Introducing the New
ConsensusDocs 305 Lean Construction Addendum

Joel Darrington
Contracting Counsel
DPR Construction
JoelDa@dpr.com
What is the ConsensusDocs 305?

Owner/Design Professional Contract

CD 305 Lean Construction Addendum

Owner/Constructor Contract
Ways to Contract for Lean Design + Construction

• Integrated Project Delivery (IPD) Agreement (a/k/a IFOA)
  • e.g., CD 300 (2016 edition)
• Custom-created IPD-ish design & construction agreements
• Vague references to Lean added to an owner’s standard contract
• Now with CD305, an industry standard form outside of IPD that addresses a wide spectrum of Lean practices
Addendum to What?

- ConsensusDocs 305 can be used with:
  - ConsensusDocs 500 Agreement between Owner & CM
  - Other forms of CM at Risk contracts
  - Construction contracts under Design-Bid-Build
  - Owner contracts with Design Professional

- Not intended for Design-Build Prime Contracts, but stay tuned
How is this Different than IPD?

IPD
- Owner
- CM/GC
- Key Design Consultants
- Key Trades

CD 305
- Owner
- Arch-itect
- CM/GC
- Specialty Designers
- Sub-contractors

CD305
Addendum vs. Silence

- Increase alignment among parties
- First collaborative act
- Parameters for Lean behavior and activities
- Some Lean methods will conflict with standard contract language, so Addendum overrides
- Allows enforcement of Lean requirements, but take care
Using the CD 305

• When?
  • O/A/C are committed to Lean, but one or more are not ready or able to enter an IPD Agreement
  • As early in the Project as the Owner will allow

• How?
  • Jointly negotiated, separately attached
  • Check-the-box
Typical Chronology of IPD Project

- Allowable Cost
- Expected Cost & Target Cost
- Contract Price
- Actual Cost

Validation Phase
Preconstruction Phase
Construction Phase
CD305 Check-the-Box Example 1

Preconstruction Phase
- Continuous Cost Modeling (6.4)
- Integrated Design/Target Value Design (6.5)
- Risk Identification/Management (6.6)

Construction Phase
(Always included; no check boxes)
CD305 Check-the-Box Example 2

Validation Phase
- Joint Worksite Investigation (6.1)
- Evaluate Owner’s Program (6.2)
- Validation Study (6.3)

Preconstruction Phase
- Continuous Cost Modeling (6.4)
- Integrated Design/Target Value Design (6.5)
- Risk Identification/Management (6.6)

Construction Phase
(Always included; no check boxes)
CD305 Check-the-Box Example 3

- **Joint Worksite Investigation (6.1)**
- **Evaluate Owner’s Program (6.2)**
- **Validation Study (6.3)**

**Preconstruction Phase**
- **Continuous Cost Modeling (6.4)**
- **Integrated Design/Target Value Design (6.5)**
- **Risk Identification/Management (6.6)**

**Construction Phase**
(Always included; no check boxes)
• CD305 does not itself provide for incentive compensation
• Too much variability to standardize incentives
• CD305 does provide for Performance Improvement Program, which individual projects could use as a platform for incentive compensation
• Provide for incentives through amendment to Owner contracts
• 5 Big Ideas
• Reliable Commitments
• Collaborative Leadership through a Core Group
• Pull Planning
Program Services & Validation

Allowable Cost

Expected Cost & Target Cost

Validation Phase
- Joint Worksite Investigation (6.1)
- Evaluate Owner’s Program (6.2)
- Validation Study (6.3)

Preconstruction Phase

Contract Price

Construction Phase

Actual Cost
Integrated Design & TVD

Preconstruction Phase

Continuous Cost Modeling (6.4)

Integrated Design/Target Value Design (6.5)

Risk Identification/Management (6.6)
Construction Phase Lean Features

• Built-in Quality
• 5S Plan
• Just-in-time logistics
• Submittals & RFIs
• Close-Out Planning
Thank You!

For more information, see
https://www.consensusdocs.org/lean_webinar