Successful Blueprints for Equipping New Facilities

Irene Bickell, CLGB, LEED Green Associate
Vice President, Healthcare Technologies Group
CallisonRTKL

Brad Pace, RN, BSN
Medical Equipment Planner
Mill Creek
Discussion Topics

- Current Planning Environment
- Capital Differences
- Effective Project Management
- Risk Mitigation
- Questions and Answers
Projects Continue To Increase In Complexity
From The Floor To The Ceiling – 3D Planning Is The New Norm
## Capital Procurement Differences

<table>
<thead>
<tr>
<th>Annual Replacement Capital</th>
<th>Construction Project Capital</th>
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<tbody>
<tr>
<td>• Department Specific</td>
<td>• Campus or Facility Wide</td>
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<tr>
<td>• Minimal Contractor/Tradesmen</td>
<td>• Multiple Contractors/Tradesmen</td>
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<tr>
<td>• Lower % Structural Impact/Planning</td>
<td>• High % Structural Impact/Planning</td>
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<tr>
<td>• Less Suppliers</td>
<td>• Multiple &amp; Sometimes Competing Suppliers</td>
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<tr>
<td>• Flexible Procurement/Delivery Schedule</td>
<td>• Rigid Procurement/Delivery Schedule</td>
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<tr>
<td>• Minimal Risk/Impact Of Change Orders</td>
<td>• Higher Risk/Impact Of Change Orders</td>
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<tr>
<td>• Replacements Can be Delayed or Deferred Until Next Budget Cycle</td>
<td>• Equipment Delays Can Delay Entire Project</td>
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<td>• Typical warranty start and durations</td>
<td>• Warranty negotiations for first patient use to account for logistics/warehousing</td>
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<td>• Typical vendor terms and conditions</td>
<td>• Ensure construction terms and conditions are considered</td>
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Planners must view projects as the sum of all the medical equipment assets which need to be optimized to produce the Clinical, Operational and Financial outcomes required by the client.

The end result should be a facility that enhances the “patient experience” thereby making the owner the provider of choice for quality conscious, tech-savvy healthcare consumers.

**COF** Considerations In Planning & Procurement Process

- **C** Clinical - What is the impact on clinical outcomes?
- **O** Operational - Is operational efficiency enhanced?
- **F** Financial - Are owner finances improved?
The ability to coordinate the schedules of hundreds of suppliers, contractors, and clinicians can make or break a project budget regardless of the price paid for the equipment.
Although It Seems Counter-Intuitive The End Is As Important As The Beginning

Validation/Planning Team
User decision

Procurement Team
Bidding & negotiations

Construction Admin Team
Site-specific drawings & specifications
Submit addendum to design team
Arch, MEP, structural updates

Procurement Team
Ordering & delivery

Construction Admin Team
Construction milestone
Early Capital Planning Makes A Difference

Diagram showing the relationship between ability to impact, difficulty/cost of change, and time. Key points:
- Cost Control Opportunities
- Cost of Change
- 20% of Project Cost & 80% of Project Value Creation
- 80% of Project Cost & 20% of Value Creation
Effective Planning Impacts Cash Flow During the Project & After Completion

Indicate Opportunities For Cost Reduction

Identify Opportunities For Revenue Enhancement

Utilize Analytics/Benchmarks To Provide Direction & Action
Complex Projects Require Multi-Disciplinary Expertise

- Medical Equipment Planning
- Procurement & Logistics
- Construction Administration
- IT Systems Design
- Transition Planning
- Specialized Consulting
Complex Projects Require Diverse Professional Skills

- Medical Equipment Planners
- Clinicians
- Registered Nurses
- Construction Site Managers
- CAD/Revit Designers
- Imaging Specialists
- Integrated OR Specialists
- Professional Engineer / Clinical Engineer (PE and CE)
- Project Management Professionals (PMP)
- Registered Communication Distribution Designers (RCDD)
- Strategic Sourcing & Procurement Specialists
- Certified Technology Specialists (CTS & CTS-D)
- Certified Protection Professionals (CPP)
- Certified Wireless Networking Professional (CWP)
- Business Analysts
Planners Must Follow A Logical & Comprehensive Approach

- Functional Planning
- Budget Development
- Technology Assessment
- Technology Design Guide
- Design Meetings
- Equipment Selections
- Architectural, MEP Specifications
- Drawing Coordination
- Budget Finalization

- Procurement Schedule
- Budget Management
- Validation / Procurement Specifications
- Vendor Evaluations
- Bidding & Quotations
- Cost Analysis
- Purchase Order Issuance
- Tracking & Expediting for Delivery

- Pre-Installation Construction Coordination
- Delivery & Installation Management
- Dock Deployment
- Training & Commissioning

- Occupancy Planning
- Personnel Preparedness
- Move Management
Key Elements Of Risk Mitigation

• Define project expectations early
• Identify potential problems before they exist
• Create comprehensive responsibilities list
• Establish regular and frequent communications channels
• Develop project specific reports and/or dashboards
• Agree on problem escalation/resolution process
• Engage major equipment vendors early and often in the process
• Frequent review of project schedules – ensure have ability to respond to changes and tools to communicate
Risk Mitigation – Entire Project

Enhanced Project Reporting

- Procurement Dashboard
- Validation Status
- Impact Report
- Budget Reports
Risk Mitigation – Room Or Department Specific

Comprehensive drawing coordination and impact analysis to mitigate risk.
Risk Mitigation Benefits

- Reduced change orders
- Minimal project delays
- Clear problem escalation/resolution path
- Reduction in potential expense
- Increased efficiency
- Less potential for injury
- Better budgetary outcome
Risk Mitigation In Action

Construction Project Capital

• Technology Upgrade Guarantees
• Price Protection
• Technology Obsolescence Protection
• Warranty Guarantees
• Seamless Deployment/Fit Up
In Summary

• Proper Expertise is Required
• Frequent Communication
• Proper Tools In Place
• Timing is Essential
• Engagement of Major Vendors
• Understanding of Financial Impacts
• Don’t Lose Sight of Owner Requirements/Goals
HOUSEKEEPING...
AGENDA
Learning Objectives

1. Review of a project lifecycle.

2. Identify the categories of tasks involved in the activation of a new healthcare facility and formulate strategies for organizing those tasks.

3. Identify the specialists required and their roles in your facility activation.

4. Proven steps for a successful activation.
How many individual FF&E items will you purchase to outfit a 500,000 sf facility?

What are 3 specific things covered by the activation budget?
PROJECT LIFECYCLE

DESIGN PHASE

CONSTRUCTION
Readiness Assessment
Implementation Planning

MOVE IN / OPEN FOR BUSINESS

POST OCCUPANCY ACTIVITIES
Design Phase Happens Here

12 – 24 Month Duration (Typical)
PROJECT LIFECYCLE
Design Phase

• Owner/Owner’s Rep/Program Manager
• Department representation
  o Clinical and Ancillary
  o Revenue and Non-Revenue
  o Typically 1-2 “leads” from each
• Architects
• Engineers
• Equipment Planners
• Interior Designers

RECIPE FOR SUCCESS
Incorporate current and future state discussions early!
PROJECT LIFECYCLE
Design Phase

• Start thinking about transition and activation at this stage.
• Budget!
  o 1%-2% placeholder
  o Salaries, new project leadership, staff training (+unit backfilling), movers, warehousing, consultants, stocking units, operating facilities during move, etc.
• Experienced leadership will already have a placeholder for this as the original project budget is created

RECIPE FOR SUCCESS
Budget for activation activities!
Construction Phase

**Readiness Assessment**
- Hire Activation Planner
- Establish Equipment List
- Information Technology Planning
- Perform Readiness Assessment
- Develop Activation Budget
- Develop Activation Schedule
- Develop Critical Task Log
- Responsibility Matrix
- Move Sequencing

**Implementation Planning**
- Procure FF&E
- Budget Compliance / Reporting
- Licensing and Survey Activities
- Certificate of Occupancy
- Tour Events
- Stocking / Cleaning
- Create Integrated Move Schedule
- Conduct Receiving Meetings
- Department Operations / Relocation Planning
- Patient Move Plan
- Develop Licensing Plan
- Work Flow Process Mapping
- Staff Readiness /Training Activities
- Gap Resolution / Problem Solving
- Successful PHH Licensing Survey
- Implement Move Schedule

**Move**
- Community Awareness
- Grand Opening Events
- • Confirm Move Routes
- • Implement Move Activities
- • De-Installation/Re-installation of Reuse Equipment
- • Move Vendor Management

**Post Occupancy**
- • Recognition of Key Team Members
- • Lessons Learned
- • Incorporate Highlights into Company History
- • Lessons Learned
- • Post-Occupancy Resolution
- • Correct Punch List Deficiencies
- • FF & E Punch List Management
- • Vacant Facility Assessment
- • Examining

12 – 24 Month Duration (Typical)
User groups switch focus from planning and design to the activation and implementation details to be completed once construction is complete.
How do you progress from this...
to this...
to this...
You will need to do some of this...
And possibly...
But not too much of this...
But we definitely recommend:

- Patience
- Planning
- Communication
- Getting Help
- Start EARLY
- Empathy
- Proven Methods

RECIPE FOR SUCCESS
Communicate early
Communicate often
Communicate broadly (cast a wide net at key moments)
TO CONSULT OR NOT TO CONSULT
THAT IS (One) OF THE QUESTIONS

Owner’s most important job to make this phase a success is to get the activation team assembled
  • Internal?
  • External?
  • Combo?

Have I mentioned yet the importance of getting this started early??

CONSTRUCTION PHASE

RECIPE FOR SUCCESS
Taking the time to outline your organization’s true capabilities will help determine the best teaming method for your success

ACE SUMMIT AND REVERSE EXPO
CONSTRUCTION PHASE

Teaming Methods:
- None – DIY
- Intermittent support / guidance only
- Ala Carte
- All-in start to finish

RECIPE FOR SUCCESS
Know the Pros & Cons of each option
Kick off meeting open to all team members, reviewing the high level ‘whats’, ‘hows’, and ‘whens’ of the entire project.
Once the activation team is established, the next critical step is to perform a thorough Readiness Assessment for your facility.
The Readiness Assessment is a series of meetings made up of all stakeholders on the project including but not limited to:

- Owners and/or Owners Reps
- All Clinical Departments Leads
- Support Department Leads (sample)
  - Procurement
  - Facilities Management
  - Environmental Services
  - Biomedical Engineering
  - Security
  - Radiology
  - Pathology
  - IT
  - Purchasing
  - SPD
CONSTRUCTION PHASE
Readiness Assessment

• Move sequencing is refined/finalized
• Equipment list is finalized
• Activation schedule and detailed budget are populated
• Develop Critical Task Log
• Responsibility matrix is developed for all activities and the parties responsible for that activity
• Building Outfitting Schedule

RECIPE FOR SUCCESS
This is a perfect opportunity to communicate project updates to the larger group
CONSTRUCTION PHASE
Implementation Planning

- Sub Committees Developed
- Licensing and Survey Activities
- Know the timing of Required Inspection and Certifications for CO
- Building Construction Sequencing & Major Equipment Installs (planning closely w/ GC)
- Equipment Supply Chain Logistics
- Information Technology Planning
- Staff Training (multiple techniques)
- Major Public Events
CONSTRUCTION PHASE
Implementation Planning

Regulatory Preparation:
• Licensing
  o Contact Department of Public Health (1 year prior to move)
  o Schedule licensing surveys
  o Determine room fit-up requirements
  o Mock Licensing Interviews
  o Stocking & Training
  o P&P
CONSTRUCTION PHASE
Implementation Planning

Regulatory Preparation:

• Certificate of Occupancy Inspection Requirements
  o Test And Balance (TAB)
  o Electrical & Med Gas Certification
  o Water & Air Testing
  o Fire Alarm
  o Nurse Call
  o Security Systems
  o Elevator Certifications
  o Someone with the correct experience to keep a pulse on the required activities
Supply Chain Logistics / FF&E Procurement:

- Procurement schedule developed.
- Will warehousing be required?
- Receiving process with warehouse and contractor established.
- What items will go direct to site?
- Who will receive and check in EQ?
- Are there new disposables required with new equipment that was ordered?
- Has everything been purchased under our current purchasing contracts?
CONSTRUCTION PHASE
Implementation Planning

FF&E Logistics:

• “Some Assembly Required”
• “Some Installation Required”
• Equipment testing and training.
• Where will Biomedical testing be performed?
• How much equipment do they need to touch?
• Vendor installation oversight
  o Medical Equipment
  o Furniture
  o IT
CONSTRUCTION PHASE
Implementation Planning

Staff & Facility Readiness:

- Stocking and Cleaning
- Department Operations / Relocation Planning
- Patient Move Planning
- Work Flow Process Mapping
- New Facility Training
  - Day in the Life
  - Scavenger Hunts
- Develop Orientation Documents

RECIPE FOR SUCCESS
People learn differently – use many techniques
People cope differently to change
**Move Phase**

**Readiness Assessment**
- Hire Activation Planner
- Establish Equipment List
- Information Technology Planning

**Implementation Planning**
- Procure FF&E
- Budget Compliance/Reporting
- Landscaping and Survey Activities
- Certificate of Occupancy
- Tour Events
- Entrance/Cleaning

**Move**
- Community Awareness
- Grand Opening Events

**Post Occupancy**
- Recognition of key team members
- Lessons learned
- Incorporate highlights into company history

**Owner/Owner’s Rep**
- Perform Readiness Assessment
- Develop Activation Budget
- Develop Activation Schedule
- Develop Critical Risk Log
- Responsibility Matrix
- Move Sequencing

**Activation/Occupancy Consultant**
- Create Integrated Move Schedule
- Conduct Recurring Meetings
- Department Operations/Relocation Planning
- Patient Move Plan
- Develop Licensing Plan
- Work Flow Process Mapping
- Staff Readiness Training Activities
- Gap Resolution/Process Re/View Solving

**Major Equipment Vendors**
- Major Equipment Installation
- furnishings Installation
- Information Technology Installation
- Training

**Outfitting/Fit Up**
- Building Outfitting Schedule
- Supply Chain Logistics
- Procurement Assistance
- MEP Coordination
- Major Vendor Oversight/Testing
- Equipment Receiving
- Warehousing
- Equipment Transportation
- Equipment Assembly
- Installation/Outfitting
- Coordinate Biomedical Testing
- Installation Tracking

**ACE SUMMIT AND REVERSE EXPO**
MOVE PHASE

People

• Grand Opening Events
• Worker Appreciation Events
• Donor Events
• Public Events
• Community Awareness
• Public Tours
MOVE PHASE
Staff

• Set up Command Center consisting of representatives from all key areas - Project leadership, Procurement, Facilities Management, Construction
• Confirm move routes – different for patients, staff, equipment
• Supervision of move vendor
• De-installation and re-installation of reuse equipment
• Move manual
MOVE PHASE
Patients

- Ambulatory vs Non-Ambulatory
- Infectious vs Non-Infectious
- Transport teams
- EMS
- Fire Department
- Police
- Confirm & Communicate Move Routes
- Community Awareness
POST OCCUPANCY
Open for Business

OUR WORK IS NOT DONE!

• Command Center still in operation
• Last minute procurement activities
• Facility warranty issues
POST OCCUPANCY
New Building

- Document Lessons Learned
- Incorporate highlights into community (social media)
- Correct building punch-list deficiencies
- Equipment / vendor punch list deficiencies corrected
POST OCCUPANCY
Old Building

• Vacated facility assessment
• Excessing of unused FF&E
• Security and/or restricted access
FINAL THOUGHTS

- Learn to Juggle (no-really)
- Patience
- Communicate
- Did I mention the importance of getting started early?
- Be Nice
- Empathize
- Recognize
- CELEBRATE!!