

IPD

The Red Deer Catholic Story

PNW A4LE, Banff, Alberta
May 18, 2017

Ken Jaeger, Red Deer Catholic Regional Schools

The Two Schools



The slide features two logos side-by-side. On the left is the logo for St. Joseph High School, which consists of the text 'ST. JOSEPH HIGH SCHOOL' in red above a large, stylized red 'J' that incorporates a dollar sign. On the right is the logo for St. Gregory The Great Catholic School, featuring a blue open book with a cross on its pages, two birds flying above it, and the text 'ST. GREGORY THE GREAT CATHOLIC SCHOOL' in purple and blue below.

Who Are We?

- ◆ Red Deer is located between Edmonton & Calgary
 - ◆ Population - 100,000
- ◆ Red Deer Catholic Regional Schools
 - ◆ Multiple communities, 4 counties
 - ◆ Approximately 10,000 students
 - ◆ Publicly funded



The slide includes a bulleted list of facts about Red Deer and the school district. At the bottom right is the logo for Red Deer Catholic Regional Schools, which features a stylized blue cross with a human figure inside, and the text 'Red Deer Catholic Regional Schools' to its right.

Who Are We?

- ◆ Red Deer Catholic Regional Schools has schools in
 - ◆ Red Deer (13 +1 opening in 2017)
 - ◆ Sylvan Lake (2)
 - ◆ Rocky Mountain House (2)
 - ◆ Innisfail (1)
 - ◆ Olds (1)
 - ◆ Blackfalds (1 opening 2017)



Project Background

- ◆ Design started prior to the approval of a 900 student high school (St. Joseph) in February 2014.



Project Background

- ◆ Community partners-
 - ◆ Red Deer Royals.
 - ◆ Marching band needing practice facilities
 - ◆ 2100 sq. m. field house
 - ◆ Storage and additional practice rooms



Project Background

- ◆ Community partners-
 - ◆ City of Red Deer.
 - ◆ Change rooms for soccer pitches




Project Background

- ◆ Consultant team selected.
 - ◆ Started the design process with a traditional Design-Bid-Build.
 - ◆ Initial cost report indicated we were over budget about the same time the announcement occurred.



Why IPD?

- ◆ Budget
 - ◆ Initial cost was \$6 million over budget (without field house and washrooms)
- ◆ Previous DBB project less than 5 years old
 - ◆ Metal and membrane roof replaced
 - ◆ Boilers require replacement
 - ◆ Litigation



The Approval Process

- ◆ The Board of Trustees
- ◆ Alberta Education
- ◆ Alberta Infrastructure



The Selection Process

- ◆ Consultant team selected for Design-Bid-Build.
 - ◆ Was the team willing to forego existing contract and enter into IPD?
- ◆ Contractor Team required RPF to meet
 - ◆ Alberta Infrastructure tendering guidelines
 - ◆ NWFTA (North West Free Trade Agreement)




The RPF

- ◆ Two stage RPF
 - ◆ Stage 1 –General Contractor to self assemble trade partners teams.
 - ◆ Stage 2- Interview and compensation.




Stage 1

- ◆ We asked the GC to assemble a team with the following members
 - ◆ Structural
 - ◆ Mechanical
 - ◆ Electrical
 - ◆ Any other trade that they felt would have a significant impact on schedule and budget.
 - ◆ An alternate to each trade was also requested.




Stage 1 Evaluation

- ◆ Each submission was evaluated by an evaluation team based on the criteria in the RFP.
- ◆ Shortlist to 3 for the interview.
- ◆ Evaluation team
 - ◆ Owner
 - ◆ Architect
 - ◆ Alberta Education
 - ◆ Alberta Infrastructure




St. Gregory the Great Catholic School

- ◆ A new K-9, 500 student school (St. Gregory the Great Catholic School) was announced in October 2014 to be located in Blackfalds.
- ◆ RFP Stage 1 had been completed with interviews scheduled.
- ◆ RFP was cancelled to allow the 2 schools to be bundled under 1 contract.
- ◆ RFP for consultant services under IPD was created and issued. If the same consulting team was not selected we could not bundle these 2 projects together
- ◆ New contractor RFP was issued




Stage 2

- ◆ Interview
 - ◆ Interview questions were included in the RFP
- ◆ Compensation package
 - ◆ Sealed envelope handed in at the interview
 - ◆ Profit %
 - ◆ Overhead %
 - ◆ Labor rates



Stage 2 Evaluation

- ◆ Evaluation team
 - ◆ Same as Stage 1
- ◆ Interview
 - ◆ All trades present
- ◆ Compensation package
 - ◆ Opened after all interviews were complete and scored.
 - ◆ Accounted for 20% of overall score



Contract

- ◆ Poly Party Contract
 - ◆ 10 trade partners, 4 consultants, 1 owner
 - ◆ Canadian/ Alberta aspects
 - ◆ Professional liability clause
 - ◆ Lien holdback
- ◆ Transparency is the key



Contract

- ◆ Partners cannot sue each other
- ◆ All expected profit is set aside
 - ◆ Milestone payments
- ◆ SMT (Senior Management Team)
 - ◆ Each partner get 1 votes, owner 4 votes
- ◆ PMT (Project Management Team)
 - ◆ Owner (1), architect(2), General Contractor (2)



Contract

- ◆ How does the profit work? ICL (Incentive Compensation Layer)
 - ◆ Base on each partner's profit expectation %
 - ◆ Completion of validation we know what each partner will be spending on the project.
 - ◆ Mechanical scope of work = \$5 million @ 5% profit
 - ◆ Mechanical profit = \$250,000



Contract

- ◆ What about Lien hold back?
 - ◆ Commodity trades will have lien hold back as in a traditional project.
 - ◆ Profit is not paid out until the end (Milestone payments).
 - ◆ As long as the profit (ICL) is larger than the lien holdback requirement on the IPD partners (trades only) we are OK
 - ◆ As the lien holdback requirement increases, additional money may need to be held back to ensure the full lien hold back amount is available



What have we gotten into?

- ◆ IPD training!
 - ◆ Big room?
 - ◆ Defining goals?
 - ◆ Setting values?
 - ◆ Pull Planning?
 - ◆ Lean?
 - ◆ Adding value?
 - ◆ BIM?



The Journey Begins

- ◆ RFP interviews concluded November 17, 2014
- ◆ IPD training and validation started November 19, 2014.
 - ◆ Met daily until Christmas
 - ◆ 3 times a week in January
- ◆ Validation was complete early February 2015
 - ◆ \$1.7 million over our allowable costs (3.2%)
 - ◆ Team felt they could find this in savings and agreed to sign contract



Target Value Design

- ◆ Designing to a budget rather than hoping the budget matches the design



Opportunities

- ◆ Overall site master plan
- ◆ Managing lifts & equipment rentals
- ◆ St. Gregory site conditions
- ◆ Big Room
- ◆ Stair railings



Opportunities

- ◆ BAU



Opportunities

- ◆ Pit of despair
- ◆ St. Joseph mechanical design- heating plant must be sized so that 5th Class Power Engineer is not a requirement
- ◆ St. Gregory temporary office
- ◆ Shared bus loop with Wolf Creek Public Schools



How to add value?

- ◆ Creating a culture of collaboration.
- ◆ Co location
- ◆ The Last Planner
- ◆ BIM
- ◆ View Point Construction Management




Value

- ◆ Big Room




Value

- ◆ One trade installing vapor barrier and insulation
- ◆ Chapel- door
- ◆ Ease of Problem solving
- ◆ Railing



Value

- ◆ Common use of lifts
- ◆ IPD is not necessarily the cheapest solution, it is the best solution.
- ◆ Installing gym & field house lights from top
- ◆ Friendship
- ◆ Fieldhouse (Precast vs Sprung vs pre engineered)
- ◆ Future expansion
- ◆ Site development for future schools



It's not easy!

- ◆ Hold each other accountable and support each other
- ◆ Monthly forecasts
- ◆ Allow leaders to step up
 - ◆ Exposed to weaknesses and strengths of various trades.
- ◆ SMT vote!



The Journey Continues

- ◆ Milestone 1 (Building Permit)
 - ◆ St. Joseph (June 2015)
 - ◆ St. Gregory (March 2016)
- ◆ Milestone 2 (Building close in)
 - ◆ St. Joseph (April 2016)
 - ◆ St. Gregory (January 2017)



The Journey Continues

- ◆ The latest forecast (Apr 2017)
 - ◆ Approx. \$2.6 million under allowable cost (%)
 - ◆ \$4.3 million swing in budget in the last 19 months
 - ◆ Owner requirements still met
 - ◆ Wish list items being added back in

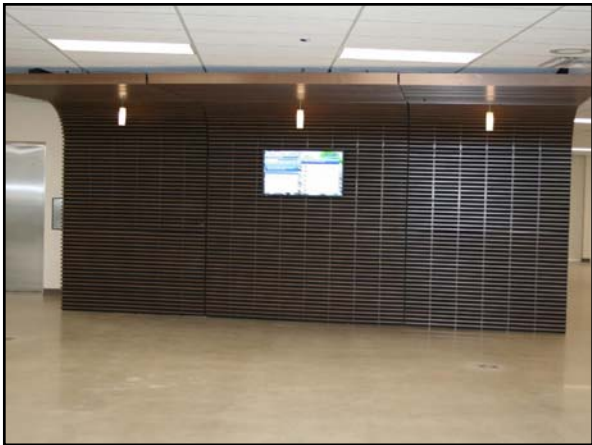


What does IPD deliver?
















“An Owner needs to decide what it’s buying – a product or a team to solve a problem that no one completely understands and that keeps changing.”

- Jim Carroll, Washington Group



Red Deer Catholic
Regional Schools

