

NEW YORK BUILDING CONGRESS
ADVOCATING COLLABORATIVE PROJECT DELIVERY FOR THE HEALTHCARE INDUSTRY

The New York Building Congress is a membership organization comprised of industry leaders in the design, construction and real estate industry.

In order for New York City's healthcare community to continue to attract the best doctors, lead in research, and deliver the most efficient care, it must find new ways to overcome the extremely high costs of design and construction and antiquated project management techniques to build the healthcare system of the future.

We urge healthcare institutions in New York City to adopt collaborative project design and delivery practices, particularly the principles of Integrated Project Delivery (IPD) and LEAN construction. These approaches emphasize continual collaboration among the owner, designer, contractors, key trades and end users in a process initiated at the beginning of the project and continued throughout construction.

Healthcare institutions in most other parts of the country have already adopted collaborative approaches to reduce construction conflicts and timeframes, add true cost certainty, increase transparency, and greatly improve the final product, while adding no overall cost.

We have set out key principles for improved, collaborative construction management practices, below. Leaders from the healthcare and construction industries should engage via the Building Congress and other industry organizations to discuss how to incorporate them meaningfully into new projects. New York City must retain its competitive advantage in healthcare delivery. This must begin with a new, collaborative approach to delivering high quality facilities.

RECOMMENDATIONS FOR A COLLABORATIVE APPROACH TO NEW HEALTHCARE PROJECTS

- **Owners should adopt Collaborative/Collective Design practices** that require the selection of a construction team from the beginning of the project to establish a Target Cost followed by on-going cost modeling and eliminating traditional milestone estimates. The Target Cost model provides owners a clearer, "true cost" of construction, while creating milestones that give owners meaningful control of the project during construction.
- **An in-place multi-party team** further enables owners to use the LEAN model to engage in continual process improvement to eliminate waste in materials, labor and effort, and allows contractors to participate in value management and validate constructability from the earliest stages of design.
- **Address the allocation of risk** among participants by developing a Master Milestone Schedule using a "pull-planning" process; and creating contracts and insurance programs that address all parties' performance obligations while allowing the full input of all parties throughout the design development process. Ultimately, owners, designers, and constructors should develop a usable tri-party agreement on a project by project basis.
- **Owners must adopt a transparent & immediate decision-making process.** The owner must be prepared to delegate decision making within its own organization to allow knowledgeable, responsive project participation.
- A collaborative approach must also **create a clear value proposition that eliminates uncertainty for the owner** by guaranteeing continual progress, predictability, and some cost certainty. This starts with defining the owner's "Conditions of Satisfaction" for a successful project and includes meaningful application of BIM technology, and establishing a single "home" for the design, owned by the designer, the elimination of design review steps, and the reallocation of certain trade responsibilities.