



The Children's Hospital

**Customer:**

The Children's Hospital  
Denver, Colorado

**Web Site:**

[www.thechildrenshospital.org](http://www.thechildrenshospital.org)

**Customer Size:**

3,000+

**Country or Region:**

Denver Area  
Main Campus + 16 locations

**Industry:**

Hospitals & Healthcare  
Pediatric Health-care Services

**Customer Profile:**

The Children's Hospital is ranked in the top 10 children's hospitals in the USA. 1,000 pediatric specialists + more than 2,400 FTEs in a 1.4 million square foot main campus.

**Services:**

Facilities Management & Operations  
Benchmarking Analysis  
Process Improvement

## Benchmarking – Continuous Improvement

### Situation

The Children's Hospital built their new main campus location in 2007 and their facilities management (FM) operating costs were unexplainably high with a change in staffing headcount.

FM operational cost basis was \$21,717,500.00

### Actions

The Children's Hospital Operations Department engaged RD<sup>3</sup> Sustainable Solutions to conduct a review of the hospitals costs to identify areas of opportunity for improvement and cost reductions.

A comprehensive benchmarking assessment was conducted reviewing the current costs basis. The costs were mapped to industry benchmarking study metrics and a comparative analysis was conducted to reveal areas of opportunity.

### Results

The RD<sup>3</sup> study revealed the following cost reduction opportunities along with a number of other operational improvement opportunities.

	Hospital Costs	Industry Benchmark	BM Variance
<b>Maintenance Costs</b>	\$ 5,553,552	\$ 4,524,497	\$ (1,029,055)
<b>Utility Costs</b>	\$ 6,525,947	\$ 4,522,339	\$ (2,003,608)
<b>Janitorial (Envir Services)</b>	\$ 5,542,459	\$ 3,818,694	\$ (1,723,765)
<b>FM Support Services</b>	\$ 664,696	\$ 125,811	\$ (538,885)
<b>Security Costs ("Safety")</b>	\$ 1,940,755	\$ 1,267,792	\$ (672,963)
	<b>\$ 20,227,410</b>	<b>\$ 14,259,133</b>	<b>\$ (5,968,277)</b>

**Total Cost Reduction Opportunity >\$5 Million**