

Construction consulting

Vizient drives 5-10% savings on design, construction and overall facility operations

Our experts are here to help your hospital or health system meet the future community need. We'll thoroughly evaluate all of your options, settling on the best possible renovation and/or expansion plan for you. Our dedicated staff and wide experience help us drive 5-10 percent savings on design, construction and overall facility operations.

A wealth of options, a world of savings

Increasing health care mergers and consolidations are driving a greater need for facility renovation and expansion. A 2016 survey¹ showed that while 70 percent of hospitals and health systems have projects currently under way, in construction or planned in the next three years, a full three-quarters of those were expansions or renovations. The same survey revealed a 43 percent increase in new facility construction.

It's challenging to determine the best way to meet your organization and staff's current and future needs, address market changes and ensure patient satisfaction. Is now the optimal time to make your current facilities more efficient, renovate the buildings you already occupy or build an entirely new facility?

After evaluating all of your options, perhaps you think you know what's best for your organization's future. Or maybe your team just can't decide. Regardless, one thing is certain: Within facilities and construction initiatives lies tremendous opportunity to reduce capital and operational expenses and realize savings.

That's why members look to Vizient® when making these important decisions. With our guidance and expertise, members achieve savings on design, construction and overall facility operations, including materials, equipment, and maintenance repair and operations (MRO) services.

Our industry experts support a wide range of facilities and construction initiatives, including:

- Aggregation of spend
- Architectural services
- Facilities management
- Facilities staff augmentation
- Lean-led design and planning
- Process improvement
- Product standardization
- Project management services and project management staff augmentation
- Vendor cost reduction

The value we've delivered

- Led active engagements in more than \$12 billion of capital, construction and MRO initiatives for Vizient members
- Documented savings tracking to \$3 million for 2015 for a member in the Southwest. Affected categories include fire and life safety, elevator service, nurse call, fire alarm, roofing products, paint, ceiling tiles, patient beds, air filters, electrical and plumbing services, televisions and ice machines
- Saved a large Northeastern integrated delivery network 22 percent on furniture standardization in the competitive bid process

- Identified equipment budget reductions of up to 15 percent on a large ground-up patient tower build in Chicago
- Reduced annual spend by 8 percent on MRO standardization for a member in upstate New York
- Improved pricing on post-competitive construction bids totaling \$2.7 million in savings and \$340,000 in value-adds for a new patient tower-clinic in Texas

Why Vizient?

People—Our experienced team of industry experts:

- Assists you in implementing financial improvements and ensuring initiatives meet building and performance standards and drive overall savings
- Investigates strategies to reduce capital and operational expenses and realize facilities and construction savings
- Applies analytics to accurately anticipate critical health care trends, understand market dynamics and capitalize on opportunities
- Provides industry-leading practices in facilities management and project management

Process—Based on experience, leading practices and customer needs, we:

- Identify aggregation, process improvement and cost-savings opportunities for construction initiatives and day-to-day facilities and plant operations
- Review your market and true capacity to help you make a more educated investment in renovation or new construction

Results—Our experts will also:

- Assist with greater fiscal control to effectively manage and execute capital initiatives
- Secure best pricing by engaging appropriate vendors early in the planning process and enabling visibility into subcontractor acquisition channels
- Drive consistency in supplier pricing and service levels and negotiate improvements above and beyond the provider's baseline
- Identify areas for pricing and process improvements across your organization
- Aggregate purchases to provide cost containment and transparency
- Build efficient operations and building flow from the ground up by coordinating leading-practice customer standards for new construction, renovations and remodels
- Facilitate lean-led design services to maximize operational efficiencies

Frequently asked questions

My organization is already doing this. How can Vizient help me?

Leveraging internal resources to help manage and optimize efficiencies in the construction and planning process can be a challenge. We have industry expertise and a proven track record in achieving and sustaining results by providing you with resources that complement and build your team.

We have a construction manager, a general contractor or both. How can Vizient add to that?

Our team works side-by-side with third-party design and construction teams to represent your interests. We ensure that customer standards, negotiated pricing and additional return on investment for materials, equipment and services are articulated through all layers of a typical construction engagement.

How long does it take to complete an engagement?

It depends. Each engagement focuses on a long-term strategy that addresses facilities, plant operations and construction. We recommend alignment with your master services agreement. Through our program, we can also address your organization's shorter-term, project-based initiatives and assigned category improvements.

Is there a fee associated with this solution?

Yes, fees are calculated based on the size and type of engagement and are based on savings goals, staff hours required or both.

How deeply involved are you in the process?

We can address a specific project, functioning like owner representatives and working with and managing the team based on your specific needs and requirements. We also offer more holistic support by assisting with day-to-day operations to integrate efforts into your organization.

1 Hoppszallern, S, Vesely, R. 2016 hospital construction survey: patient experience drives design and construction. Health Facilities Management website. <https://www.hfmmagazine.com/articles/1878-2016-hospital-construction-survey>. Accessed December 15, 2017.



For more information, contact consulting@vizientinc.com.

As the nation's largest member-driven health care performance improvement company, Vizient provides network-powered insights in the critical areas of clinical, operational, and supply chain performance and empowers members to deliver exceptional, cost-effective care.