



For city's construction, new ways to speed projects (while taming budgets) - by Tallal Bhutta

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Tallal Bhutta

While many real estate experts admit it privately, few say it aloud: Project construction delivery in metro New York is often substandard. Our proud city seems to lack the integrated, foresightful focus on construction seen in many other parts of the country.

Yet there is a ray of hope: The emergence recently of new ways to speed construction — and control budgets — even in Midtown Manhattan. Recent projects point in the right direction, such as conversions of office buildings to housing, and two new adaptations of high-rise hotels into student housing. These two projects, for example, took only seven months from a signed contract to temporary certificate of occupancy, or TCO — an almost unbelievable outcome. As a result, an iconic former Marriott East Hotel and a former Hilton Doubletree now offer thousands of beds for students at local universities, ready in time for the fall semester.

These projects offer replicable models of success. While not always easy, they point to benefits of integrated project delivery (IPD), an approach involving the general contractor in the earliest phases of site selection, project definition and scheduling, and — importantly — early reviews of existing conditions and potential stumbling blocks.

We need these fresh approaches: According to Lean Construction Institute, the industry has seen a sharp decline in productivity and project outcomes since the late 1960s — yet local prohibitions on design-build contracts and a widespread culture of slow-rolling and rampant change orders makes it hard to boost building output.

The key is to work with existing rules and apply insights on novel methods of predicting challenges, effective ways of dealing with unforeseen conditions, and approaches for addressing changes in work scope while also improving owner-contractor coordination. IPD is just one critical area of expertise: In one study, quantitative performance data from 35 recently completed projects showed that IPD “achieves statistically significant improvements in 14 metrics across six performance areas: quality, schedule, project changes, communication among stakeholders, environmental, and financial performance.”

Even in markets where design-build isn’t technically permitted, the ideas behind IPD — early contractor involvement, risk sharing, improved communications, reduced change orders, and the like — can be applied in traditional design-bid-build delivery also. Perhaps this novel approach could be called DDDDBB, for discovery, discussion, direction, design, bid and build.

Even architects, who create friction in many delivery scenarios, have applauded IPD. “Early and open sharing of project knowledge streamlines project communications and allows owners to effectively balance project options to meet their business enterprise goals,” says the American Institute of Architects (AIA). “Integrated delivery strengthens the project team’s understanding of the owner’s desired outcomes, including goals like budget controls and “schedule, life-cycle costs, quality and sustainability.”

From these integrated delivery approaches, construction engineers share a few lessons of value to clients:

1. Planning doesn't just happen once, at the project's outset. Contractors and building teams need to adjust and be able to plan and change course, on the fly
2. Infrastructure changes — such as renovations or conversions impacting MEP and fire- and life-safety systems — require extensive coordination. Contractors, architects and engineers must work together very closely, from the beginning, to avoid common delays in these areas.
3. Predicting construction challenges is even more important than addressing them as they arise. Design teams can't see behind walls, ceilings and floors where surprises may emerge and cause delays and cost overruns. Contractor input is necessary. The best have learned to predict these challenges beforehand based on local experience and best practices, confirming them as needed with nondestructive testing (NDT) and analysis. This may be employed multiple times during a project, not just once in the preconstruction phase.
4. Technology is not enough for project success. Many modern computer and software programs creating 3D models likely do not account for existing conditions. So it's critical to supplement those digital tools with traditional field methods, which is today's best hybrid approach.

Behind all of these ideas is another key component: Trust. Improved relationships between the owner and the contractor empower teams to get the project done. Too many times, contractors slow the process with back and forth and excessive internal approvals. Imagine a scenario where a specialty contractor and the GC are empowered to unilaterally resolve a potential construction delay: It's a significantly better approach than emailing the owner group, idling crews, calling onsite meetings, and fully documenting proposed remedies. By the time it's approved — and we've all seen this — time is lost and other downstream activities are impacted, too.

Here's a better idea: Corral your team's deep field experience and backgrounds in construction management, structural and civil engineering, and more, and innovate with impactful strategies that property developers and owners pursue to expedite the construction processes. You'll be glad you did.

Tallal Bhutta is founder and CEO of BDB Construction Enterprise LLC, New York, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540