



**INTEGRATED FACILITIES SOLUTIONS, INC.**

*The Strategic Partner for Healthcare Facility Improvements*

## NILES MEDICAL OFFICE BUILDING

# Lean IPD for \$10M or Less, Project Implementation for Small Projects in Healthcare



### **IFS Background:**

Integrated Facilities Solutions, Inc. (IFS) understands the importance of having the right people who are both competent in their abilities and able to manage teams. We have made it a priority to invest in our people by providing educational opportunities, participating in trade organizations and personal improvement seminars. We hold weekly team meetings to benchmark our work within IFS, constantly looking for areas where we can improve in project delivery for the client. The Integrated Project Delivery (IPD) method is one that IFS has used numerous times even before IPD was being explored in the Chicago area. The concept of bringing a team of experts into the room as early in the project process as possible has always been an asset of the IFS project management system.



### **Project Description:**

This project was a new medical office building (MOB) for an existing IFS client that was looking to expand its market reach father west. The site was a 3.5-acre site designed to house a 35,000 square-foot building. The first floor was built-out and occupied and the second floor was left vacant for future expansion of the services at this facility. The buildout included 35 exam rooms, two procedure rooms, x-ray, blood draw, shared physician offices and staff workspaces. The services for this facility include immediate care, OB/GYN, pediatrics, and internal medicine.

## Project Delivery Method and Results:

The project delivery method used was an Integrated Form of Agreement (IFOA), the first agreement of its type to be used for a healthcare project in the Chicagoland area. The contract agreement was signed by the Owner, Architect, Mechanical Engineer, Electrical Engineer and General Contractor. In addition, the contract included six subcontractor trade partners that shared in the risk/reward pool. A contract of this type provides for full accountability, teamwork and incentivizing to make the project goals a reality. The trade partner team, per the contract agreement, was required to set aside all profit for the project into a pool. This profit pool was to be used in the event a cost overrun occurred on the project. The original profit pool was set at \$291,545. A dashboard was used throughout to monitor progress on all project related goals. The project goals were also posted in the construction office so that everyone onsite was aware. The team was incentivized to outperform metrics established at the outset of the project (the project charter). If these metrics were met, the project team would share in the savings. The project goals were met and the team profit pool increased to \$509,822, while still returning \$450,000 in savings to the owner.



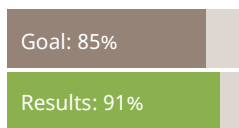
## Project Schedule and Results:

The original construction schedule was set at eleven months from groundbreaking through substantial completion/occupancy. The project team utilized pull planning methods from the early days of the project into the construction phase. During the pull plan of the construction phase, the team used a micro/macro method to track the project schedule. The micro activities focused on the next three weeks of work and the handoffs required each day. The macro schedule focused on up to three months of planning to ensure the team could coordinate and meet or exceed the milestone dates set out from the master schedule. The entire team saw the benefits of this methodology. It saved time to not pull a full six-week schedule and it allowed focus on long-term goals as well. The result was a project that was completed approximately two months early and in line with the project goal of substantial completion by December 20, 2016.

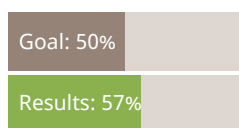


## Key Performance Indicators/Conditions of Satisfaction and Results:

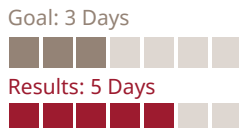
The IFOA contract includes an exhibit that outlines the Key Performance Indicators (KPI) and Project Metrics that will be measured throughout the project to help the team track project success. The IFOA also requires the Project Conditions of Satisfaction (CoS) be completed by the team and ranked in order of priority. The KPIs for this project, along with the outcomes, included:



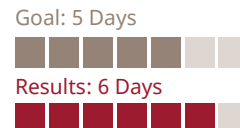
Achieve 85% Planned Percent Complete on all activities  
[91% PPC]



50% of all RFIs shall be submitted with proposed solutions  
[57% confirming RFIs]



Average RFI response time shall be (3) working days  
[5 days]



Average submittal response time shall be (5) working days  
[6 days]



Achieve (0) lost time accidents  
[0 Lost time incidents]

The list above shows the project was a success, but there are also areas where improvement can be achieved. A standard project submittal review time is 10+ days. While this project did not achieve that goal, it still reduced the standard project review time by over 40%. The CoS for this project, along with the outcomes, included:



Complete the project with a substantial completion date of 12/20/16

↓ 9% SAVINGS

Complete the project under the Estimated Maximum Price (EMP)

↑ 85% PROFIT INCREASE

All project team members consider the project a success and make a profit

50% RATIO EXAM:SUPPORT

Maintain or exceed the owner operational efficiencies for the facility



**Conclusion:**

The IFOA contract delivery process is an improvement on GMP contracting. This method allows for better team involvement from an early start in the project timeline. This allows for collaboration on design intent and field coordination issues, and the results can be seen in real time in the field. Overall project durations are shortened and the number of change orders on projects is greatly reduced. The most important outcome from a project like this one is the trust from the client to use this contracting method again. IFS is now working as the leader of a third IFOA project team because of the success of this project. A new standard for project delivery has been established.

The above list proves this project was successful on many levels. One of the most interesting concepts with this project type is the concept that the team insists that all members make a profit. This is sometimes contrary to the traditional way of thinking on a project. It is important to understand that an owner will not receive a quality project when team members on the project are failing.



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