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Health Care

# Baltimore hospital system to build massive logistics center



Image: UMMS

A Baltimore health system is building a 400,000-square-foot logistics center to be a hub for all 11 of its hospitals.

UMMS



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The University of Maryland Medical System plans to build a 400,000-square-foot logistics center at Tradepoint Atlantic to reinvent how it delivers [supplies to over 20,000 staff across the state](#).

The medical giant will use the building at 1390 Sparrows Point Blvd. to centralize its logistics, transforming from a system where each hospital is in charge of ordering and storing its inventory to one where a central hub supplies equipment for all UMMS institutions. The change is meant to permanently fix the logistics issues that emerged during the Covid-19 pandemic when shortages engulfed much of the country.

Once fully completed in the second quarter of 2025, the facility will employ around 300 people. UMMS said it will cost about \$32 million to construct the building, which will sit adjacent to Under Armour's logistics center at 1390 Sparrows Point Blvd.

"It provides us the opportunity to be better prepared if we have supply shortages, which always happen, or deal with another pandemic," Senior Vice President and System Chief Administrative Officer Jon Burns said in an interview with the Baltimore Business Journal.

The flaws of a decentralized supply chain became apparent during the pandemic as each hospital faced shortages without large stockpiles of supplies to rely on. UMMS had to create a warehouse in six weeks to store supplies without the expertise or software necessary to run a warehouse operation, Burns said. The Logistics Operations Center is intended to ensure that if another crisis arises, UMMS is prepared with a stockpile of equipment and data on what each hospital needs.

The logistics change should also reduce costs and allow for larger clinical programs. Ordering supplies as a whole hospital system, instead of 11 separate hospitals, means that UMMS can buy in massive bulk to save money. The warehouse will also allow hospitals to reimagine storage space as new clinical areas since they will not have to keep nearly as many supplies on site, Burns said.

"We'll have insight into all of our inventory now, which we don't have today," he added.

The building will be more than just a warehouse full of medical masks and exam gloves. UMMS plans to build a diagnostics laboratory to process blood tests and stool samples. Most diagnostic tests are currently outsourced to third-party companies, but Burns believes insourcing basic tests could make the process more efficient and save money. The facility will also be used to safely process medical equipment to help overburdened hospitals and distribute pharmaceutical drugs to hospitals.

UMMS picked Tradepoint Atlantic because of its central location, which makes it easy to distribute products to the Eastern Shore, Baltimore and Southern Maryland. The Tradepoint Atlantic site is home to [many national companies, such as Amazon, Under Armour, and McCormick & Co. Inc.](#), all looking to take advantage of the combination of road and port infrastructure. The logistics hub is adding more [food options for workers to give them](#) more dining options in the area.

"Tradepoint Atlantic is excited to welcome UMMS to our growing community of world-class organizations," Marc Salotti, Tradepoint Atlantic's managing director, said in a press release. "The addition of a health care leader like UMMS contributes further to the broad mix of industries served through Tradepoint and the hospital system's investment will further add to the diverse set of career opportunities available at Sparrows Point."

UMMS has started several other ambitious plans over the past year. The system signed a deal to put its name on the former [Pandora headquarters in downtown Baltimore](#) and is planning to build a large hospital in [Easton with \\$100 million of state money](#).