IPD For Small Projects

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Vice President

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847-714-7481
• Illinois-based Owner's Representative
• 20-person firm
• 23 years in business
• Successfully completed over $3.5B in work for more than 3,000 projects
The Big Ideas for Today

• CULTURE DRIVEN BY THE OWNER

• INTEGRATED PROJECT DELIVERY

• THINK BIG... BUILD SMALL
Culture Driven by the Owner
Can We Deliver the Proposed Program and Quality within the Schedule and Budget Supported by the Project’s Business Case?
Project Master Phase Planning
Design for Fabrication not for Intent
Risk Assessment and Tracking
### Risk Assessment and Tracking

<table>
<thead>
<tr>
<th>Item</th>
<th>Risk/Opportunity Description</th>
<th>Assessed Risk</th>
<th>Accepted</th>
<th>Rejected</th>
<th>BIC</th>
<th>Actions Required for Approval</th>
<th>Pros</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
<td>Delay start of project until spring to avoid winter conditions</td>
<td>20,000</td>
<td></td>
<td>REJECTED</td>
<td></td>
<td>Rejected - Provides little savings and unacceptable push in schedule. Rejected - Would cause too much future cost should the 2nd floor go forward. The savings would also likely be less due to additional structural.</td>
<td></td>
</tr>
<tr>
<td>3.01</td>
<td>Eliminate Roof Deck Concrete</td>
<td>78,000</td>
<td></td>
<td>REJECTED</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.01</td>
<td>Concrete additive in lieu of surface applied moisture mitigation for flooring</td>
<td>0</td>
<td></td>
<td>REJECTED</td>
<td></td>
<td>Researched Ardos concrete additive. Works out to $5.50/sf in additional cost. Not competitive with moisture mitigation. Recommend rejecting.</td>
<td></td>
</tr>
<tr>
<td>4.01</td>
<td>A - Provide alternative brick - Glenn Gary</td>
<td>3,050</td>
<td></td>
<td></td>
<td></td>
<td>John review with Northshore. John to get pictures of sample projects.</td>
<td></td>
</tr>
<tr>
<td>4.01</td>
<td>B - Provide alternative brick - General Shale</td>
<td>6,510</td>
<td></td>
<td>REJECTED</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.01</td>
<td>C - Provide utility versus modular bricks - IL Brick</td>
<td>34,000</td>
<td></td>
<td>REJECTED</td>
<td></td>
<td>John review with Northshore. Mike S. to send John pictures of sample projects. Brick samples to arrive Tuesday at IF5 main office.</td>
<td></td>
</tr>
<tr>
<td>4.02</td>
<td>Provide cast stone or precast in lieu of limestone brick and remove limestone between windows.</td>
<td></td>
<td></td>
<td>REJECTED</td>
<td></td>
<td>Mike and Jeff to work together to define scope and price of reduction in the amount of limestone in the project.</td>
<td></td>
</tr>
<tr>
<td>5.01</td>
<td>Substitute composite roof deck with standard roof deck 3&quot; N20 ga.</td>
<td>(4,000)</td>
<td></td>
<td>REJECTED</td>
<td></td>
<td>Rejected - 2nd Story is required. Check hangers requirements, envelope. Cost savings. N/A if keeping 2nd</td>
<td></td>
</tr>
<tr>
<td>5.02</td>
<td>Substitute composite roof deck with standard form deck.</td>
<td>(4,000)</td>
<td></td>
<td>REJECTED</td>
<td></td>
<td>Rejected - 2nd Story is required. Check hangers requirements, envelope. Cost savings. N/A if keeping 2nd</td>
<td></td>
</tr>
<tr>
<td>5.03</td>
<td>Eliminate 6&quot; 18-gauge metal studs and in-wall R-19 batt insulation with kraft facing/vapor barrier, replace with 3 5/8&quot; 18-gauge metal studs at perimeter wall conditions of building.</td>
<td>2,000</td>
<td></td>
<td></td>
<td></td>
<td>3.5&quot; polyiso rigid insulation in lieu batten insulation with 3 - 5/8&quot; studs. Keeping the insulation and vapor barrier on the exterior of the perimeter walls and not within the stud cavities will give a more efficient envelope and allow for future renovation to occur within the stud walls, such as moving walls and outlets, to occur without</td>
<td></td>
</tr>
</tbody>
</table>

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**NorthShore Niles MOB - RISK/OPPORTUNITY TRACKER**

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**NorthShore University Health System**
Culture
Questions – Part 1 Culture

• How do we drive Culture on our projects?

• How can a shift away from silos help improve project outcomes?

• How do we know we are making the right decisions?

• What role does the Owner play on this team?
Integrated Project Delivery
Integrated Form of Agreement

TRI-PARTY AGREEMENT

Core Team

Owner

Architect

General Contractor

POLY-PARTY AGREEMENT

Core Team

Owner

Architect

General Contractor

Electrical Engineer

Mechanical Engineer
Integrated Form of Agreement

Core Team

Trade Partners

- Owner
- Architect
- General Contractor
- Electrical Engineer
- Mechanical Engineer
- Steel Contractor
- Carpentry/Drywall Contractor
- Mechanical Contractor
- Plumbing Contractor
- Fire Protection Contractor
- Electrical Contractor
Rapid Trade Partner Integration

- Qualifications
- Proposed Budget
- Overhead & Profit
- 30 Minute Interview

- Best Value Based on Above
- Two week submission & selection process

- No Proposal
- No Interview

- Voted on by A/E/GC/Owner at 1st Team Meeting
- Joined team at 2nd Team Meeting
Project Delivery & Cost Checks

[Diagram showing project stages with milestones such as Team Onboard, EMP Locked In, Submittals, TVD Process Begins, and BIM Started.]
Dashboards
Dashboards

NorthShore Niles MOB - Project Dashboard

**Project Performance Indicators**

- **Average PPC -**
  - Current: 92%
  - Goal: 85%

- **Confirming RFIs -**
  - Current: 42%
  - Goal: 50%

- **Average RFI Response Time -**
  - Current: 4 days
  - Goal: 3 days

- **Average Submittal Response Time -**
  - Current: 5 days
  - Goal: 5 days

**Total Project Cost Trend**

- **Target Value Line -** $10,043,079

**Risk/Reward Profit Pool Projections**

- **12/15/2015**
  - Profit Pool: $150,000
  - Enhanced Profit Pool: $120,000

- **7/15/2016**
  - Profit Pool: $200,000
  - Enhanced Profit Pool: $250,000

- **7/31/2016**
  - Profit Pool: $24,228
  - Enhanced Profit Pool: $22,500
Early Trade Partner Engagement
Last Planner
Transparency

Project Goals and Performance Indicators

1. Achieve 85% Planned Percent Complete
2. 50% of all RFI’s shall be submitted with proposed solutions
3. Average RFI response time shall be (3) working days
4. Average submittal response time shall be (5) working days
5. Achieve (0) lost time accidents
### Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>Goal</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average PPC:</td>
<td>85%</td>
<td>91%</td>
</tr>
<tr>
<td>Confirming RFIs:</td>
<td>50%</td>
<td>57%</td>
</tr>
<tr>
<td>Avg. RFI Response Time:</td>
<td>3 days</td>
<td>5 days</td>
</tr>
<tr>
<td>Avg. Submittal Response Time:</td>
<td>5 days</td>
<td>6 days</td>
</tr>
<tr>
<td>Lost Time Incidents:</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Transparency

Project Conditions of Satisfaction
(Conditions ranked by Priority)

1. Complete project on/before December 20, 2016
2. Complete the EMP with shared savings
3. Owner conditions of operational efficiency, and sustainability are met
4. Each team member considers this a successful project and finishes with a profit
Conditions of Satisfaction

- Schedule
- EMP with Shared Savings
- Team Member Success & Profit
- Owner Operational Efficiencies

2 months ahead
9%
85% Increase
Questions – Part 2 IPD

• Is the IFOA scalable and how small can we go?
• How do we onboard our teams, so we don’t create silos?
• What kind of Culture do we need to make the IFOA successful?
• What role does the Owner play on this team?
Think Big... Build Small
The Future of Healthcare

This hospital growth engine is sputtering

Slowly, patient traffic raises questions about whether hospitals' big brick-and-mortar bets will pay off. That's worrisome for hospitals hoping outpatient care would cushion the financial blow from declining inpatient business.

Health insurers push patients away from hospitals

- Blue Cross, Priority Health moves aim to move services away from higher-cost hospitals
- Hospitals expected to make changes in operations
- Employers, patients driving change to lower costs and increase convenience

Change in outpatient visits for community hospitals

<table>
<thead>
<tr>
<th>Year</th>
<th>Illinois</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>1.4%</td>
<td>3.6%</td>
</tr>
<tr>
<td>2017</td>
<td>-1.3%</td>
<td>1.7%</td>
</tr>
<tr>
<td>2018</td>
<td>0.1%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Note: Data includes all nonfederal, short-term hospitals in Illinois
Source: American Hospital Association's 2020 Hospital Statistics report • Created with Datavizr
Leading the Way in Immediate Care

- **Experience** – Leverage success coordinating ambulatory care
- **Growth** – Strategic site identification and tool for attracting new patients
- **Expansion** – Enter new markets, focus new markets
- **New Model** – Retail model staffed by Advanced Practice Providers
- **Training** – Investment in talent development program
- **Capacity Management** – Analytics-driven approach to align growth and resourcing
Retail Health

+ Easier to Access
+ Less Waiting Time
+ More Comfortable
+ Modern Conveniences (WIFI, coffee bar, etc.)
+ Low Cost to Patient
+ Clean and Modern

Traditional ED

- Hard to Navigate
- Long Waiting Time
- Uncomfortable
- Little Conveniences to Patients/Visitors
- High Cost to Patient
- Outdated and Have a Feeling of Being Rundown
Core Values/Culture

NorthShore
- Empathy
- Communication
- Attitude
- Teamwork
- Positive Outlook
- Professionalism
- Initiative
- Flexibility

Bulley & Andrews
- Innovative
- Dedicated
- Passionate
- Team-focused
- Client Service
- Camaraderie
- Cohesion

OKW Architects
- Trust
- Accountability
- Understanding
- Alignment
- Mutual Respect

Integrated Facilities Solutions, Inc.
- Integrity
- Commitment
- Competence
- Teamwork
- Results
Evidence-Based Design: Using Data to Drive Design Decisions

![Image of a presentation slide showing a graph titled "WHAT ATTRIBUTES MAKE A CLINIC MORE APPEALING FOR FUTURE VISITS? (TOP BOX SCORE)" with bars representing different attributes.

- Cleanliness and hygiene
- Walk-in appointment (< 30-minute wait)
- Same day appointment
- Quiet environment
- Walk-in appointment (one-hour wait)
- 24/7 access
- Online registration
- Daylight and views to outside
- Virtual/video access (talk to physician remotely)
- Access to fitness/wellness amenities in the complex
- Virtual/video access (talk to NP/PA remotely)
- Mobile apps to make appointments
- Access to retail amenities in the complex
- Mobile apps to track your health
- A spa-like environment]
Evidence-Based Design: Stakeholder Engagement
Efficiency in a Set Program

Design as a “Kit of Parts”
• Glass Logo Wall
• Sliding Doors
• Millwork

Flexible Design
• Multiple Pre-Approved Lighting Packages
• Multiple Pre-Approved Vendors for Sliding Doors, Etc.

REDUCED:
Defects
Waiting
Extra Processing
Challenges in Existing Buildings

Building Systems Designed for Retail not Healthcare

SCHEDULE & COST RISKS

CHECKLISTS

- Over-Production
- Non-Utilized Talent
- Time

Landlords

REDUCED:

D
W
T
E
The End Result(s)
Ensuring Success

Cost Certainty

+ Cost Benchmarking and Baselining

+ Consistent Management and Oversight Staff

+ Trade Partner Continuation from one Project to the Next
Ensuring Success

Pre-Construction Checklist

+ Trade Partners and Engineers
  On Site During Lease
  Negotiations

+ Review of Electrical Systems
  for X-Ray Equipment

+ Trace Out Existing Plumbing
  Line

+ Samples of Storefront Framing
  for Color Match
Ensuring Success

Choosing by Advantages

+ Signage Behind Desk
+ Furniture Systems Vs. Traditional Millwork
+ Light Fixture Selections
+ Main Entrance Storefront Location
Ensuring Success

Eliminate Waste

Consistent Trade Partner Team
- Eliminate RFIs
- Reduce Change Orders

Standardized Program
- Order Bulk Materials for Multiple Projects
- Reduce the Submittal Process
- Increase Quality Due to Repetition

REDUCED:
- Defects
- Over-Production
- Waiting
- Non-Utilized Talent
- T
- Inventory
- M
- Extra Processing
Lean Tools and Concepts

- GMP contracts
- Incentive
- Target Value Delivery
- Choosing By Advantages
- Waste Elimination (DOWNTIME)
- Open book collaboration
- Mutually Agreed Upon Project Partners
- Repetitive Projects, No Rebidding
- Each Project Had A Similar Target Value
- Material Selections with a Purpose
- Clear and Decisive Direction Given
- Savings Returned to Bottom Line
Collaborative Approach

NorthShore University HealthSystem plans to open 50 new immediate care centers in Chicago and the north suburbs over the next two years, part of a multimillion-dollar plan to attract new patients.
Innovations for Future Projects

+ $1.95M Dropped to Bottom Line – 12 Projects
+ Over 30 Innovations Carried Forward
+ All Sites Went Live On Time
Results

Cost Certainty
Schedule Certainty
Standardization

Innovation
Enjoyable Process
Profit for All
Questions – Part 3 Think Big…Build Small

• Can a GMP with the right Team Culture be as effective as an IFOA?

• Does project size matter?

• How can we get away from “doing” Lean to a state of “being” Lean?

• What role does the Owner play on this team?
American Family Insurance - Validation

Traditional Process:
- 13-14 months
- $5M-$6M design fees
- Value Engineering Waste (redesign)

Lean Process:
- 5 months
- $500K design fees
- True understanding of budget

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- 13-14 months
- $5M-$6M design fees
- Value Engineering Waste (redesign)

Lean Process:
- 5 months
- $500K design fees
- True understanding of budget

Design (9 months)
Bid/Budget (2 months)
Understand Program (2 months)
Validation Study (1 month)
Onboard the Team (2 months)
Value Engineering (2-3 months)
SAVE THE DATE

23RD

LCI CONGRESS

OCTOBER 19-22, 2021 | PHOENIX, ARIZONA

www.lcicongress.org/2021
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