

# THE IPD JOURNEY

OPTIMIZING THE TEAM FOR PROJECT SUCCESS

**Brookfield**  
Global Integrated Solutions

## THE PROJECT MANAGER'S PERSPECTIVE

### PROJECT SUMMARY

#### Project, Location

TD LEGO  
77 Bloor Street West, Toronto

#### Target Price

Confidential

#### Delivery

September 2013 to May 2016

#### Project Team Execution Rating

90%

#### Project Model

Integrated Process Delivery (IPD)

#### Final Price

13% Below Target Price

#### Client Satisfaction Rating

96%

#### Project Team Trust Rating

94%

### PROJECT TEAM



**Brookfield**  
Global Integrated Solutions

**HHAngus**



**MULVEY & BANANI**  
Consulting Engineers

**EllisDon**



**SYMTECH**

**teknion**

### IPD ELEMENTS

- Extensive pre-planning with all levels of leadership
- An agreement between the partners not to litigate
- Transparency in scheduling, delivery and billing
- A shared pool of risk/reward to stimulate innovation
- 11 Floors of renovation
- Completed over 6 phases

### BROOKFIELD BIOGRAPHIES

#### Anthony Cho

North American Account Director,  
TD Bank Enterprise Real Estate

#### Valerie Beare

Director of Client Services

#### Andrew Cheng

Senior Project Manager

There is risk, Brookfield's Anthony Cho will tell you, and then there is *risk*.

IPD has not generated enough success to induce the construction industry to abandon a pricing system that hasn't changed for generations. Naturally, where there is unknown, as there was at the outset of TD LEGO, there is perceived risk.

"I knew it would take a paradigm shift to learn the model," he said, "and we did have those challenges."

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**"We did away with all the conventional management processes: how we manage change orders, how we got paid, how we transferred information. Instead it became a team approach."**

Valerie Beare

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But Anthony has long been aware of the potential of IPD. That mitigated the risk of using the system. What made Anthony believe IPD could work was how it handled, distributed and negated the dollars and cents version risk.

"We're wilfully, blindly pretending otherwise but the truth is the owner doesn't want risk," Anthony said. "He has designed it and had lawyers write in complete risk transference."

Mistakes happen, the partners in traditional jobs all say, they just don't happen to them. The result, at best, is unpleasant negotiation. The worst: the rabbit hole of litigation.

"A lot of the traditional construction processes breed conflict. It's very linear," said Brookfield's Valerie Beare. "Everything gets passed from one hand to the next. Everyone wants to blame the other member."

"Contractors typically point the finger. Consultants avoid the question," Anthony said. "It doesn't matter, everyone is protecting their own risk, knowing what their insurance will or will not pay for, depending on their behaviour."

In an IPD project, participants aren't just chosen based on the lowest tendered price. Builders know all too well that lump sum bids are often laden with loopholes that will allow the successful bidder to siphon back losses.



“Projects always have the same issues of unforeseen site conditions, authorities with jurisdiction having issues, design co-ordination issues, scope changes, time pressures, re-design,” Anthony said.

“All these things add up and you generally end up 10 to 15 per cent higher than what the ‘as-tendered’ number was supposed to be.”

“We’re so handcuffed in this industry about just giving our business to the lowest bidder,” Valerie said. “It’s very challenging, especially in the public sector where you are very restricted by the procurement policy.”

Instead, IPD partners submit bids that include a profit margin. Partners agree on a common set of principles including excellence, transparency and a fun workplace. Extensive planning and refining eliminates mistakes before they happen at the job-site. Since every level of management has been involved in the project from the beginning, revisions move smoothly through the approval process.

“I think one of the reasons people are comfortable with IPD is because the way we structured the team,” Valerie said. “The PIT, PMT and SMT were involved. We had confidence that what was proposed was well-thought out and beneficial for everybody.”

The partners work out of a shared office at the job site. Schedules are posted on a planning board for better co-ordination. Likewise, every firm’s billings are open for inspection.

Said Anthony: “If you look at the concept, IPD allows you to look at the total risk, how to manage the total risk away and how to beat it with one big pool together to save the owner’s risk of change orders, design co-ordination, scope creep and all that.”

Valerie had already been through two projects that borrowed elements of IPD, She was skeptical about whether IPD would work on an interior build.

“I was definitely not a believer,” she said. “I thought I’ll try it again but I am not sure we can make it work.”

“Everyone else talks about IPD for the big project, the big hospital, a big, un-designed animal that you are all going to put together. How are we going to apply this to commercial interiors? Our standards are very set. Our opportunities for cost savings are minimal.”

Valerie also worried about the costs from the extensive early planning and visioning sessions.

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**“Typically you have the client say, ‘you shall do this’ and the team goes away and reacts. What we were actually saying was, ‘client we hear you but this might be a better solution.’**

**Valerie Beare**

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“You chew through a lot of money at the beginning because it takes so much time from everybody. Consultants cost a lot of money but if you really build a good foundation you start to reap the reward as you move through the cycles.”

The early meetings laid the groundwork for a connectivity that in turn inspired flexibility up and down the chain of command.

“Typically you have the client say ‘you shall do this’ and the team goes away and reacts,” Val said. “We were actually saying ‘client we hear you but this might be a better solution.’

“Joe Day from EllisDon coined the phrase ‘to drive decision making.’



“We could say we are able to move forward until this time, this line in the sand, but at that time we must have a decision. We could keep things moving that way. We did that in several instances.”

“Later we had another change on the fifth floor. We were halfway through building it and the client decided they didn’t need it. The team came together and put together options.” Valerie noticed the speed in which the partners dealt with change.

“We were very agile as a team,” she said. “We could come together and find solutions. You don’t typically find that in these jobs.”

Valerie’s ‘Ah-ha’ moment came when EllisDon’s Kelly Slater and Joe Day created an old school way of keeping the financing transparent. “We decided we had to create a ledger sheet, a bankbook. Every time you borrowed from somewhere else you had to create a credit and a debit. We could track everything. Then you have to have someone to own that chequebook. That someone became EllisDon.”

The IPD worked, Kelly said, because it was so radically different from the norm.

“We did away with all the conventional management processes: how we manage change orders, how we got paid, how we transferred information. Instead it became a team approach.”

While she is a convert to the system, Valerie realizes there will be a pushback against IPD not because it doesn't work but because it works differently.

"The old school still rules," she said. "TD Bank was very progressive and worked very closely to make this happen. We hand-picked this team. It wasn't a tender. It wasn't just about price."

For the construction industry shared risk and reward seems revolutionary.

"The concept is very hard for lawyers and traditional contractors and consultants to get their head around," Anthony said.

"More veteran employees have been imprinted with a traditional way of construction," said Brookfield's Andrew Cheng

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**"Sometimes, like they say, it can be hard  
to teach an old dog new tricks."**

**Andrew Cheng**

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