

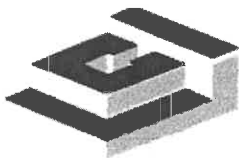
Integrated Project Delivery (IPD)

**REGISTER!**

01/15: WEBINAR: LCI 5S in Lean Construction

**REGISTER!**

01/15



AN INTRODUCTION TO INTEGRATED PROJECT Delivery LCI CERTIFICATION: APPLY NOW!

Integrated Project Delivery (IPD) is an important pillar of the Lean Construction Institute. The construction industry has seen a sharp decline in productivity and project outcomes since the late 1960s. A large reason for this decline is that a vast majority of projects are delivered late and over-budget.

The aim of IPD is to create a better system of collaboration and communication between the various parties involved in a construction project, from the owner to the designer to the

holder and any trades and suppliers involved. This method stands in contrast to the traditional design-bid-build project delivery model in which the owner of the project has separate contracts with each party and serves as a go-between for the design and build teams.

5 Myths About IPD and Lean 62018 v1



What is IPD?

IPD in Lean construction and design stands for Integrated Project Delivery. IPD is a construction project delivery method by which key parties involved in the design, fabrication, and construction aspects of a project are joined together under a single agreement. This allows for ongoing communication and collaboration throughout the project's phases which decreases waste while increasing efficiency, respect for team members, and project outcomes including profits.

What are the Benefits of IPD?

aligning the various parties involved in the project and ensuring they stay in continuous communication throughout, IPD drastically increases efficiency and eliminates waste in projects. In this case, "waste" refers to both literal material waste and intangible waste such as wait times, poorly assigned personnel, and overproduction.

Involving the design and construction team members collaboratively throughout the delivery process decreases communication-related issues. For example, in a design-bid-build structure, you might find that the builders end up confused by a design concept or see it as unworkable. If an issue like that is addressed during the design stage, you remove the waste of time and associated costs in fixing that kind of a problem and increase your project's efficiency in your effort to deliver it on time.

IPD Methods

The IPD method is often consummated through a single physical contract between the involved parties of the construction project. The contract outlines expectations for each group and clearly states the shared goals for the project. Below we explore several types of IPD contracts and agreements which fuel LCI's mission of integrating project delivery.

Multi-Party Agreements

A multi-party agreement is a type of agreement in which the key parties of the project team join together in a shared contract. In some cases, only three parties (owner, designer, construction manager) will sign the main agreement, making it a tri-party agreement. Any contract that contains more than three main signers becomes a multi-party agreement. The agreement promises continual involvement for all parties throughout the project.

Like design-bid-build or design-build contracts, multi-party agreements consist of a single document signed by each involved party in the project. Sometimes multi-party agreements can contain more than a dozen main signatories including mechanical contractors, framing contractors, and the like. There may also be sub-signatories signed underneath the main parties, allowing the contract to branch out depending on the needs of the main signatories.

Relational Contracting

A relational contract is an agreement that governs a long-term relational commitment between two or more parties. In the design and construction industry, relational contract defines the ongoing terms of a working relationship. As the relationship strengthens between those involved, the contract becomes more efficient as the parties involved in the pact trust one another.

Relational contracts are the types of agreements that parties involved in an IPD team sign into. This is because there is inherent trust that the other teams on the contract will complete their work as efficiently as possible in order to maximize profit for all.

The terms of the contract list out the expectations of the various groups and how their involvement will intersect with one another over time. For instance, if the construction team is needed in the design stage of the process, their responsibilities during that time would be listed out in the contract.

Integrated Forms of Agreement (IFOAs)

An Integrated Form of Agreement – also sometimes called an IPD Contract – is a common type of relational contract used in Integrated Project Delivery. This legal document