


 Department for Administrative and Information Services


 Building Management

Clients Driving Innovation Lyell McEwin Health Service Redevelopment Stage A

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Lyell McEwin Health Service

- Located at Elizabeth in Adelaide's northern suburbs in lower socio-economic community
- One of South Australia's major acute hospital facilities
- There was a range of old and new buildings with 50% of the existing floor space greater than 40 years old
- The buildings were dysfunctional, costly to maintain and no longer met the health service requirements

LMHS Redevelopment Stage A

- Project Budget was \$91.2 Million
- Stage A replaced great majority of the outdated infrastructure and provided
 - ✓ New wards
 - ✓ CCU
 - ✓ Women's Health Centre
 - ✓ Administration and education
 - ✓ emergency
 - ✓ ICU, HDU
 - ✓ Operating theatres

What were we trying to fix?

- The characteristics of the project were:
 - ✓ Largest single building construction project being undertaken in SA
 - ✓ High strategic value for DH, the northern suburbs and government
 - ✓ Potential for providing significant economic benefits for the northern suburbs over a 5 year period
 - ✓ Required flexibility to accommodate changes in service delivery
 - ✓ Required outstanding management of program and cost

What were we trying to fix?

- In conventional major projects there was:
 - Lack of consultant team cohesion
 - Poorly coordinated or incomplete documents
 - Delays during design, documentation and tender phases
 - Quality control concerns during construction
 - Inadequate management of variations
 - Consultants working in a siloed, defensive culture
 - Time and cost overruns



What were our expectations?

- A relationship contract would realise opportunities and mitigate risk by:
 - Establishing the project team with equality of input and shared objectives
 - Encouraging innovation and problem solving
 - Setting objectives on quality outcomes in time, cost, ESD, community relations and building industry training
 - Offering performance incentives in support of key project objectives
 - Investing in skilling and training in relationships and team culture
 - Inclusion of subcontractors in the team

What were our expectations?

- We also expected that there were risks:
 - "Leap of faith" required
 - Expectation that project manager was required for success
 - Complex briefing and tendering processes
 - Concern on investment in team management fees and incentives
 - No certainty of improved outcomes, difficulty in measuring improvements, disputation could be more serious than in a conventional approach
 - Established project management practices could be compromised by the focus on new practices
 - The risk and reward arrangements were viewed with suspicion by professional community

Project Objectives Set

- The objectives were:
 - Maximum value for the capital cost
 - Completion on time
 - Minimum disruption to the operating environment
 - High quality
 - Defect free completion through continuous inspection of the works to progressively identify and rectify defects

'New' Project Objectives Set

- A new benchmark in Ecologically Sustainable Development (ESD)
- Provide extensive opportunities for building industry training
- Develop community relations to help rebuild ownership and interest in hospital
- Outstanding results in industrial relations and workplace safety
- Demonstrate to the building industry that an alternative approaches to project delivery was effective and in the interests of all stakeholders

Setting up and Mindset Before We Started



Setting up and Mindset

- The contract was developed using C21 as a base with special conditions for the 'relationship' contract drafted by Crown Law
- Project Manager not appointed and this funding was committed to team development, training and coaching
- JMJ and Associates worked with DAIS, DH and the private sector contractors to gain commitment to collaborative approach to decision-making and problem solving

Setting up and Mindset Before We Started

- JMJ developed team member skills in:
 - Listening and the pitfalls to achieving understanding between team members
 - Fundamentals of achieving sustainable agreement (alignment) and commitment to team decisions
 - Communicating with a view to creating solutions, or tabling issues with clarity
 - Real accountability for actions
 - Responsibility to act in a positive and multiplying manner

We had a long way to go



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- As JMJ commenced the process of team development a number of issues came onto the table
 - SA generally hasn't had disaster projects or high levels of litigation, some felt that no change was needed
 - Some wary of the relationship approach
 - Team management fee was viewed as a waste
 - Relationship set up viewed as an impediment to getting on with the design and construction

We had a long way to go

- The team at first 'lost' without project manager
- Became accustomed to assigning responsibility to the best person or group to do the jobs
- Many Government employees cynical about the "no blame" approach
- Concerned with experimenting on such an important and significant project

The Key Building Blocks and Major Learning



The Key Building Blocks and Major Learning

- The key building blocks were:
 - A vision and objectives we all owned
 - Everybody 'throwing their hat over the wall'
 - Training to recognise our own non-collaborative / disempowering behaviour
 - Identifying process champions
 - Discovering advantages of respectful plain speaking and acknowledgment of achievement
 - Recognising that the project team included subcontractors



Performance Against Objectives

- Saved \$1.7 million from construction contingency, funded increase to the Furniture Fittings and Equipment fund
- The quality of the facility is exceptional
- Integrated commissioning between hospital and contractor best to date
- Defects free completion minimised returns to the site for rectification work
- Exceptional and collaborative work relationship between hospital, consultants, contractors and government agencies

Performance Against Objectives

- Community satisfaction of the project was 80%
- The ESD objective to be the most energy efficient hospital in Australia looks like being achieved
- over 70 work experience students, trainees, and apprenticeships
- Safety standards exceeded industry benchmarks
- Lost time due to EB issues less than other major sites at the time



Relationship Management Hard?

- There was particular emphasis on applying good business practices including:
 - A strongly supported vision
 - A clear set of objectives we all aligned on
 - Empowerment of all stakeholders in their respective roles
 - A commitment to make it work
 - A focus on team learning and culture to support achievement of the project and commercial objectives



It Works!

- A host of clever ideas have been incorporated into the design and FF&E
- For the stakeholders:
 - ✓ Have become better operators
 - ✓ Team members don't ignore problems but fix them
 - ✓ Strong concept of alignment
 - ✓ Subcontractors genuinely in the game
 - ✓ Hospital genuinely in the game
 - ✓ Longer term relationships have been built
- Ripple effect - members of the procurement team have translated the skills to aspects of other projects

Our Next Challenge

- To maintain the momentum during the next stage of the LMHS (subject to approval)
- Use the learning's on other major projects (Private and Government)
- Keep the faith and as clients continue to have high expectations, be prepared to participate and reward innovation.