CASE STUDY

Manufacturer Seeks Guidance for nCGMP Facility Search

This confidential client needed a 500,000-square-foot new current good manufacturing practices (nCGMP) facility for its expanding operations. The manufacturer was seeking a location with room for current employees and manufacturing equipment, plus space for future growth.

Challenge

Finding the right space for a business of any size takes time, patience and careful consideration. A major manufacturer was evaluating three options for its ongoing operations: its current leased facility, and two potential new-build sites. The current operations spanned several buildings on the manufacturer's campus and therefore lacked efficiency and room for future growth.

The client sought to design a facility large enough to accommodate all current operations with room for an additional production line in the future. Two existing sites were identified by the client and our team was selected to develop a front-end plan and cost estimate providing the information needed to evaluate the business case for both options. Challenge

Project Stats

Client
Confidential Client

Location
Pacific Northwest

500K
SQUARE FEET NEEDED FOR MANUFACTURING RELOCATION

$30M
POTENTIAL SAVINGS FOR PROPOSED RELOCATION

25%
REDUCTION IN SQUARE FOOTAGE DUE TO OPTIMIZED LAYOUT

Solution

A programming session with the client resulted in a conceptual design for the new building at each of the potential sites. This optimized layout resulted in a 25% reduction in square footage. Both possible solutions, Option A and Option B, were evaluated and cost-estimated for the client. Option A met all of the client's stated needs, including close proximity to the existing building, allowing the company to retain its current workforce and shipping logistics. In addition, the site was managed by a developer that would allow the client to lease the new building, deferring the associated capital cost. Since the site was a new development, significant work would be required to develop the needed infrastructure. The added construction, combined with the location of the water table, would extend the project schedule and add structural costs.

Option B was a site already owned by the client and would add to the operations of the existing facility. While the site had enough physical space for the expansion, it would further stress an already taxed workforce and infrastructure.

Upon identifying that neither proposed option would make a viable business case, Burns & McDonnell engaged our in-house real estate development team to search for an existing facility that could meet the clients physical and financial requirements. This research resulted in the identification of a recently vacated manufacturing facility.

Built within the last 20 years, Option C met both the current physical and future needs of the client, was located in a city with a robust and available workforce, and was conveniently situated for effective shipping/receiving logistics. The proposed facility was within 60 miles of an existing site; therefore, the client was familiar with the area.

Burns & McDonnell evaluated the property to determine the cost for upgrading and preparing the facility for this product line and negotiated a purchase price with the seller. Burns & McDonnell proposed to purchase the facility and lease back to the client.

Results

Burns & McDonnell recommended Option C, which would save the client three months in the project schedule and $30 million. As a full-service partner, Burns & McDonnell was able to fully address the client's challenge and offer creative solutions beyond the scope of the project, saving both time and money from the original project goal.

About Burns & McDonnell

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