the 8570 cost center. This should not include IT labor. Labor cost must match labor cost data in 830 Report.

10B. Contract Labor (to include CWT) man-hours worked. _____

NOTE: Labor hours (Cost Center 8570) worked associated with administrated or production labor as stated at item #10A.

11. Other Associated Non-Productive Labor salary Costs (OWCP) \$ _____

NOTE: Total dollar amount associated with OWCP costs directly related the 8570 cost center. Retrieve data from 830 Report.

12. Total Cost of Productions Labor \$ _____

NOTE: Sum of line items 8A, 9A, 10A, and 11.

13. Total Cost of Productions Labor Per Pound \$ _____

NOTE: Divide using the following line items: +12 divided by 8.

14. Textile processing costs

a. Water or sewer \$ _____

NOTE: Total dollar amount of water consumed associated with laundry processing. This number should be available through the facility utilities manager and should only be water that is used in laundry processing.

a1. Total amount of water used _____ gallons.

NOTE: Retrieve data from energy monitoring system or meters.

b. Electricity \$ _____

NOTE: Total dollar amount of electricity consumed associated with laundry processing. This number should be available through the utilities manager and should reflect the cost of all electricity used in laundry processing.

b1. Total amount of kilowatt hours used _____

NOTE: Retrieve data from energy monitoring system or meters.

c. Steam \$ _____

NOTE: Total dollar amount of steam consumed associated with laundry processing. This number should be available through the utilities manager and should reflect the cost of all steam used in laundry processing.

c1. Total amount of steam used _____ pounds.

NOTE: Retrieve data from energy monitoring system or meters.

d. Gas or Oil \$ _____

NOTE: Total dollar amount of gas and oil consumed associated with laundry processing. This number should be available through the utilities manager and should reflect the cost of all gas and oil used in laundry processing.

d1. Total amount of gas used _____ cubic feet.

d1. Total amount of oil used _____ gallons.

NOTE: Retrieve data from energy monitoring system or meters.

e. Solar and or Geothermal \$ _____

NOTE: Total dollar amount of solar and or geothermal consumed associated with laundry processing. This number should be available through the utilities manager and should reflect the cost of all solar and or geothermal used in laundry processing.

f. Maintenance and Repair \$ _____

NOTE: Total dollar amount of maintenance and repair costs associated with maintaining laundry equipment. This amount includes all labor both in-house and contract and materials consumed associated with laundry processing. This number should be available through the Engineering Service and or through internal laundry maintenance program. Do not report maintenance performed by laundry production personnel, e.g., cleaning, equipment moving, pads, belts and or ribbon replacement.

g. General Supply (Cost Centers 8570/2660) \$ _____

NOTE: Total dollar amount of all general supplies. This should include ironer pads, ironer tape, and any other supply associated with laundry processing.

h. Chemical Supply (Cost Centers 8570divided by2660) \$ _____

NOTE: Total dollar amount of all washroom chemicals.

15. Total Cost of Production Non-Labor \$ _____

NOTE: Sum of line items 14a to 14h.

16. SUBTOTAL PROCESSING COSTS (Labor and Non-Labor) \$ _____

NOTE: Sum of line items 12 and 15.

17. SUBTOTAL PROCESSING COSTS (Labor and Non-Labor) Per pound \$ _____

NOTE: Divide using the following line items: +16 divided by 8.

18. Inter Facility Transportation (Drivers) if in house Cost \$ _____

NOTE: Total labor costs for in-house FTE that provide transportation services from one facility to another. This would be for facilities that are providing linen services to a separate facility other than the principle facility as a Memorandum of Understanding (MOU), Contract, or Sharing agreement. This would only be transportation labor that is considered over the road and inter facility not intra facility.

19. Inter Facility Vehicle Cost (including fuel) \$ _____

NOTE: Total vehicle costs associated with the transportation of linen from one facility to another. This would be for facilities that are providing linen services to a separate facility other than the principle facility as a MOU, Contract, or Sharing agreement. This would only be vehicle costs that are considered over the road and inter facility not intra facility.

20. Inter Facility Transportation Contract Cost \$ _____

NOTE: Total dollar amount associated with contracted transportation services from one facility to another. This would be for facilities that are providing linen services to a separate facility other than the principle facility as a MOU, Contract, or Sharing agreement. This would only be contract costs that are considered over the road and inter facility not intra facility.

21. Total Cost of Transportation Non-Labor \$ _____

NOTE: Sum of line items 19 and 20.

22. SUBTOTAL TRANSPORTATION COSTS (Labor and Non-Labor) \$ _____

NOTE: Sum of line items 18 and 21.

23. SUBTOTAL TRANSPORTATION COSTS (Labor and Non-Labor) Per Pound \$ _____

NOTE: Divide using the following line items: + 22 divided by 8.

24. Standard and Specialty Linen Items Cost \$ _____

*NOTE: Total dollar amount of all linen purchased (**Linen replacement for laundry operation only. Not total linen inventory.**) associated with the 8571/8570 cost center. (Retrieve specific data from Department of Veterans Affairs (VA) Form 10-9036, Textile Inventory Control Report.)*

25. Uniforms and Protective Clothing Cost \$ _____

*NOTE: Total dollar amount of all uniforms and protective clothing purchased (**Linen replacement for laundry operation only. Not total linen inventory.**) associated with the 8570/8571 cost center. (Retrieve specific data from VA Form 10-9036.)*

26. Total Cost of Linen Non-Labor \$ _____

NOTE: Sum of line items 24 and 25.

27. Total Cost of Linen Non-Labor per pound (Linen Replacement per pound) \$ _____

NOTE: Divide using the following line items: +26 divided by 8.

28. SUBTOTAL OPERATIONS COSTS (including Production, Inter-facility Transportation, and Linen) \$ _____ *NOTE: Sum of line items 16, 22, and 26.*

29. SUBTOTAL OPERATIONS COSTS (including Production, Inter-facility Transportation, and Linen) PER POUND \$ _____ *NOTE: Divide using the following line items: +28 divided by 8.*

30. Equipment Depreciation Cost \$ _____

NOTE: Total amount of straight line equipment depreciation for equipment that is identified on the facility Equipment Inventory Listing (EIL). If there is equipment on the EIL that has useful life remaining you should take the total life cycle and divide it by the purchase price to give you the depreciation amount for one year (reporting year). This is the amount to enter in this field.

31. EQUIPMENT DEPRECIATION COST PER POUND \$ _____

NOTE: Divide using the following line items: +30 divided by 8.

32. TOTAL ALL OPERATIONS COSTS \$ _____

NOTE: Sum of line items 28 and 30.

33. TOTAL ALL OPERATIONS COSTS PER POUND \$ _____

NOTE: Divide using the following line items: +32 divided by 8.

34. Total Annual Contract Revenue \$ _____

NOTE: Total amount of revenue billed to other facilities (Non-VA Facilities).

35. Total Annual Costs to Service Contract (Negative) \$ _____

NOTE: Total dollar amount that has been expended to provide laundry processing services to other facilities or accounts. Each agreement or account may have all or part of the services provided. To get this number you would look at the appropriate sub-category that reflects the level of service provided to a specific account and add them to equal the total cost per pound for the specific account. You will then multiply the number of pounds processed for that specific account. If there are multiple accounts you will total these amounts and enter into this field.

Example of figuring Total Annual Costs to Service Contract

Assuming: Line 16 is \$0.38

Line 22 is \$0.04

Line 26 is \$0.09

Sample Accounts	Processing Cost (Labor-Non Labor) Line 16	Transportation Cost (Labor-Non Labor) Line 22	Cost of Linen (Labor-Non Labor) Line 26	Total Of Sub-Catagories	Total lbs Processed	Cost to Service Contract
US Soldiers' Home	\$0.38	\$0.04	\$0.09	\$0.51	500,000	\$255,000.00
State Veterans Home	\$0.38	\$0.04		\$0.42	250,000	\$105,000.00
Jim's Air Force Base	\$0.38		\$0.09	\$0.47	580,000	\$272,600.00
Total Annual Cost to Service Contract						\$632,600.00

36. Total Contract Revenue in Excess of Contract Service Costs \$ _____

NOTE: Perform the following math using the following line items: +34 plus -35. This represents the total net amount of revenue generated by your facility. This could be a negative or a positive number.

37. Contract Profit (Loss) per pound \$ _____

NOTE: Perform the following math using the following line items: +36 divided by 8.

38. NET COST TO OPERATE LAUNDRY AFTER CONTRACTS \$ _____

NOTE: Perform the following math using the following line items: +32 plus -36.

39. NET COST TO OPERATE LAUNDRY AFTER CONTRACTS PER POUND \$ _____

NOTE: Perform the following math using the following line items: +38 divided by 8.

40. TOTAL LABOR COSTS \$ _____

NOTE: Sum of line items 12 and 18.

41. TOTAL NON-LABOR COSTS \$ _____

NOTE: Calculate line items (Sum (15, 21, 26, and 30)) minus 36.

42. Pounds per Operator Hour (Production) pound _____

NOTE: Calculate line items (9B plus 10B) divided by 8.

43. Identify customers, e.g., VA medical centers, Veterans State Home (VSH), Soldiers' Home (SH), Department of Defense (DOD), Other Government Agency or Department (OGA), or private sector (PS) customers.

NOTE: Facility identification numbers should be included for Veterans Health Administration (VHA) integration customers, location and organization for non-VA customers. (Add additional sheets if necessary).

Customer	Station #	Type of Account
_____	_____	VA, VSH, SH, DOD, OGA, PS
_____	_____	VA, VSH, SH, DOD, OGA, PS
_____	_____	VA, VSH, SH, DOD, OGA, PS
_____	_____	VA, VSH, SH, DOD, OGA, PS
_____	_____	VA, VSH, SH, DOD, OGA, PS
_____	_____	VA, VSH, SH, DOD, OGA, PS
_____	_____	VA, VSH, SH, DOD, OGA, PS
_____	_____	VA, VSH, SH, DOD, OGA, PS
_____	_____	VA, VSH, SH, DOD, OGA, PS
_____	_____	VA, VSH, SH, DOD, OGA, PS