

Introduction -- BCCA Policy

The BCCA does not promote one project delivery method over another, but advocates for a complete understanding of all methods available to an owner. BCCA's opinion is that the industry should proceed with caution and be aware that IPD has many challenges to our standards and practices for market fairness. We should work with public owners to advocate for the development of an education program for all the stakeholders in IPD.

What is IPD?

Integrated Project Delivery (IPD) is a form of procurement that utilizes a project team led by the builder and assembled very early in the process -- as early as the schematic design phase. A dedicated project team can yield efficiencies on large complex projects with demanding standards and schedules.

The principles of IPD are aligned with Lean construction principles, but the contracts used for IPD are very different. IPD uses multi-party agreements that put the constructor, consultants and key subcontractors on the same Terms and Conditions through a single contract. This avoids the owner having to act as the conduit for communication and resolution of problems between team members. Ultimately, IPD Agreements mean consultants are expected to shoulder a great deal more risk than usual, which may have repercussions with insurers.

IPD may not be suitable for small projects with a set budget, and should be undertaken with caution by contractors inexperienced in the method.

IPD is considered positive for innovation, because it gives contractors, sub-contractors and suppliers early input into design.

The IPD process doesn't allow for an open market competition. IPD as a policy or prevalent procurement model in the public sector would likely exclude the vast majority of contractors.

The Risks of IPD

IPD contracts move risks to contractors and consultants rather than owners. The extent of the risk is greatly increased when a contractor has limited expertise in implementing IPD. In the worst case scenarios, contractors can be bankrupted by other companies that don't perform.

Government owners risk a process compromise because implementation of IPD may assist public owners in preferences for some contractors not based on merit. This is contrary to a public owner procurement policy that is fair, open and transparent.

Current Market Activity (BC)

IPD began in the UK and is slowly making ground in Canada, with some large constructors advocating hard for increased use and making progress with public owners. There are few IPD experts in the BC market, or in Canada. Those contractors leading the charge anticipate a competitive advantage: Owners who wish to pursue IPD automatically limit the contractors that are qualified to bid on their project.

In general, early adopters of IPD are larger companies with the resources to undertake marketing and advocacy campaigns to promote their preferred project delivery method. This activity can give the impression that there is more adoption in the market overall than is actually the case.