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A brief history of lean in the public sector.

Una breve historia de lean en el sector público.

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Abstract
The development of Lean principles within the public sector began in 2003 following Lean Construction Institute´s developing efforts on relational contracting. Later, challenges and opportunities for implementing Lean were identified in Californian construction law. Collaborations with entities like the California Department of Transportation and the University of California San Francisco showcased Lean's benefits, leading to legislative changes allowing broader implementation across the University of California system. Healthcare also saw streamlined processes through collaborations, in this case, between the P2SL, the Office of Statewide Health Planning and Development, and major healthcare companies, reducing project durations significantly. International expansion in 2009 led to successful Lean pilot projects in Germany and Finland. Inspired by Washington State's Lean governance practices, Lean in Public Sector Construction (LIPS) expanded its focus beyond construction. LIPS has conducted impactful global conferences, highlighting Lean's transformative role in reshaping diverse public sector operations and governance worldwide.

Keywords: *Lean; LIPS; Public Sector; Relational Contracts; Integrated Project Delivery.*

Resumen
El desarrollo de los principios Lean dentro del sector público comenzó en 2003 a raíz de los esfuerzos del Lean Construction Institute para el desarrollo de contratos relacionales. Posteriormente, se identificaron desafíos y oportunidades para implementar Lean en la legislación de construcción de California. Las colaboraciones con entidades como el Departamento de Transporte de California y la Universidad de California San Francisco mostraron los beneficios del Lean, lo que llevó a cambios legislativos que permitieron una implementación más amplia en todo el sistema de la Universidad de California. De forma similar, la atención médica también experimentó con la simplificación de procesos a través de colaboraciones, en este caso, entre el P2SL, la Oficina de Planificación y Desarrollo de Salud Estatal e importantes empresas de atención médica, como resultado se redujo significativamente la duración de los proyectos. La expansión internacional en 2009 condujo a exitosos proyectos piloto Lean en Alemania y Finlandia. Inspirado por las prácticas de gobernanza Lean del Estado de Washington, Lean en la Construcción del Sector Público (LIPS, por sus siglas en inglés) amplió su enfoque más allá de la construcción. LIPS ha realizado conferencias globales impactantes, resaltando el papel transformador del Lean en la reconfiguración de diversas operaciones y gobernanza del sector público en todo el mundo.

Palabras clave: Lean; LIPS; Sector Público; Contratos Relacionales; Gestión Integrada de Proyectos.

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1. The Inspiration

In 2003, the Lean Construction Institute (USA) sponsored an international symposium on relational contracting in Atlanta. We were encouraged to develop our own relational contract for construction. That was done by Will Lichtig, then outside counsel for Sutter Health and completed in 2004.

2. Understanding the problem

It took a few years, four to be exact. By 2007, I had moved from LCI to take on the role of Research Director of Project Production Systems Laboratory (P2SL) at the University of California. I persuaded two prominent California construction law firms to collaborate on a white paper reporting their answers to this question regarding state law:

- *What are the opportunities and obstacles to applying Lean principles and methods in the state?*
- *Their answer: "There are holds in the law you could drive trucks through, but there isn't much traffic.''*

3. Firt steps

We held workshops with the California Department of Transportation, and began working with Michael Bade, then Chief Architect at the University of California San Francisco (UCSF) to apply Lean principles and methods to the design and construction of educational and research facilities. At this time, the 10-campus University of California system was not allowed to use Best Value Procurement for awarding project contracts. UCSF applied and was granted a 5-year window to demonstrate the benefits of balancing capability and cost. After 3 years of substantially better performing projects, the legislature made the exemption permanent and the UC Regents directed all campuses to follow UCSF's lead.

4. Second steps

In 2005, the state of California required that all designs for acute care hospitals be approved by The Office of Statewide Health Planning and Development (OSHPD), a state agency. Studies of previous years found that on average the time to deliver acute care hospitals was one year longer than in states where quality assurance was left to the individual architects and engineers involved in projects.

P2SL initiated a collaborative effort between OSHPD and four of the major healthcare companies in the state to reduce to streamline that process. Within the first year, the healthcare companies reported that 6 months had been removed from project durations.

5. A breakthrough

In 2009, Lean in Public Sector Construction (LIPS) ventured abroad to Karlsruhe Germany. The focus was on relational contracting, so experts in Project Alliancing came from Australia and Will Lichtig, expert in Integrated Project Delivery (remember his earlier contribution) came from the United States. Three people attended from the Finnish Transport Agency. They got excited about relational contracting and within the next few years completed three highly successful pilot projects: highway, tunnel and rail.

6. Jumping forward to the present

LIPS has since chosen to focus not only on public sector construction, but on all public agencies. Inspiration for that change came from the State of Washington, which at this time has been applying Lean thinking and practice to all aspects of governing for something like 15 years.

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Looking back, LIPS-in old and new forms-has held major conferences/workshops in Australia, Chile, Denmark, Finland, Germany, India, Spain, the United Kingdom and the United States.

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