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Construction Contract Administration
In Integrated Project Delivery

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Before addressing the specifics of IPD's impact on the Architect's role during Construction Contract Administration, it is important that we agree on definitions:

- **Integrated Project Delivery:** A system of development where the owner, developer, designer, and constructor all become stakeholders in the project's success, further enhancing the ability of team members to maximize the budget dollars spent and benefit from the same thought processes utilized in Design-Build. Integrated Project Delivery encourages business structures, practices, and processes that foster collaboration and utilize the strengths and insights of each member of the team. Beginning with the initial conceptualization the process is fine tuned at every step resulting in the maximization of dollar value and the minimalization of conflicts leading to delays and budget overruns. The parties to IPD agreements may create a Single Purpose Entity for the venture, but largely similar outcomes may be accomplished through separate agreements among the IPD participants.
- In its purest sense IPD requires an interlocking contractual relationship where the roles and responsibilities of each stakeholder are clearly defined and agreed to during contract negotiations. A clear roadmap is developed addressing problems that may occur. There is shared responsibility for errors, omission and delays. Other than owner generated changes, in its purest form, there are no change orders because cost overruns

for design errors, omissions or ambiguities, contractor/subcontractor deficiencies or delays, or even third-party interferences are shared among the participants in a pre-defined fashion as set forth in the IPD contract(s).

- As practiced most frequently there is reluctance by owners to sign on to this interlocking process because of the unwillingness of many contractors and design professionals to have an open-ended exposure for cost overruns. Accordingly, contractors and design professionals endeavor to negotiate liability caps and IPD light becomes the norm. In this format, while the parties are all at the table initially, they do not fully share in the financial stakes of the project. If a party may be exposed for claims beyond a certain dollar amount, the mindset of “one for all and all for one” may be lost when problems arise. Agreements in IPD light mode, typically, introduce the concept of profit and loss sharing, but carve out exceptions.

How do these delivery methods impact the Architect’s role during Construction Contract administration?

Our normal role might include:

- Recommendation on Award of Prime & Sub Contractors
- Review of Project Schedules
- Review of Submission Schedules
- Review of Submissions for compliance with Contract Documents
- Review of Alternate Submissions
- Review of Change Orders
- Review of Requisitions
- On site observation of project progress and notification to owners of any defects or deviations
- Assistance with LEED or other Certification
- Assistance with Project Commissioning
- Recommendations on project acceptance and final closeout
- Assistance with dispute resolution

In IPD all of the above are negotiated into or excluded from the Contracts.

In addition we are left with questions as to responsibility for the following:

- Buyout of the Trades
- Scheduling
- Site Logistics
- Site Safety
- Means and Methods

We may no longer be insulated from these issues when a tripartite agreement is entered into. It is important that these responsibilities are clearly delineated and assigned. In addition appropriate insurances and indemnities must be put in place to address claims for:

- Personal Injury
- Economic Loss

- Property Damage

With IPD Lite a tripartite agreement is normally not entered into, and liability for issues is addressed almost on ad-hoc basis.

While this paper is not intended as a definitive answer to the questions of IPD it does raise issues that need to be addressed as this process evolves.

It does raise the specter of issues that we as Architects are not yet trained for or prepared to be held accountable for.

In closing, it is important that any contracts entered into be carefully vetted by counsel and tailored to the specific terms of the “Business Deal” entered into. It is also critical that insurance brokers and carriers approve of the final arrangement so that architects know they will be covered when a claim arises in an IPD setting.

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