

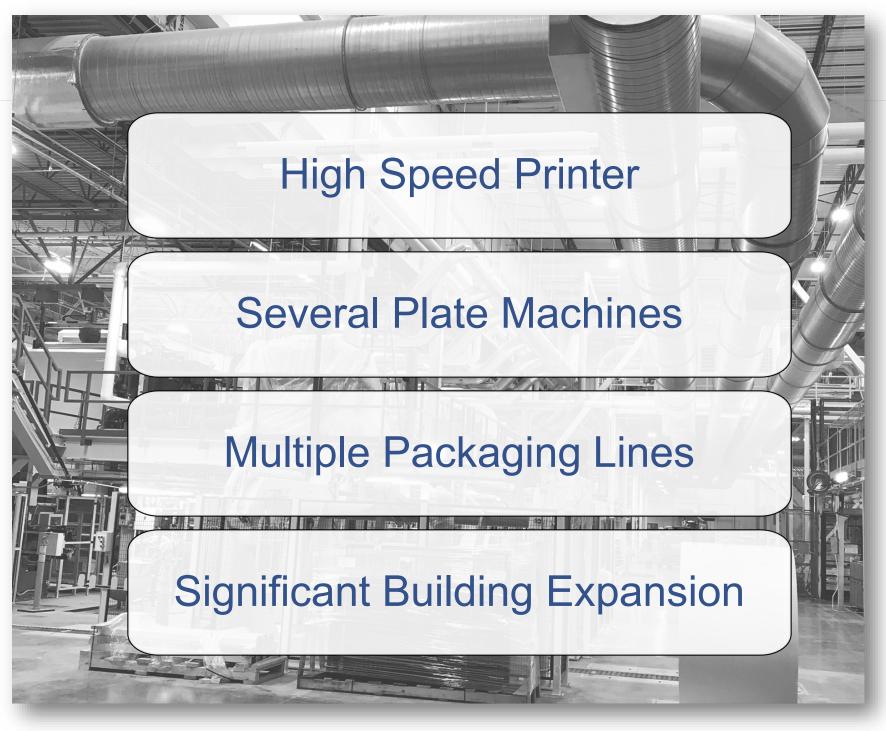
# Changing the Game: Transitioning to an IPD Contract with a Target Price Midstream

John Heck, The Boldt Company
Shana Weinhold, Georgia-Pacific LLC
Tim Van Himbergen, Georgia-Pacific LLC

Tuesday, October 20, 2020

12:30-1:10 PM Eastern

Georgia-Pacific Dixie Expansion Project Facts



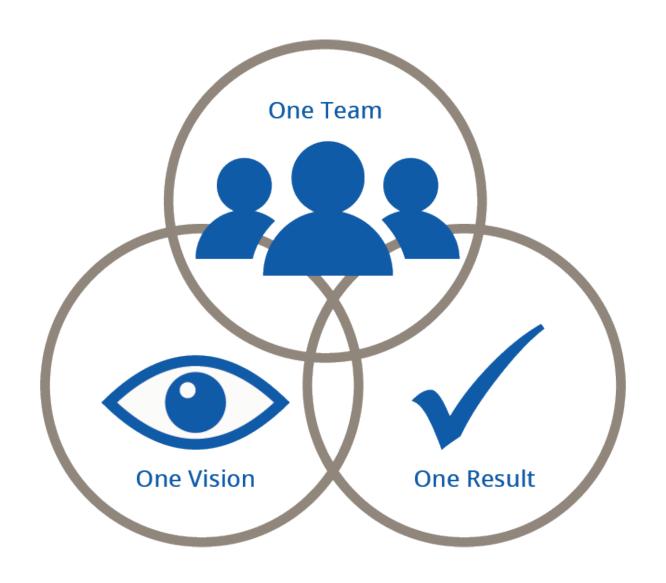
## In an environment of experimentation, you will:







#### A Successful Team Celebrates Breakdowns



## A World-Class Project

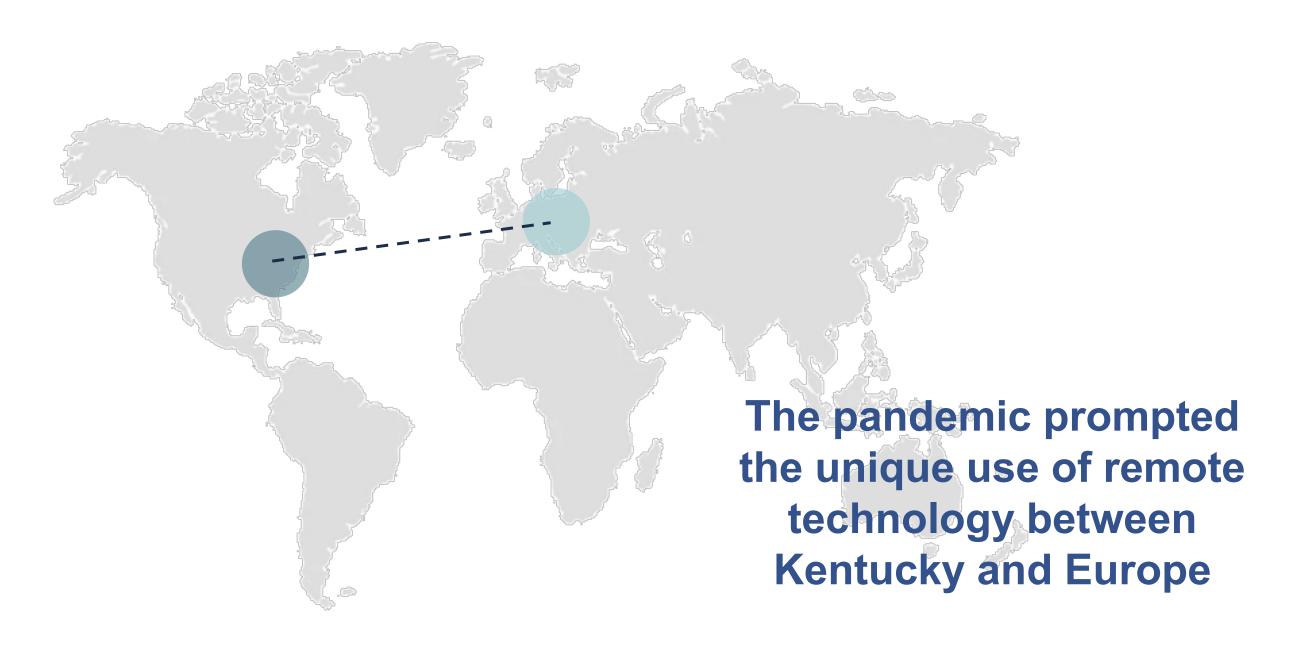




If even one person gets hurt, a project cannot be successful.

Safety: Zero incidents in 15 months

#### A Successful Team Celebrates Breakdowns





## The Project Development Story



Original Project Approval: Design Build Approach



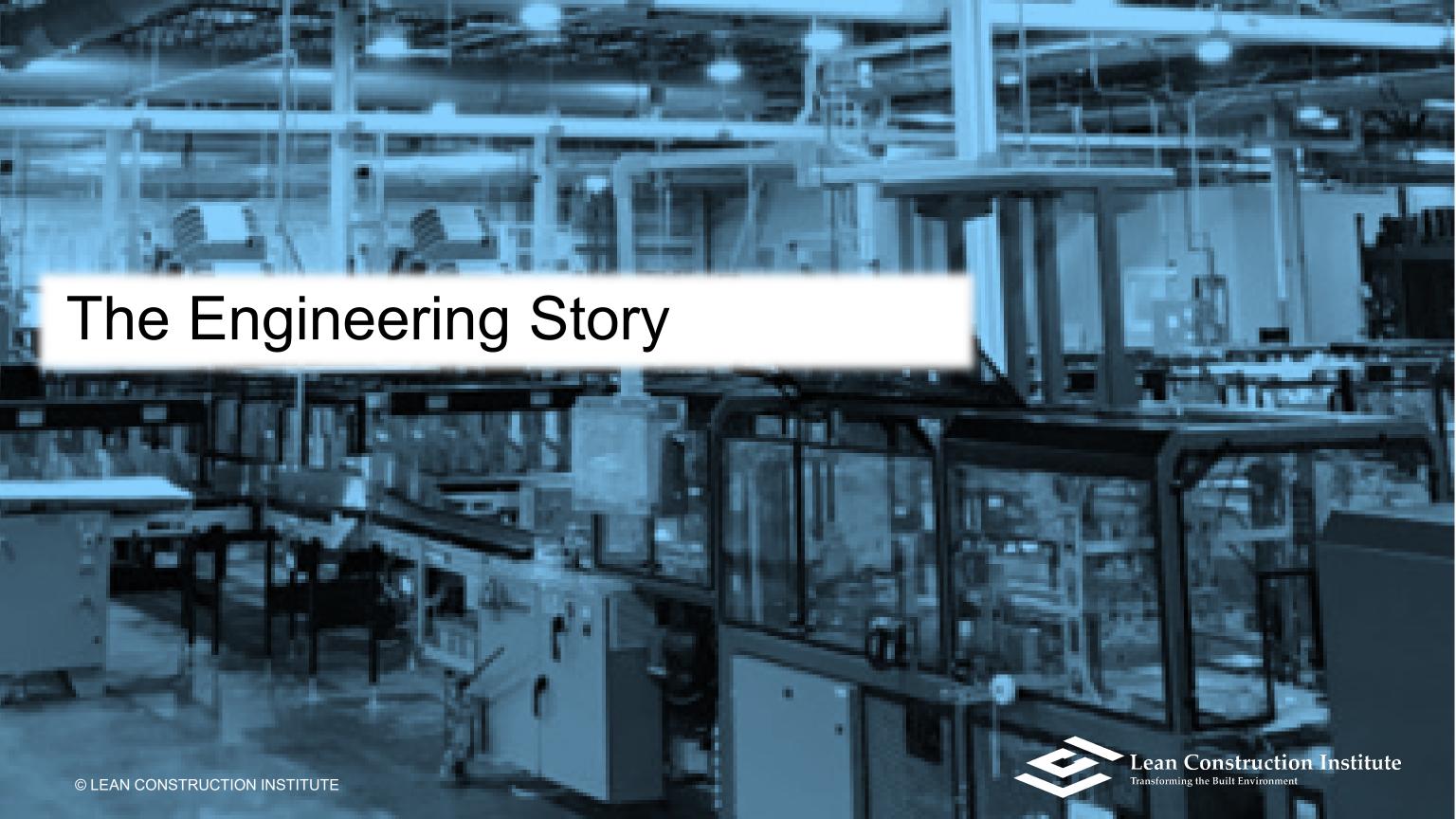
Budget Issues Lead to Abandoning Lump Sum Design Build Approach



Design Completion Resulting in Higher Cost Than Expected

Team Collaborates to
Develop Target Price
Approach to Meet
Expected Cost





## The Engineering Story







**Budget Challenges Post Design** 

Collaboration to Match Target Price

**Drove Different Thinking** 







Define Long Lead Items

Minimize Deliverables

**Develop IPD Contract** 







Strong Engineer Presence

Improved OEM Communication

All Dates Met

## The Owner Story



Reasons for Scope Change

Discovery

Facility Request

**Project Request** 

**HB** Requirement

Code Requirement

**GP Standard** 

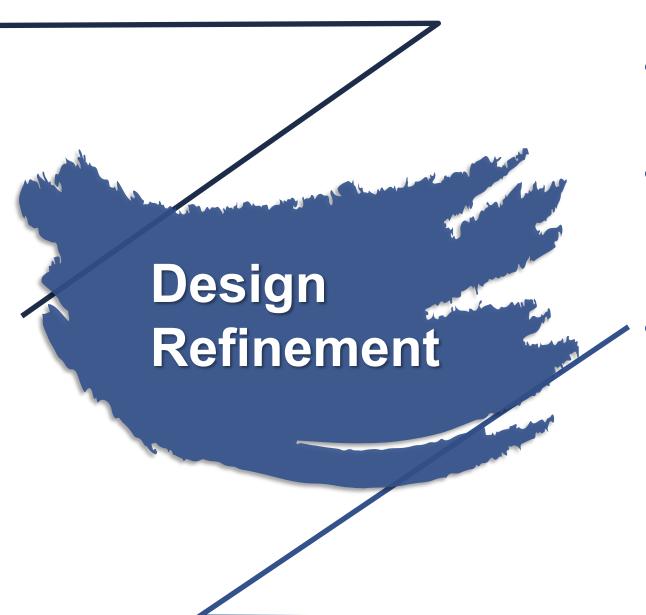


A nimble, proactive approach to scope change

Recognizing that *change* is not a bad word

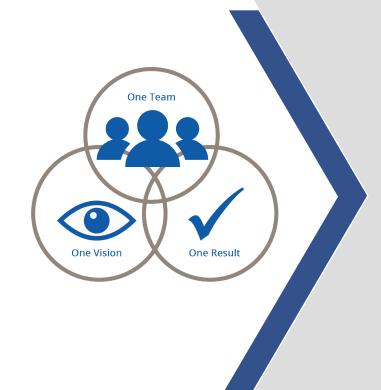
#### The Owner Story – Lessons in Managing Change

- Early involvement of all players
- Active involvement from equipment suppliers in early engineering
- Involve the right GP decisionmakers



- Challenge the status quo
- Define the delivery method prior to beginning design
  - Establish and share the business and project objectives and define project success





Last-minute
Design Build
Lump Sum to
IPD Target Price
challenged the
team to behave
differently

Clear communication of estimate

Manage the design to maintain schedule and price

Promote teamwork with all players everyday

Solve problems as "our problem"

Behave as One Team, One Vision, One Result

## The GC Story

Plan for poor weather in target price

Continue to train trade partners how to make reliable promises

Communicate progress or lack of progress in a way that promotes one team. Ask for help.

Resilience as an integrated team allowed the team to overcome many challenges.



## Learnings from the Project

- IPD team approach is a *must* as complexity increases
- Definitely not perfect....yet!
- An obligation to the industry to keep pushing toward holistic construction





#### Contact Us

#### John Heck

The Boldt Company

john.heck@boldt.com

#### **Shana Weinhold**

Georgia-Pacific LLC

shana.weinhold@gapac.com

#### Tim Van Himbergen

Georgia-Pacific LLC

tim.vanhimbergen@gapac.com