

## Sutter Health's Triple Win Project: Budget, Time, Goals Met

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Though the new Sutter Medical Center Castro Valley, which replaces Eden Medical Center in Alameda County, originated as many of the

newest California medical facilities have, due to the seismic safety standards, there are differences. First, the \$320 billion healthcare facility project was funded (without public dollars) by Sutter Health, a not-for-profit health system in North-

ern California. Secondly, it used a phased permitting process, and thirdly, an integrated project delivery team system. Finally and most impressively, the project method brought about what Project Manager for Sutter Health, Digby Chris-



***Artist's Rendering of Sutter Medical Center Castro Valley***

tian, called the “triple victory of an on budget, on time and with all goals intact” medical center project.

Based on an inclusive approach, the project delivery team method brought together all “core” team members. In fact, the six-member Core Group that managed the project team included Christian, representing Sutter Health, Bryan Daylor, Eden’s Vice President of Ancillary & Support Services, DPR Construction (General Contractor), Capital Engineering (mechanical and plumbing design), Devenney Group (architectural design) and J.W. McClenahan (plumbing). Every decision had to be unanimous, so the onus for managing risk and ensuring success was shared.

Strong partnerships were essential. DPR Construction’s proven healthcare construction experience, combined with their willingness to participate in Sutter Health’s building approach, made them stand above the rest. “DPR was the primary contractor on the remodeling of our 6th floor when we built the Sutter East Bay Neuroscience Center,” said Christian. “On this project, they were willing to work with us under the Integrated Form of Agreement (IFOA) structure, which ensures effective high quality project delivery through eliminating redundancy, errors and waste.”

The IFOA aligned the interest of the owner/user, builder/fabricator and designer/consultants through a mutually agreed upon definition of success. Integrating project outcomes with the owner’s enterprise performance goals was another intended result. The team realization of success became more important

than the individual entity’s. Sharing both risk and reward, and aligning risk and reward with risk control capability, also led the stakeholders to be more open with information, furthering the partnership culture.

Though the recession loomed over the project, so did the state’s seismic standards deadline. Sutter Health moved forward, taking advantage of lower costs in materials. Timing was good, because eventually, the number of hospitals rebuilding within a defined timeframe affected the availability of healthcare construction professionals. Sutter Health, able to obtain resources earlier than most, has not only gained excellent partners, but has also provided their community a timely positive economic boon through job creation.

Because the team has built the medical center virtually before building physically, they have avoided redundant efforts and conflicts. Design objectives, made public from the outset, were to create a safe, healing environment, ensure affordable, accessible healthcare for the community, integrate innovative design and the latest technology for care, and to construct sustainably, creating a high performance green building. In the interim, the community’s healthcare needs didn’t disappear, and Sutter Health has managed to keep the existing hospital fully operational during construction, which was essential.

“We’ve learned that our approach works,” Christian said. “With fully informed design, you get an efficient construction plan. Plus, you gain certainty about scope, cost and completion date.” Healthcare facility construction projects of this magnitude generally run way over

budget, finishing late, with original goals compromised. For nearly 18 months, the team focused on cost reductions that wouldn’t sacrifice any of the building goals. “To deliver a California hospital construction project, typically the most complex, strictly regulated construction, is tough enough,” stated Christian. “To do it on time and budget, with no compromises to quality or what the owner and community want, is about as ambitious as it gets.”

For Christian and the rest of Sutter Health’s project team, the success has validated the method and could prove to be, as he said, “game changing” to the industry. Trade publications picked up the story, winning the project two awards for its delivery model. The American Institute of Architects announced that the Castro Valley project was among the recipients of the 2010 prestigious Building Information Model Awards. Then FIATECH, which provides global leadership in new methodologies and technologies used in commercial construction projects, awarded them the CETI, recognizing how the team’s innovative approach and technology use in the design and construction planning of the new hospital resulted in an accelerated timeframe.

Should progress continue at the current rate, the new Sutter Medical Center Castro Valley would be open for patients by end of 2012, featuring the latest in seismic safety and “green” building. The residents of Castro Valley, Hayward, San Leandro, San Lorenzo and surrounding communities will enjoy efficient care delivery in a patient-centered healing environment for generations to come.

Follow the Sutter Medical Center [org/blog/](http://suttermedicalcentercastrovalley.org/blog/), as well as on Facebook and Twitter. *Nora Haile can be reached at [nora@nhaile.com](mailto:nora@nhaile.com)*

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