Deciphering IPD, D/B, GC/CM, D/B/B

WHICH IS BEST FOR YOU?

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Topics for our discussion:

- First things first…who is this guy and who am I sitting next to?
- Why do I need to think about your contract delivery model first?
- Four things to consider before you choose a model
- How do I decide which is right for my project?
- What are my options?

First things first - Introductions

WHO IS SCOTT PERALA

- Certified Construction Manager with Turner & Townsend Heery
- Civil/structural engineer by education
- Been a designer, GC and owner
- Former program manager for OHSU
- Been in industry for 29 years
- Been in public sector for 26
- Been working with alternative contracts for 26

ICEBREAKER

- Turn to the person to your left and right and introduce yourself
  - Your name
  - Your agency
  - Your hometown

Why do I need to think about project delivery first?

Your delivery model influences everything about your project

- Your contracts
- How you manage stakeholder expectations
- The budget and schedule
- How you manage the risks on the project
- How much collaboration you can have with stakeholders and project team
- Once set, it's hard to change course without impacting your program

Four things to consider before you choose

WHAT ARE THE PROJECT RISKS?

- Impact of missing scope?
- What if budget is exceeded?
- Are there risks outside our control?
- Criticality and probability?

WHAT IS OUR COMFORT WITH RISK?

- Do we have means to mitigate these risk?
- How much risk will the board be comfortable with?
- Will our constituency understand costs associated with risk?

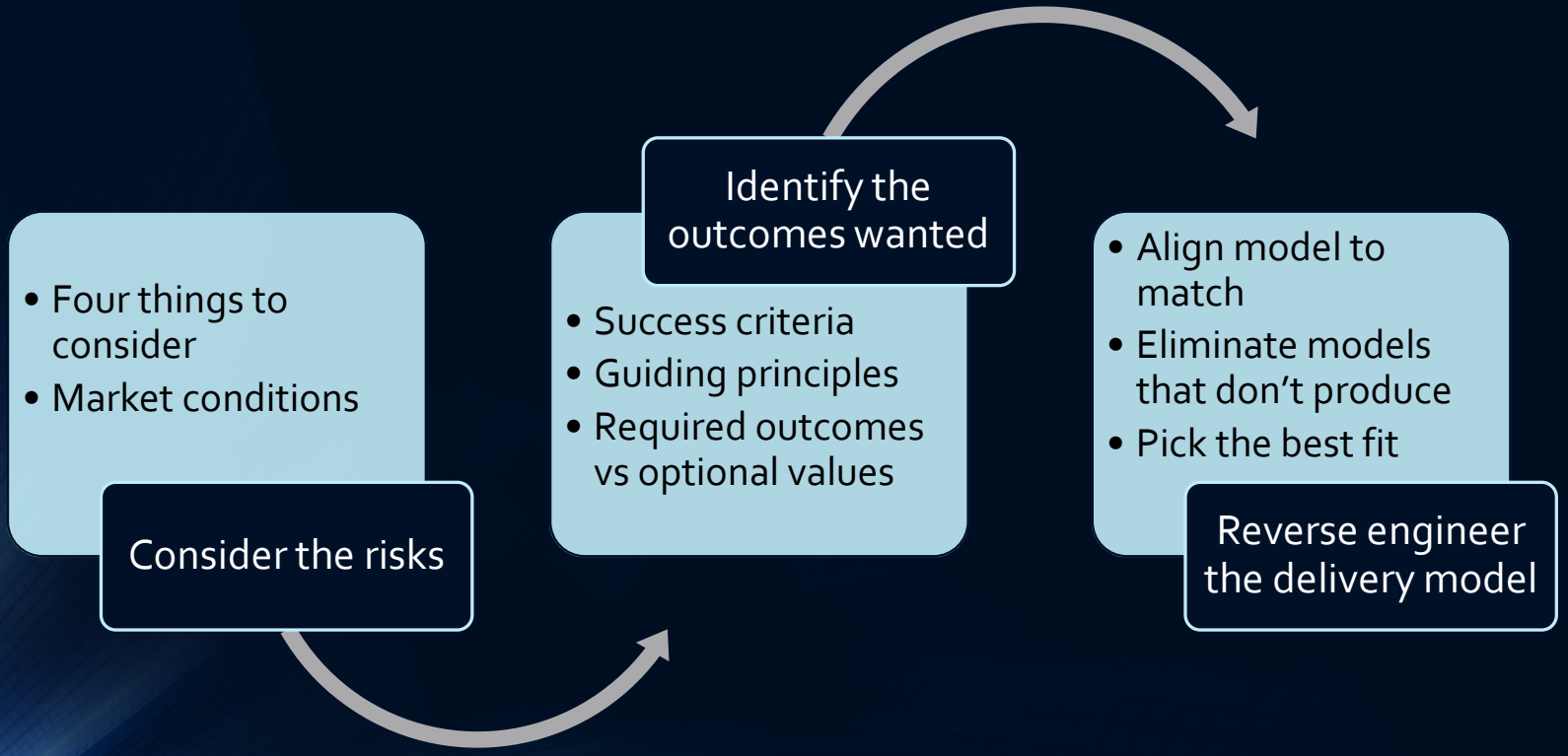
HOW MUCH CONTROL DO WE WANT?

- How much control do we want to have?
- Can we make decisions quickly to keep project moving?
- Who would hold control?
- What is more important? Control or Outcomes?

DO WE HAVE STAFF WITH EXPERIENCE?

- Is our staff experienced in the delivery model?
- Does our staff have bandwidth?
- Is our staff certified to manage this model? (CCM, DBIA)?

How to figure out which is right for you?



So what are my options?

CONTRACT STRATEGIES

World according to Scott Perala…

Integrate Project Delivery (IPD)

HOW DOES IT WORK?

- Pull all the parties into a single contract including the Owner typically
- Risks are shared as common risk instead of shifted
- Team is incentivized to work together – shifting risk works against everyone

IDEAL USES

- Project team has worked together extensively or invests in team building
- Highly niche or boutique markets

PROS & CONS

- Newest delivery model – we're still learning
- Encourages high level of collaboration
- Owner's PM has to be engaged
- Takes a high trusting team to be successful
- Team can fall apart quickly

Design/Build (D/B) - Traditional

HOW DOES IT WORK?

- Reduces contractual shifts of responsibility
- Owner is not a party to that risk
- Centralizes control of project
- Enables concurrent efforts
- Allows for design by trade experts

IDEAL USES

- Owner has lower concern for process and more focus on outcomes
- Highly technical/ complex trade elements
- Highly specialized spaces
- Schedule and budget are critical factors

PROS & CONS

- Lower risk for the Owner
- Owner needs a skilled PM to manage
- Can speed up time to construction
- Need to utilize with purpose/intent
- Highly complex contractual arrangements

General Contractor/Construction Manager (GC/CM)

HOW DOES IT WORK?

- GC/CM is engaged during design to assist with design development
- Budget and schedule are agreed during design process (GMP)
- GC/CM takes on limited responsibility for "what they should have known about"

IDEAL USES

- Construction process influences design
- Operational facilities during construction
- Renovations/remodels where existing conditions need to be addressed
- Desire to speed up project timeline

PROS & CONS

- Useful when not all info is known and can't be without exploration of site
- Can have earlier budget and schedule certainty
- Highly utilized and tested model
- Need clear documentation and tracking

Design/Bid/Build (D/B/B)

HOW DOES IT WORK?

- Traditional separation of design and build roles
- Sequential and linear approach
- Risks are based on what is, or isn't, in the drawings
- Owner typically holds risk of missing info

IDEAL USES

- Greenfield new construction
- Repetitive design parameters
- Standard facilities
- Good design specs by Owner

PROS & CONS

- No schedule or cost certainty until bid day
- Requires more complete drawings
- More "straight forward" approach
- Lower collaboration potential
- No advantage of trade input during design

Any/all of these delivery models can be highly valuable and useful to you…if you plan appropriately and know how to utilize/apply the tool correctly.

Q&A