Interview: José M. Jiménez – Vice President and General Manager, Torcon Puerto Rico Operations



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José M. Jiménez, Vice President and General Manager of Torcon Puerto Rico, outlines current construction projects within the life science and healthcare industries on the island while highlighting the branch office's strong expertise. Jimenez is one of the nation's top 40 construction managers according to Engineering News Record (ENR).

Given the dynamic fluctuations that have occurred in Puerto Rico's economy over the last decade, what do you see as the most important changes from the construction perspective?

During the early 2000s, biologic, pharmaceutical and medical device facilities invested significant amounts of money in plant expansions in Puerto Rico. During the second half of the 21st century's first decade and to this date, a shift in strategy took place, where most capital investments within the industry looked to renovate and/or retrofit active sites with the objective of consolidating manufacturing operations within their global network. In Puerto Rico, Torcon has been a key player; assisting our Fortune 500 clients in this process. To date, the island remains one of the top pharmaceutical centers in the world for the manufacturing of oral solid drugs as well as biologic products.

Is this consolidation healthy for the sector?

It certainly has its disadvantages. Industry consolidation has resulted in plant closings as a consequence of the redundancy of similar assets that are acquired via these mergers; however, due to the body of knowledge and proven compliance record, Puerto Rico remains a strong global biopharma manufacturing center.

How is Torcon positioned specifically in Puerto Rico?

Torcon in Puerto Rico is a pharmaceutical specialist; consistently ranked among the top three CMs on the Caribbean Business Book of Lists. The company maintains active master services agreements with Fortune 500 biologic and pharmaceutical companies with local operations. Our clientele also includes medical device companies. In addition to our pharmaceutical resume, following the footsteps of our operations in the continental US, Torcon's Puerto Operations has successfully "crossed the line" into the healthcare industry. For instance, our office recently completed the largest hospital expansion built on the island in the last ten years with a total investment cost of $130 million. Overall, in a period of 15 years, Torcon has completed over 80 projects in Puerto Rico with an aggregate value of over $500 million.

How challenging is for you to find the right people to make sure that the project will get delivered accordingly?

Puerto Rico offers a deep pool of engineering and construction professionals. The island possesses highly reputable architectural and engineering academic programs that are ranked within the top 100 of the nation. The architecture and engineering professions are highly regulated in Puerto Rico; therefore, architects and engineers must meet strict continued education programs in order to maintain their credentials and licenses. To complement the excellence and competency level of our human resources, most of our architecture/engineering professionals possess postgraduate degrees in architecture, engineering, or construction management and/or related fields. As a company, Torcon recruits from the nation's leading engineering programs and prides itself on the quality of our professional staff. Similarly, our Puerto Rico staff members are all graduates of Puerto Rican or US universities, and the office comprises 100% local residents.

How does Torcon adapt to manufacturing and technology changes within various industries?

As I've noted, Torcon has specialized in biopharma projects for more than twenty years and is consistently ranked among the nation's leading builders of labs and pharmaceutical facilities. We understand the business, our customers' operations, and the critical role of facilities. So we've experienced the changes in technology and have helped our clients successfully make the

transition in their operations. As far as selection of biopharma process technology, we as construction managers have great involvement in the constructability aspect of innovative equipment trains. Our role is to make sure that the project team gathers a deep understanding of the technology that will be put into service so that facilities are successfully constructed, commissioned and qualified/validated. This tends to be the longest path for any pharmaceutical project –it typically takes between 12 and 24 months to build a new facility plus 12 to 18 months for verification and qualification prior to commercial stage.

What would you say that makes Torcon the partner of choice for companies in Puerto Rico?

A key differentiator relative to our competition is that Torcon is a family-owned business (currently heading into a third generation). For us, this is a positive attribute because decisions and commitments are made quickly; we can provide a level of services that can adapt to very fast-paced projects. Torcon has also been in active in Puerto Rico for over 15 years, time during which the company's leadership has built strong relationships with the local subcontractor community and design/engineering firms. Furthermore, Torcon is adept at handling projects of all sizes, up to several hundred million dollars. This combination of technical expertise, local focus, and industry-leading capabilities and resources, backed up by a culture of responsibility and performance, is unmatched.

You mentioned the relationship with local subcontractors and it seems there is a strong sense of collaboration in Puerto Rico despite the competition. If one company can't provide a specific service, it is possible to make alliances in order to deliver a solution. What is your sense of this environment?

In the local pharmaceutical industry, business relationships are pretty much valued as partnerships where collaboration is the key to achieve success. In general, pharmaceutical projects take place following a fast-track mode; therefore, you cannot sourced the entire scope of work to one contractor but rather to a group of companies that must execute within an atmosphere of detailed coordination and collaboration. We have witnessed that level of collaboration in PR which is one of the main reasons why our projects have been successful here.

What is the strategic importance of Torcon's Puerto Rico Operations in relation to the company's global network?

Puerto Rico offers a unique geographical reach to Torcon and its pharmaceutical clients in the US. We have the ability to service our US clients' needs on the island. This office allows us to extend

our relationship with our US-based customers – one that we cherished so much – to the island for the implementation of strategical projects in Puerto Rico. We provide them with the possibility of doing business with an entity that they know and trust for many years.

To what extend could Puerto Rico serve as a hub to other places such as the Dominican Republic or Costa Rica, which also have growing infrastructure in terms of the healthcare and pharmaceutical industries?

If there are opportunities for our clients within geographical proximity, the fact that there is no language barrier and that our depth of resources is immense, would prepare us to serve those regions in the future.

Looking ahead to the future, what do you want to achieve for Torcon in Puerto Rico?

We want to continue our good work on the island. I consider the conditions for Puerto Rico to continue strengthening its outlook and its offering to the pharmaceutical, biopharma and biologic sector are second to none. Torcon continues to invest in state-of-the-art technology to further enhance its construction management and quality processes; therefore, improving our level of services. We look forward and continuously seek new opportunities –the knowledge we have gathered throughout the years on the island positions ourselves as a prime supplier of industrial/process construction services. It also equips our staff to assist our clients establish operations in Puerto Rico via a smooth transition.

What is your personal outlook in terms of the future of Puerto Rico, and everything that Torcon can provide within that ecosystem?

We can negate the fact that the island is going through challenging times; however, Puerto Rico is more than equipped to overcome these challenges. Puerto Rico is in the process of economic restructuring and strengthening of its economic growth agenda. The government has taken serious measures to guide that process and while there is still work to do, a strong foundation remains.

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