

Value Management Workshop for Red Deer Regional Hospital Centre

Presented by Norm Lux PQS VMP

Overview and Introduction

The Red Deer Regional Hospital services a rural area responsible for a population planned to expand to 700,000 people. Since the Value Management Workshop was held in October 2000, the following Pictures were taken at completion of Phase I (half-way through construction implementation). This is a \$96 million Provincial commitment, and construction is being done while the hospital is open and functioning.

Exterior East Elevation



Exterior South, September 2003



Third Level Patient Room



Third Floor Nursing Station



Preliminary Issues Exploration

A core team held pre-workshops, conducted a site tour of the existing facility and agreed the main workshop would include a broad range of participants (about 40), which is a large group in comparison to the size of 'normal' VM teams.

Note the two 'sacred cows' at the pre-meetings were to retain an existing 100 bed long term care facility, and provide the work for less than the \$48 million price tag.

Preliminary Issues Exploration Diagram Red Deer Regional Hospital Centre Value Management Workshop

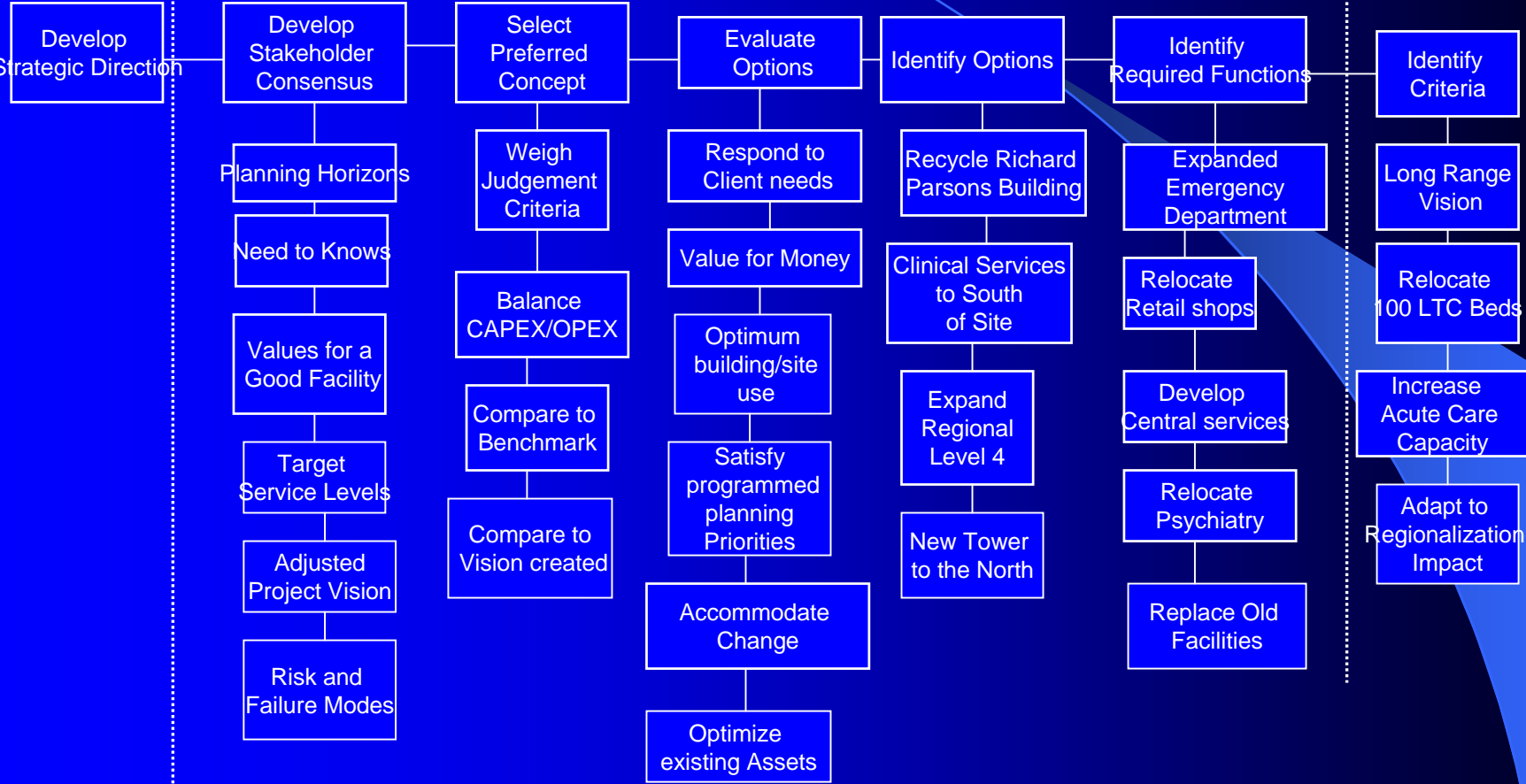
Retain Richard Parsons Building

Keep Cost in budget

Maintain ongoing operations with minimum disruption at all times

← Why

How →



Overview of Workshop

The workshop was facilitated by a Certified Value Specialist and followed a structured sequence of phases :

- 1. Information & Analysis;**
- 2. Creativity;**
- 3. Judgement;**
- 4. Development;**
- 5. Output & Recommendations**

Parts of Phase 1 and Phase 5 were provided by core groups prior to and after the workshop.

Information and Analysis

For this exercise, a large volume of information was gathered for pre-workshop sessions and presented to all.

The VMTL (Value Management Team Leader) then divided teams into four groups, with separate facilitated Focus sessions that dealt with :

1. Risks, Failures, Modes and Uncertainties
2. Features of a good facility (including target value service levels)
3. Planning Horizons and need to Knows
4. Project Vision Statement

Vision Statement

“The project will meet the priority needs of the DTHR within the financial constraints of capital and operating budget. Planning will be completed in a creative and timely manner that provides safe, friendly, flexible and accessible facilities for patients/clients and staff. The project will minimize service disruptions during construction and when completed will reflect program/service trends such as ambulatory services. Project development will not inhibit future long range expansion capabilities.”

Ideas and Judgement

- **Idea generation**
- **Brainstorming ideas Categorized**
- **Screening Criteria**
- **Pre-workshop ideas from two Architectural firms provided**
- **Screened options to judge**
- **Paired comparisons and table of Values**

Development and Selection

More Group focus sessions developing and presenting:

- Sketch and program area definition
- Adjacency Matrix tables
- Final review template (for judgement)
- Teams to develop options

Five development teams, five different solutions developed with admin support for cost, schedule and administrative assistance

Development and Selection ... cont'd

Three teams develop and refine three highest probability scenarios, and re-judge based on judgement criteria

- Two options are chosen to be presented to DTHR Board for detailed consideration.
- Prioritization list for alternate direction (because of sacred cow risk), should VM recommendations not be feasible generated.
- Presentation (business case) packages

After the Workshop

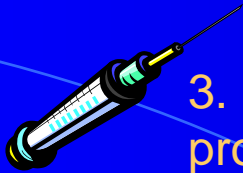
Subsequent scope clarification (*the workshop identified original programmer GFA was, in reality Useable Floor Area*) and detailed cost planning resulted in the revised budget of \$96 million of which target costs will still (*Oct. 2004*) meet. The completed new facility will have 65,000 m² of floor (38,000 m² new, and 27,000 m² renovated) area.

Some of the particulars in this exercise that I feel were exceptional, and can be credited to the VM study (led by Martyn Phillips) were :

VM Highlights

1. Appreciation of Value Methodology from the Health Region – DTHR (David Thompson Health Region) now incorporate strategic planning with all their major capital initiatives.
2. For most Health related VM, physicians have been used as resources, or provided advisory services for making recommendations. Their continual involvement throughout this workshop provided exceptional response on this project, and they were part of the implementation teams throughout design and construction.

VM Highlights cont'd



3. Teamwork and management philosophy throughout the process. The tone was set in the workshop, where the group of 40 plus participants developed and focused on success factors for the project. These attitudes & goals were preserved during the implementation stages, and when new groups (ie the contractors) were involved in the work, they were similarly initiated'



4. Cost Management – This workshop clearly demonstrated a higher budget need than the approved amounts. Clearly, Value Management is intended to demonstrate good value and find efficiencies. But, in this case, the original budget had been set on poor data, without the aid of risk analysis. The benefit alone of the VM to provide the foundation for a clear business case with realistic schedule was well worth the effort of this VM.

Value Management Workshop for Red Deer Regional Hospital Centre