



February 8, 2013

To whom it may concern:

Metro Pavia Health System is the largest hospital network in Puerto Rico, and with 13 institutions our system incorporates and integrates all areas of the healthcare industry.

During the period from August 2012 to February 2013 we developed an improvement project called "Phoenix Project" along with **London Consulting Group**. During the 28-week period we have worked to develop improvements in the Purchasing and Warehousing processes at a corporate level as well as in 12 of the group's institutions obtaining the following results.

- The implementation of the price balancing program, obtaining projected benefits of 4% over the total of the purchases of medical-surgical consumables.
- The implementation of the Consumption Control model allowing a reduction of a projected 10% of the consumption/day ratio per patient.
- The design of the Negotiation with Suppliers program, projecting benefits of 4% over the total of the purchases of medical-surgical consumables.
- The standardization and update of items' codes between different institutions.
- The review and redesign of the purchasing policies at a corporate level and at each institution.
- The definition of negotiation policies and price adjustments with suppliers.
- The review of the corporate organizational structure and that of the institutions.
- The definition of the optimal coverage parameters, the implementation of the cyclical counts model and the revision and adjustment of the optimal layout of each warehouse.
- Development of the management skills program for a group of 42 participants.

London Consulting Group has fully met the expectations set forth at the beginning of the project and to this date we have achieved a return on investment (ROI) of 0.6:1 and we project an annual return of 11.5:1.

Based on the aforementioned, we hereby fully recommend **London Consulting Group** as a committed company which has an excellent work methodology, is highly professional and has the ability to carry out improvement projects that positively impact our organization.

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