

THE IPD JOURNEY

OPTIMIZING THE TEAM FOR PROJECT SUCCESS

 **EllisDon**

THE GENERAL CONTRACTOR'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 Project 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**



**MODERN
NIAGARA**

SYMTECH

tekunion

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

ELLISDON BIOGRAPHIES

Joseph Day

Project Manager

A 26-year construction industry veteran with 15 years as project manager, Joe worked on a variety of projects in different sectors including healthcare, residential, retail and industrial.

Kelly Slater

Asst. Project Manager

Kelly has worked in the industry for eight years and helped oversee a project at Women's College Hospital. She is currently working at an office tower project on the Toronto waterfront at 1 York.

Angelo Ponzo

Superintendent

Angelo, a graduate of Ryerson's Bachelor of Commerce Program, worked on the Pan Am and Parapan Games athletes' residences.

EllisDon project manager Joe Day has a new mantra for IPD: Burn The Boats. “Once the Romans invaded a country one of the first things they did was burn the boats that got them there,” Joe said. “That way, there was no turning back.”

Likewise, committing to IPD isn’t a halfway measure, he said.

The system saves money, advances efficiency and innovation and markedly improves job satisfaction but it takes a full commitment.

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Joe Day

Joe had that knowledge in his pocket when he started TD Lego. His previous project for ED was Krembil Discovery Tower – a large-scale expansion and improvement of Toronto Western Hospital was completed using a IPD lite Contract - four of the Krembil partners declined to participate in the IPD. Joe noticed that while elements of that job went smoothly, many of the delays and overruns came from the firms uninvolved in the IPD framework.

“The partnership, the collaboration, the open communication, we had that in areas but we did not have it everywhere,” he said. “You could see if you took it to that next level you could have great success.”

Construction is one of the few industries unable to convert technological advances into better productivity. If IPD was to work, Joe felt it had to involve all the participants and it had to an unassailable element of the project, especially in the difficult early days when extensive planning sessions create substantial up-front charges.

“If you gave people the opportunity to fall back on their traditional lump sum, conflict-based approach, they probably would have,” he said. “But because the ships were burnt, so to speak, the only way to move forward was to do it together.”

In an IPD project, the client and builder price out what the job should cost and then build in a reasonable profit for each partner.

“When we interviewed the subs and the consultants and other members of the team, there was really no discussion on what the project would cost,” said Joe.. “The reality is, the people cost the same. A length of pipe costs the same. What we were looking for was who was the



most creative, the most participatory and collaborative person. You don't have to ask who has the best price. You have to ask who's the best person because at the end of the day the qualities those people brought to the project were going to drive the savings."

The project's transparency in planning and financing meant every firm had complete access to what each of their other partners was doing. "There was various levels of experience but one project does not make you an expert," Joe said. "We rolled up our sleeves and figured it out as we went. Everybody was open about learning more."

The extensive planning at the beginning of the program paid off. "The team had a chance to work through problems before they were onsite," Joe said. "We developed strong working relationships. It was nice to not be consumed by 'we've got to install that drywall right now, We could focus on how we were going to be really efficient when we started doing things."

In the preliminary discussions, Kelly noticed that much of the mechanical elements for each floor were to be needlessly ripped out. She passed the challenge to Ken Gilchrist at Modern Niagara who did further investigation and recognized the possibility. Ken put it in the hands of HH Angus engineers who integrated this innovation in the design. By salvaging existing elements the team was able to save \$200,000 with no loss of comfort or quality.

"You didn't come into work with the usual apprehensions about having a blow-up over a tough conversation," said ED's Kelly Slater. "No one was holding on to information and saying 'oh, by the way, this has to happen and it's going to cost you \$20,000."

"The biggest criticism of the lump sum approach is that it is set up for conflict right off the bat." Joe said. "As a project manager and a contractor you have to be ready to go to work and go to battle. You have to defend your position. It's not a partnership approach. It's very adversarial all the time."

But once partners started working together, scope changes could be easily accommodated. "We've all been taught in the construction box," Kelly said. "In IPD you don't even blow the lid off the box. You throw the box out. If you have the right people, the right players it's the perfect way to work."

“The value of the system quickly became self-evident.” Joe said. “When you see people a month or two months into the project, sitting around a table, going over documents with a fine-toothed comb, coming up ways to be more efficient, you didn’t have to sell it. It sold itself.”

IPD proved to be especially advantageous for scope changes such as the special configuration required for the tenth floor. Not only was the client able to direct savings toward the changes, they knew the changes themselves would be done with the same view toward efficiencies.

“They knew the contractors weren’t going to mark up that scope change 200 per cent because, just like in every other element of the job, they could only charge the cost of the work plus a reasonable profit,” Joe said.

EllisDon’s Angelo Ponzio knew nothing about IPD when he was dropped into the project near the midway point. “I looked around and I thought to myself, this is too good to be true,” he said. “Everyone was talking to each other. Everyone was working together. Everything made sense. I kept saying to myself ‘ok, what’s the catch.?’ It took me a while to realize...there is no catch. It’s just IPD.”

Kelly said the values agreed upon in the earliest visioning sessions endured through the project. “The joy, the trust, the integrity, this was the job where those things weren’t just posters on the wall. We lived those values every day.”

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Team members learned to push the boundaries of the project’s standards.

“The team jelled and the ideas really started to flow when we got comfortable enough to say ‘we can meet the intent but we don’t have to meet the literal interpretation of the standard,’” Joe said. “Working with Genny at HOK, Julie at Salix / Teknion and with TD, we were able to ask ‘do you really need every component of a system?’ “Teknion furniture looks fantastic. From a practical point of view you will never notice that a component, say a divider between desks, isn’t there. They did an incredible job of seeing the potential of IPD.”

TD Lego proved economies could be continually incorporated in a smaller project with lots of repeatable elements. “We got better savings as we went along,” Joe said. “We also found the amount of time we spent on the project decreased as we got better.”

Joe envisions a team of IPD all-stars servicing one client. “If you could do 20 projects where you have multiple floors, you could roll through floor after floor. Then you could direct those savings to taking on a greater volume of work.”

In their individual case studies, several partners spoke to the advantages of IPD in helping younger employees develop a comprehensive view of a project in a collaborative setting. But even industry veterans said the learning happened for them as well.

“Kevin Greene from TD and I were having a difficult conversation about the work HOK was doing. I was defending HOK’s position,” Joe said. “A General Contractor never does that!” “This job gave me the chance to understand what an architect does, how they have cost, how decisions on a project impact them. Twenty-five years into the business, I learned a lot about how consultants do their work.”

“This was my favourite of the six projects I have worked on. The team was fabulous. The design teams were amazing. The mechanical and electrical guys were fantastic. The owner had big expectations and I think we set a new standard.”

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