

Health Enterprises Cooperative's use of Premier construction contracts, general contractor collaboration lead to \$150K savings for Iowa hospital

CHALLENGE

Engaging group purchasing contracts in capital construction projects continues to be a challenge for most hospitals. Realizing the potential for savings, Health Enterprises Cooperative (HEC), an Iowa-based cooperative focused solely on group purchasing activities, jumped at another opportunity for savings. HEC represents 29 independent acute care hospital and 400-plus non-acute members. Its primary goal is helping members – mostly small rural hospitals or critical access facilities – survive and prosper.

SOLUTION

HEC welcomed the opportunity to engage with the Premier healthcare alliance's [Construction Services](#) staff on new building projects with three of its Iowa members – Crawford County Memorial Hospital in Denison, Broadlawns Medical Center in Des Moines, and Mahaska Medical Center in Oskaloosa.



General contractor for the projects – Graham Construction Co. of Des Moines – has supported the HEC initiative and is partnering with Construction Services to include Premier construction and facilities contracts. Crawford County Memorial Hospital is under construction. The Broadlawns Medical Center and Mahaska Medical Center projects are still in the planning stages.

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Health Enterprises Cooperative (HEC), in Cedar Rapids, Iowa, is a regional GPO organized as an Iowa cooperative. As a shareholder in Premier and Premier Purchasing Partners L.P., HEC makes Premier programs and services available to its members and affiliates and creates regional programs to complement Premier national programs. www.healthenterprises.org.

RESULTS

- Ten Premier contracted suppliers have received contracts so far for the Crawford County project, representing some 10 percent of the construction budget, a new high water mark: American Air Filter/AAF International; Glidden Professional Paint Center (formerly ICI Paints); Graybar; Johnson Controls Inc.; Mannington Commercial; Shaw Contract Group; Trane USA Inc.; and Tremco Roofing and Building Maintenance.
- The construction budget is \$15.5 million. Premier contracted supplier utilization is \$1.5 million with savings to the hospital of some \$150,000 – or 10 percent – by using contracted suppliers.

“Even before we started our building project, we called Premier/HEC to see if they would help us with our project. They put us in contact with Mark Kearschner (Premier construction services director) and Patrick Bell (Premier senior region director). Patrick came out to tell us what they could do. They have been a big help in working with Graham Construction (construction managers) on the many contracts available. We have tried to use as many Premier/HEC contracts as we could because we knew there would be dollar savings. There was great comfort knowing that we had the purchasing, construction and networking power and knowledge of Premier/HEC behind us to make the decisions that we had to make. Premier/HEC has saved us a lot of time and money. We could not have seen this kind of savings without them.

The Crawford County Memorial Hospital Core Planning Committee, Denison, IA

FOR MORE INFORMATION:

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