

Advantages of Integrated Project Delivery



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Benefits to the Owner from IPD

Quality:

- High quality design and construction because the architect plays a major role and is responsible directly to the owner.
- Direct contract and communication between owner and architect regarding issues of quality and design.
- Complete continuity regarding preferences and objectives throughout the design and construction process.
- A win-win process whose economics encourage participation by quality architects and contractors.

Benefits to the Owner from IPD

Ease of Budgeting:

- Early determination of project costs in the design development stage.
- Cost-effective design due to the Architect's access to construction and pricing information during the design phase.
- Delivery of project within budget (lump sum or GMP) with reduced likelihood of cost increases or overruns.

Benefits to the Owner from IPD

Flexibility in Procurement:

- No need for a cumbersome bidding or RFP process, but typically “open books” for the trades.
- The Owner can begin a project traditionally while maintaining the option to convert to integrated delivery later in the design phase.

Fast Delivery:

- Shortened project duration from fast-tracking without loss of cost control.

Benefits to the Owner from IPD

Fewer Claims and Disputes:

- Avoidance of "lowball bidding" where the Contractor wins the project by bidding below actual cost, counting on change orders and claims to make a profit.
- Improved and more efficient administration of construction due to absence of adversity between the Architect and Contractor.
- Low incidence of claims or litigation seeking additional compensation.
- Single point responsibility for the project, with the project team accepting responsibility for functional problems without the owner having to adjudicate finger-pointing among project participants.

Benefits to the Architect from IPD

Additional Profits:

- Sharing in project savings.
- More efficient design – less labor during Construction Documents phase.
- Sharing in the construction revenue (i.e., Architect-Led Design-Build).

Benefits to the Architect from IPD

Marketing Advantages:

- Ability to guarantee price and schedule.
- Offering Owner the option of delaying the project structuring decision.
- Cultivating contractors as a source of work.
- Ability to promise maximum efficiency.

Benefits to the Architect from IPD

Control Over Construction:

- Avoiding unwise design changes.
- Minimizing bad publicity from design problems.
- Increased satisfaction from accepting responsibility for entire project.

Benefits to the Architect from IPD

Reduced Liability:

- Minimizing claims due to cooperative rather than adversarial administration.
- No claims from obvious design omissions.
- Construction accidents insured by Contractor.

Benefits to the Contractor from IPD

- Projects often developed by Architect and presented to Contractor “on a silver platter.”
- Negotiated pricing rather than competitive bidding.
- Enhanced relationships with Subcontractors/Suppliers.
- Reduced likelihood of claims/litigation.
- Increased profits from reduced overhead (see next slide).

Increased Profits for Contractor from IPD

- Little or no marketing overhead for the project.
- Cost analysis virtually certain to result in winning the project or being compensated.
- Minimal contingency for bidding errors/oversights.
- No contingency for adversarial administration.

For Questions or to Discuss These Issues Further, Contact:

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