LEAN PROJECT DELIVERY THROUGH DESIGN-BUILD



Presented to Hawaii DBIA Chapter April 7, 2015

In the Beginning...

Why Did San Diego Community College District Start Its Lean Journey?

+ 80 percent

Built Environment (+1.6M square feet)

Operating Budgets (-US\$46M)

-16 percent

What our team heard?



Let's Think!!!



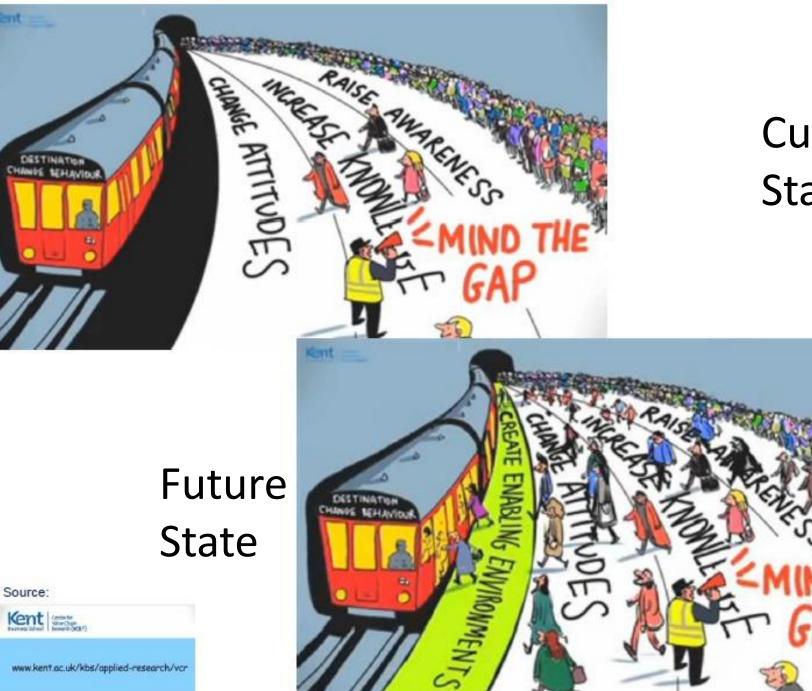


Current State

Source:

Kent State

www.kent.ac.uk/kbs/applied-research/vcr



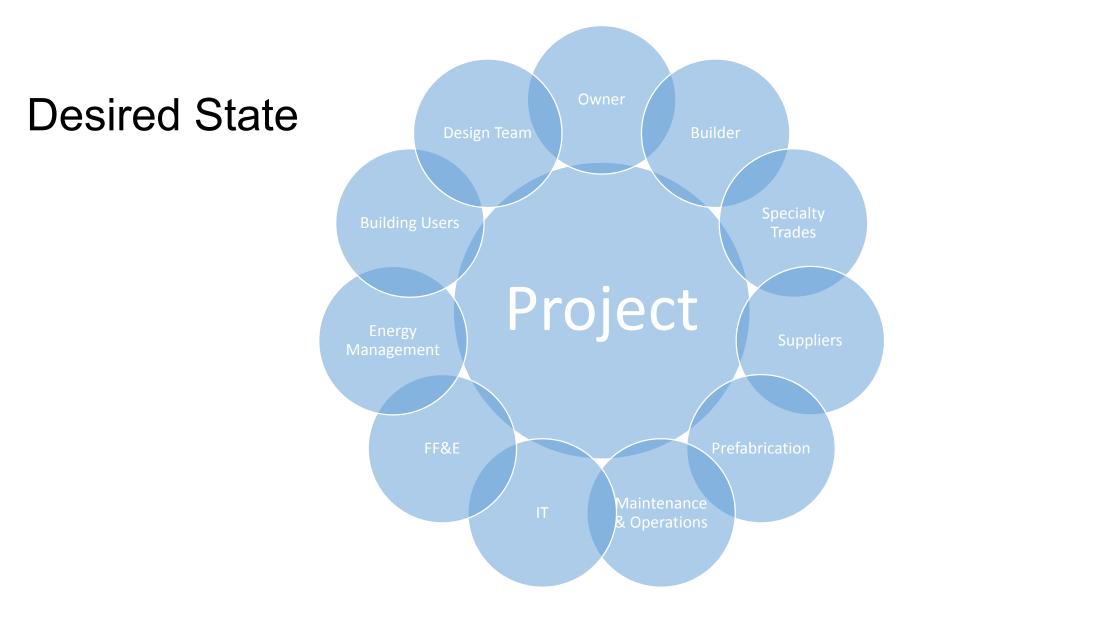
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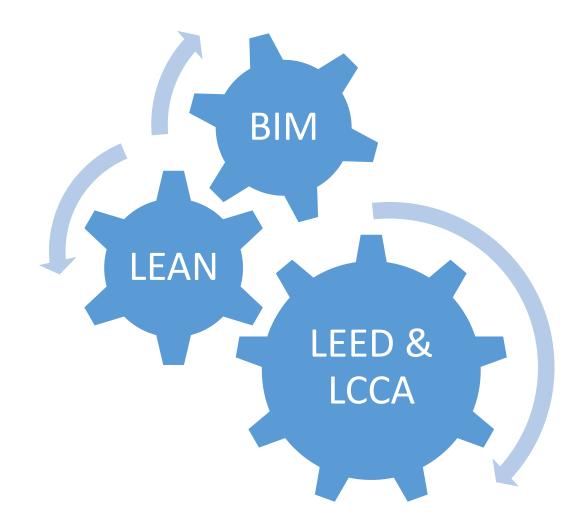
Current State

Current State





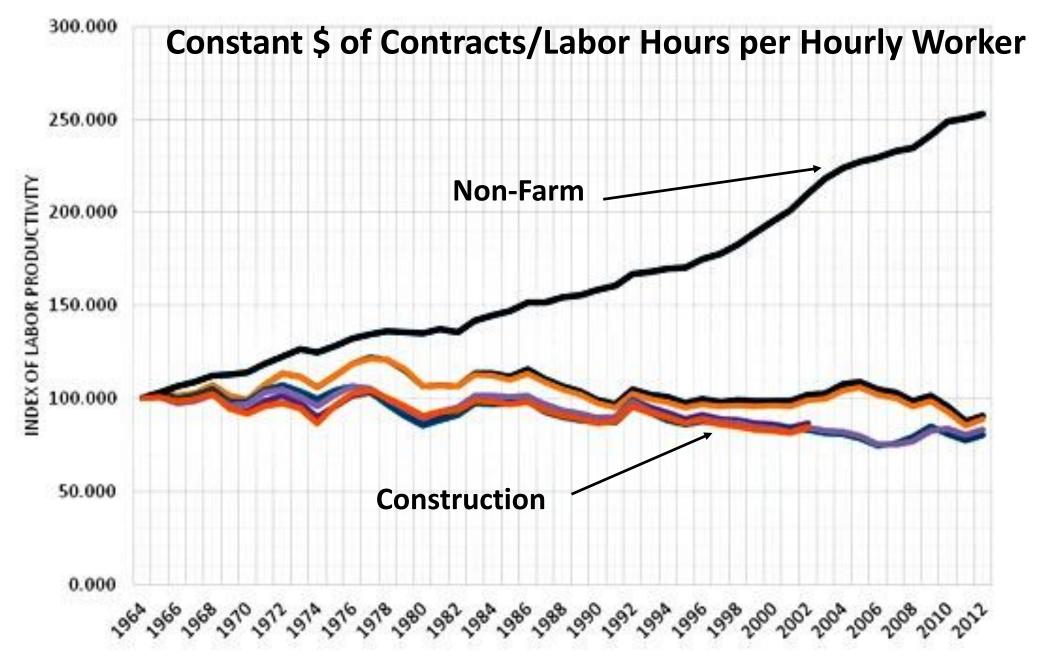
How to Get a Better Project...



Use Design-Build to Foster Lean Behaviors

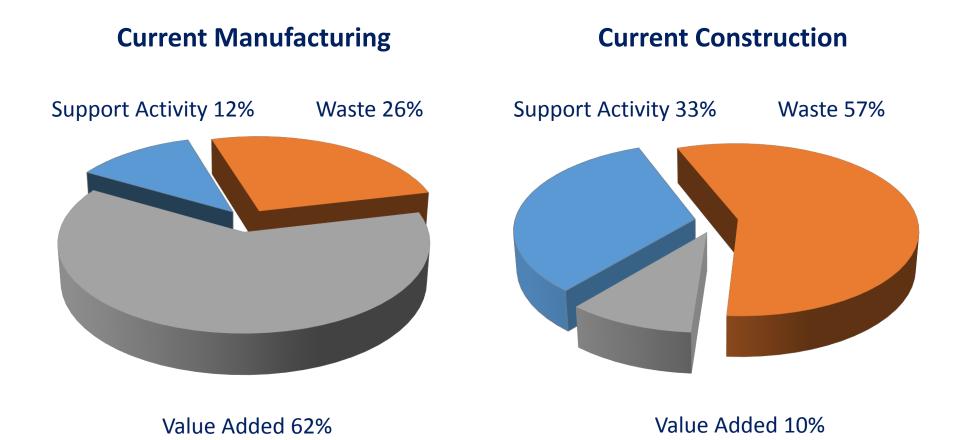


Lean Fundamentals



From: Teicholz (2013)

Construction Labor Waste in the U.S.



Source: Construction Industry Institute

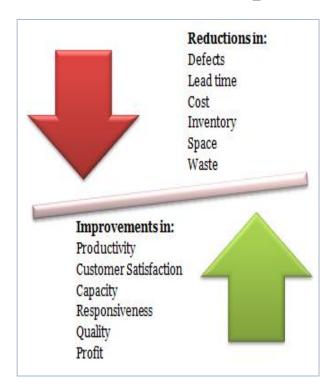


What is Lean Construction?

Lean Construction is a production management-based approach to project delivery to maximize value and minimize waste. - Lean Construction Institute

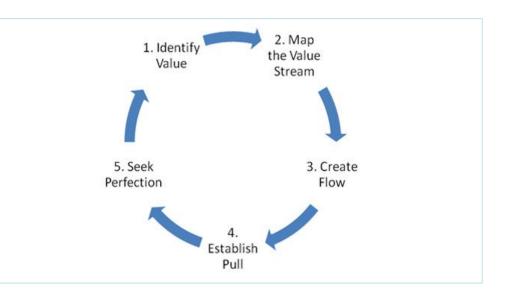
Lean Philosophies

Define customer value
Identify and remove waste
Innovate and perfect



Value

- Value is defined by the owner
- Value is not cost



Courtesy: Southland Industries

The Eight Wastes as Defined by Toyota (and Liker)

- 1. Overproduction
- 2. Waiting
- 3. Unnecessary transport
- 4. Over-processing
- 5. Excess inventory
- 6. Unnecessary movement
- 7. Defects
- 8. Unused employee creativity

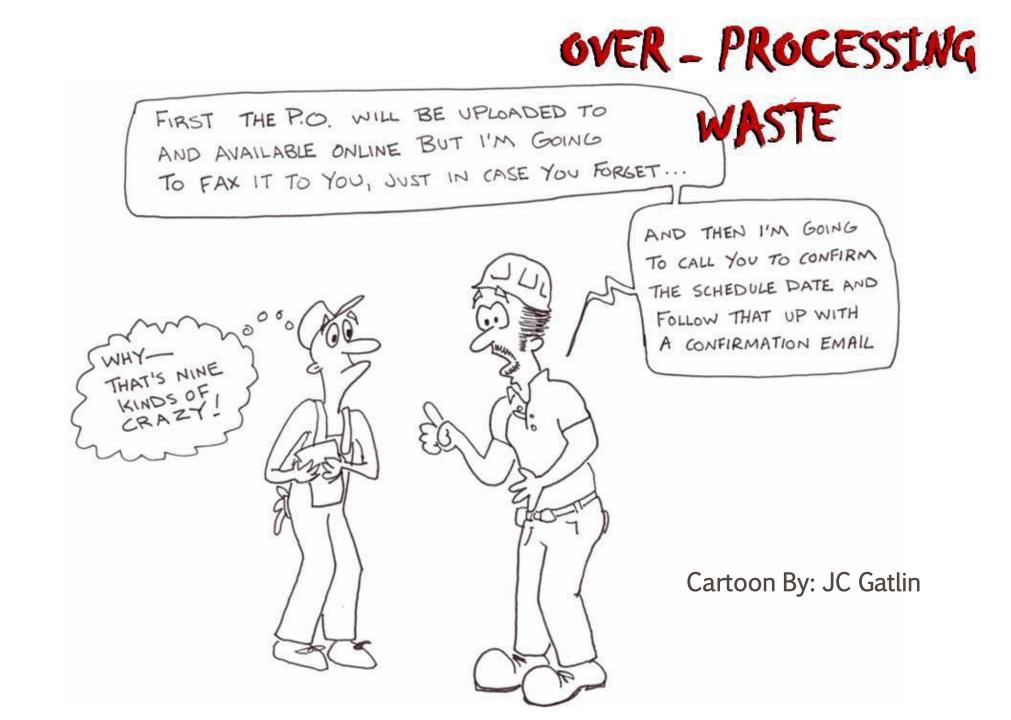








TRANSPORATION WE'RE ABOUT TO START BUILDING ON LOT 37 of 12. WASTE SO NOW WE NEED TO MOVE THE DIRT PILE OVER TO LOT 38 of 12. AVAILAR 1 WI/// mullici Sn ~ 40 NUM 11 Cartoon By: JC Gatlin





MOTION IT'S HERE ... TRUST ME. Its IN THE PERMIT BOX WASTE NEXT TO THE BLUE PRINTS BEHIND THE DELIVERY TICKETS. OH WAIT ... THAT'S THE NOC. ADDRESS IT'S HERE, SOMEWHERE ... LOT + BLOCK OJC 6+11in June 2010



Typical Types of Design Waste:

- Iterative Design
- Rework
- Lack of Coordination Between Disciplines
- Inefficient work flow
- Over design of systems (diversity and factors of safety)
- Poor design that generates waste during construction
- Designing over allowable budget

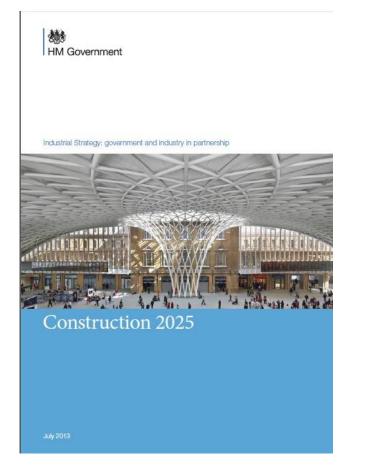


Typical Types of Construction Waste:

- Rework
- Requests for Information
- Change orders
- Inadequate Resources
- Inefficient work flow
- Workarounds
- Multiple handling of material
- Excess material
- Waiting on supplies
- Waiting on another trade
- Safety losses
- Improper sequencing of work



UK Construction 2025 Goals



https://www.gov.uk/government/uploads/ system/uploads/attachment_data/file/210 099/bis-13-955-construction-2025industrial-strategy.pdf

UK Construction 2025 Goals

Lower costs 33%

reduction in the initial cost of construction and the whole life cost of built assets

Faster delivery 50%

reduction in the overall time, from inception to completion, for newbuild and refurbished assets

Lower emissions 50%

reduction in greenhouse gas emissions in the built environment

Improvement in exports 50%

reduction in the trade gap between total exports and total imports for construction products and materials

UK BIM Goals

2.32 Government will require fully collaborative 3D BIM

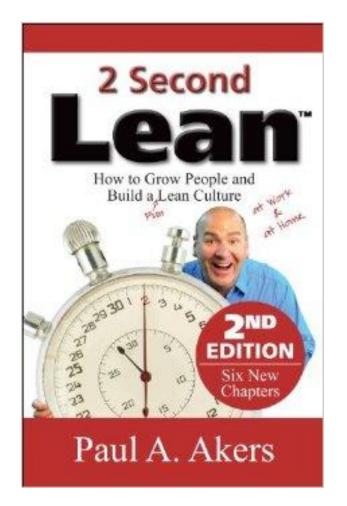
(with all project and asset information, documentation and data being electronic) as a minimum by 2016. A staged plan will be published with mandated milestones showing measurable progress at the end of each year. **Mt Cabinet**Office Government Construction Strategy May 2011 2 Strategy Objectives Nodelins @RF. This will be a chased process working closely with industry groups, in to allow time for industry to propare for the development of new standards and for training 2.52 Government will require fully collaborative 10 Bitl (with all project and assart information documentation and data being electronic) as a minimum by 2015. A stoped pion will be published with mandated milestones showing measurable prograss at the end of each year. Processes to May 2011

Perceptions of Efficiency in Our Industry

Efficiency of Construction Processes in the Industry (By Level of Lean Engagement) Source: McGraw Hill Construction, 2013 Lean Practicioners Non-Practitioners 5% 14% 19% Inefficient/Highly Inefficient Neutral 19% 26% 55% 62% Efficient/Highly Efficient Not Sure

Source: McGraw-Hill SmartMarket Report (2013)

2-Second Lean (A Guide)



"Fix What Bugs You" – Paul Akers

Who is Going Lean?







Lean Project

DELIVERY GUIDE

Cumberland Hall Hospital Hopkinsville, Kentucky

Springwoods Behavioral Health Fayetteville, Arkansas



http://www.leanconstruction.org/training/lean-project-delivery-guide/

San Diego CCD Lean Practices

San Diego Community College District (SDCCD) Overview

- The Second Largest Community College District in California – Serving 130,000 students
- Sixth Largest in Nation
- Three Colleges City, Mesa and Miramar
- Six Continuing Education Campuses
- \$1.555 B Locally Approved Capital Bonds





City College

Mesa College





Miramar College

Continuing Education

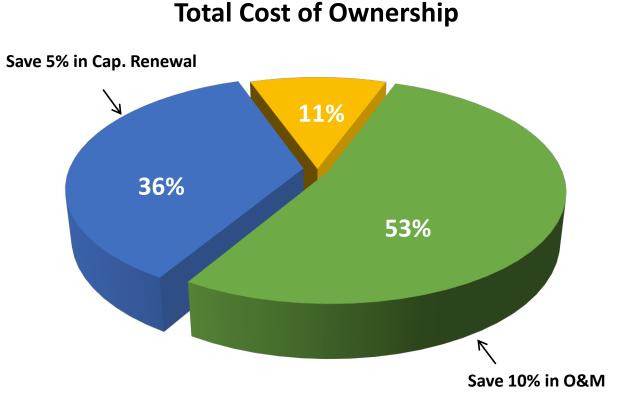
Total Cost of Ownership

50-year design life

- 100,000 square foot classroom building
- Design and construction cost \$30 million
- Capital Renewal: 2% of current replacement value (APPA benchmark)
- O&M Budget \$5.69/square foot
- Inflation: 3%



Total Cost of Ownership



Savings D&C: \$30M Total NPV Cap. R.: \$101M \$5M \$1.1M O&M: \$149M \$15M \$3.4M Total: \$280M \$20M \$4.4M

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Early (and continued) Attitudes Toward Lean



- We've tried that.
- We already do that.
- We don't need it.
- It won't work here.
- We don't build cars.
- We're different.
- The other guy needs it, not me.
- We're doing well, so why change?

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Use of Lean Tools in Capital Project Delivery

- 1. Target Value Design
- 2. A3 Problem Solving and Reporting
- 3. Set-Based Design
- 4. Value Stream Mapping
- 5. Building Information Modeling (BIM)
- 6. The Last Planner[™] System

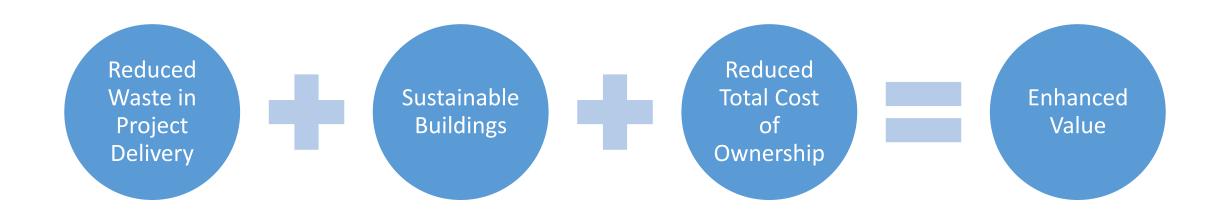
Defining Values for SDCCD

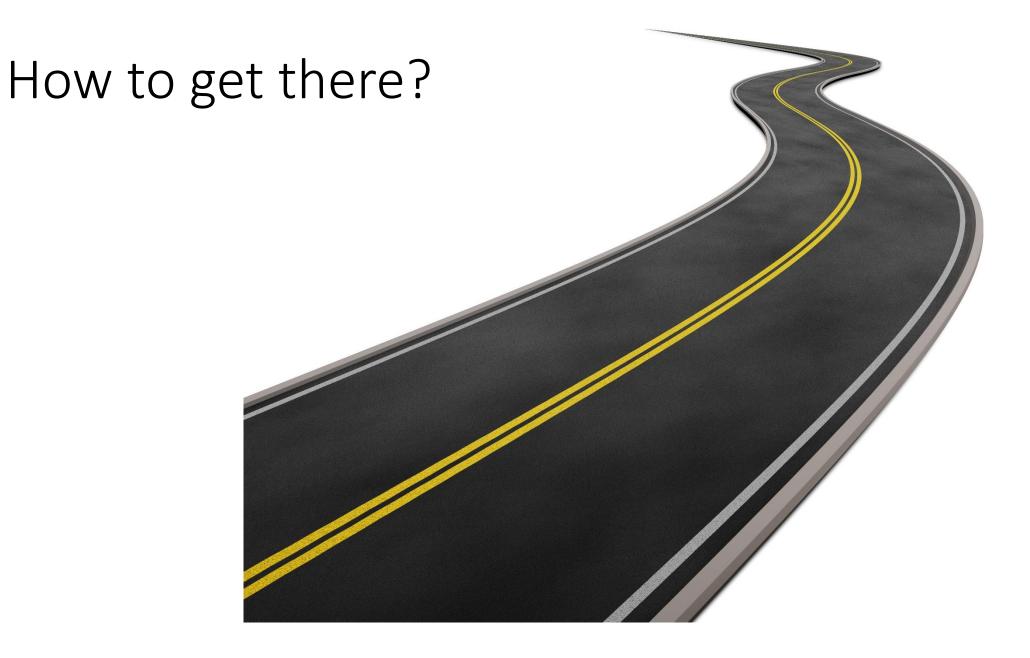
- Enhance the student experience
- Flexibility in design to accommodate future changes in pedagogy
- Lower total cost of ownership
- Highly energy efficient buildings
- Reduce maintenance and operations costs
- Meet or exceed sustainability objectives

Value-Waste Nexus

- How to create value within fixed monetary constraints?
- Eliminate waste
- Enhance value with the savings from waste reduction

Public Owner Benefits





Design-Build Using Target Costing



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Design/Build Statute in California for CCS

As of January 1, 2008, Community Colleges can use design build under SB614.

- Must be at least \$2.5M in value
- Requires project-specific Board resolution

Need to evaluate the project based on five minimum criteria.

- Price (10%)
- Technical Experience (10%)
- Life cycle cost over 15 years (10%)
- Skilled Labor Force (10%)
- Safety Record (10%)



Integrated Project Delivery Charter

Integrated Project Belivery Charter SOCCO Harth Day Compas Volung So \100MSDCF\DSC06313.JPG

According and processing of description

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- improve the results. Mudding 2014 Melandarp planklp - we could be thin you
- deal to take by the way manter most conside with Cappert in edition how with cargo inductional to be part of the Project Monosperaen Sea 2009 Multi Party Agreement to make the laters and

TB Parish

Integrated Project Delivery Charter

SDCCD North City Campus Parking Structure

We, the Design Build Ceam for the SDCCD North City Campus Parking Structure, will be utilizing the Integrated Project Delivery (IPD) model for the design and construction of this project to integrate the people, systems, business structures, and practices into a process that collaboratively harnesses the talents and insights of all participants to optimize project results, increase value to the owner, reduce waste and maximize efficiency through all phases of design, fabrication, and construction.

We, the undersigned, agree to achieve this mission by implementing the following objectives.

- Mutual Respect and Trust we agree to foster an environment that promotes collaboration, and we are committed to working as a team in the best interests of the project.
- Mutual Benefit and Reward we agree to a shared contingency and a shared savings to breakdown the silo ٠ mentality and reward a "what's best for the project" behavior.
- Collaborative Innovation and Decision Making we agree to a team decision making structure where major decisions are made objectively and unanimously.

San Diago Community Co Legacy Building Services

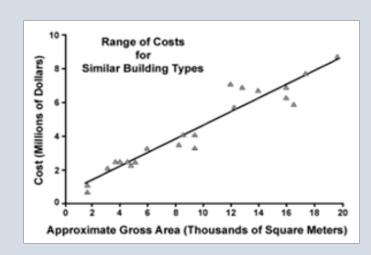
NTD Architectur

Target Costing - Project Budget Development

- Space Programming
- Space Efficiency
- Targeted Cost

Per Sq. Ft.

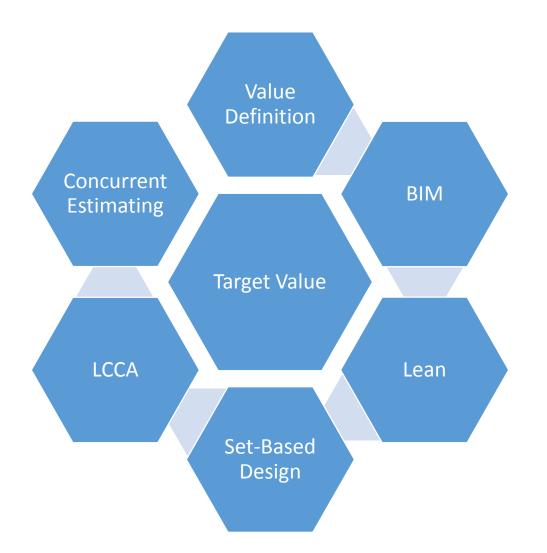




	SPACE DESCRIPTION	2024 ASF	Quantity	Extended 2024 ASF	Extended 2007 ASF	Variance	2007 Room Nos., Comment
	32-Seat Dry Lecture/Lab-Biology	1,600	x 1.0	1,600	836	764	supplements A202
	32-Seat Wet Lab-Biology/Botany	1,728	x 1.0	1,728	1,092	636	supplements A210
S	32-Seat Wet Lab-Biotech/Microbiology	1,728	x 3.0	5,184	2,048	3,136	supplement A204, A231
ö	32-Seat Wet Lab-Physiology/Anatomy	1,728	x 3.0	5,184	1,834	3,350	supplement A226, A206
cien	32-Seat Lecture/Dry Lab-Life Science (computer)	1,600	x 1.0	1,600	1,053	547	supplements A207
Sc	Prep/Stg/Lab Tech Rm (1 per 2 wet labs; 7 wet labs total)	800	x 4.0	3,200	1,232	1,968	supplement A203, A205, A226A
Life	Storage	1,200	x 1.0	1,200	0	1,200	supplements A206A, A209, A211
1	Marine Biology/Oceanography Lab	500	x 1.0	500	0	500	Aquarium
	Microbiology Culture/Autoclave Room	200	x 1.0	200	0	200	
	Biology/Anatomy Dissection Room	200	x 1.0	200	0	200	
	32-Seat Wet Lab-Chemistry	1,728	x 4.0	6,912	3,018	3,894	M201, M202, M203
so a	32-Seat Wet Lab-Chemistry Chemistry Lab Instrument Room (1 per 2 labs)	1,728 250		6,912 500	3,018 180		M201, M202, M203 M220
ces						320	
ences	Chemistry Lab Instrument Room (1 per 2 labs)	250	x 2.0 x 2.0	500	180 1,337	320 263	M220
Scienc	Chemistry Lab Instrument Room (1 per 2 labs) Chem. Prep/Storage/Lab Tech Rm (1 per 2 labs) Hazardous Chemicals Storage Room 32-Seat Lecture/Dry Lab-Physics. Physical	250 800	x 2.0 x 2.0 x 1.0	500 1,600	180 1,337	320 263 55	M220 M216, M217, M218
sical Scienc	Chemistry Lab Instrument Room (1 per 2 labs) Chem. Prep/Storage/Lab Tech Rm (1 per 2 labs) Hazardous Chemicals Storage Room 32-Seat Lecture/Dry Lab-Physics, Physical Science, Geography, Geology 40-Seat Lecture/Dry Lab-Geography	250 800 175	x 2.0 x 2.0 x 1.0 x 4.0	500 1,600 175	180 1,337 120	320 263 55	M220 M216, M217, M218 M219 M204, M205
Scienc	Chemistry Lab Instrument Room (1 per 2 labs) Chem. Prep/Storage/Lab Tech Rm (1 per 2 labs) Hazardous Chemicals Storage Room 32-Seat Lecture/Dry Lab-Physics, Physical Science, Geography, Geology 40-Seat Lecture/Dry Lab-Geography	250 800 175 1,600	x 2.0 x 2.0 x 1.0 x 4.0 x 1.0	500 1,600 175 6,400	180 1,337 120 2,014 0	320 263 55 4,386 2,000	M220 M216, M217, M218 M219 M204, M205
sical Scienc	Chemistry Lab Instrument Room (1 per 2 labs) Chem. Prep/Storage/Lab Tech Rm (1 per 2 labs) Hazardous Chemicals Storage Room 32-Seat Lecture/Dry Lab-Physics, Physical Science, Geography, Geology 40-Seat Lecture/Dry Lab-Geography Physics/Physical Science/Astronomy Prep/Stg/Lab	250 800 175 1,600 2,000	x 2.0 x 2.0 x 1.0 x 4.0 x 1.0 x 1.0	500 1,600 175 6,400 2,000	180 1,337 120 2,014 0 1,059	320 263 55 4,386 2,000	M220 M216, M217, M218 M219 M204, M205 M214, M215, M215A
sical Scienc	Chemistry Lab Instrument Room (1 per 2 labs) Chem. Prep/Storage/Lab Tech Rm (1 per 2 labs) Hazardous Chemicals Storage Room 32-Seat Lecture/Dry Lab-Physics, Physical Science, Geography, Geology 40-Seat Lecture/Dry Lab-Geography Physics/Physical Science/Astronomy Prep/Stg/Lab Tech Rm	250 800 175 1,600 2,000 1,600	x 2.0 x 2.0 x 1.0 x 4.0 x 1.0 x 1.0 x 2.0	500 1,600 175 6,400 2,000 1,600	180 1,337 120 2,014 0 1,059	320 263 55 4,386 2,000 541	M220 M216, M217, M218 M219 M204, M205 M214, M215, M215A

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Keys to Target Value



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A3 Problem Solving – HVAC Design

A3 No	Title/The	eme						Cham	pion	Collat	orator	Additional Collaborators		Sponsor	Customer Group	Sign-off	
				ison: Chil		r AHU,		David D	opudja	Don Har	risberger	Jim	Horan				
M-001	Package DX AC Units and GSHP's Discipline Element Da			Date Ope	ned	Path Forw	th Forward Date Category				A3 Status						
	Mechan			VAC Syst	ems	12/7/20		12/13/2			/A	Idea Development	Sponsor Identified	A3 Development	Customer Accepts	Integration	
Section 1 - Backgro	ound - Re	elevance	of the to	ppic to CF	R Obiec	tives & V	alues					Section 3 - Analysis					
	Comparison of HVAC system options to determine which option has lowest life cycle cost and provides greatest benefit to											Option					
the facility. Responding to the challenge to improve efficiency, increase reliability, reduce maintenance and help achieve LEED Silver. A facility of this size is typically served by a chilled water (CHW) system with central plant, underground distribution piping and 4-pipe (CHW/HW) air handling units. This analysis will compare the CHW system to systems based on package direct expansion (DX) rooftop air conditioning units and ground source heat pumps (GSHP). - For the CHW system, heating hot water (HW) is supplied by boilers and pumps in the central plant via underground											round ms based	Chilled Water (Base Option)	 Much longer equipment life Much more energy efficient and existing CUP Better temperature control and ability to use 100% OSA Much better zoning options (ability for CO2 zoning) Much less noise disturbance (chiller and condenser noise distanced from sensitive areas or communities) Less maintenance of equipment outside of CUP 				
- Heating for the pa - In the GSHP syste system of plastic pip	listribution piping. - Heating for the package DX system is provided by gas furnaces within the rooftop package units. - In the GSHP system, heating is provided by the heat pump cycle of the GSHP units. The GSHP system uses a closed loop ystem of plastic pipe buried in the ground (ground coupled) to allow heat transfer between the earth and fluid flowing										ing		 More available Much less UG distribution 	tion piping required (none)			
	through the pipes. This closed loop system transitions to metal pipe within the building(s) where it is connected to the condenser/evaporator heat exchangers in each GSHP unit.										ше	Package/Split DX AC Units (Alternate 1)					
Section 2 - Current Two 15,000 SF facil rate, a 2% escalation	lities loca	ted in Sa										-	 More energy efficient 				
rate, a 2% escalation rate and a 1.2% inflation rate. Average energy rates of \$0.09 / Kwh and \$ 0.61 / therm are used. Section 3 - Analysis SHOULD CRITERIA												Ground Source Heat Pumps (Alternate 2) Ground Source Heat Pumps (Alternate 2) C. Less utilities required (no gas required for heating) C. More efficient (water source vs. air source) C. Much less sophisticated maintenance and operation than CHW					
	1	Rie	cost	e Cost	hou	ability	nnovation	ality	unity	anace	70						
Mechanical System	Options	Scheo	First Cost	Life Cycle Cost	Efficency	Sustainability	Creativity/Innov:	Flexibility	Community	Maintenace	Total	Section 4 - Unresolved Issues - Identify any problems or constraints that still exist Need analysis of existing central plant capacities. Need further input from owner in the weighting of advantages.				ntages.	
HVAC System												Section 5 - Recommendations					
1 Split System		+	+	o	0	0	0	+	0	o	3	Based on the current information at hand the option of chilled and hot water air handlers served by central plant is recommended.					
2 Package System		+	+	0	0	0	0	+	0	0	3	Section 6 - Path Forward/Follow-up					
3 HHW &CHW/ AHU, F	CU	o	0	+	+	+	+	0	+	+	6						
4 Ground Source Heat	Pump	0	0	+	+	+	+	0	0	+	5						
5 Water Source Heat F	Pump	0	o	0		+	0	0	0	0	2	4. Commin Citty (of man if the choice) meets ounger - Dashir Sinth					
												 Proceed with /impl 	ement CHW (or final HV	AC choice) - Don Harrisberger			

A3 Problem Solving – Structural System Design

A3 No	Theme / Title					C	hampion	C	ollaborator	Additional	Collaborators	Sponsor	Customer Group	Sign-off		
S-001	Structural Sy	stem Selec	tion Comp	arison		Al	drin Orue	Jo	orge Rivera	Patri	ck Meek					
5-001	Discipline	Elen	nent		te Opened		Forward Dat	2	Category			A3 Status		• • •		
	Structural		Framing	1.	2/7/2010	12	2/13/2010		N/A	Idea Development	Sponsor Identified	A3 Development	Customer accepts	Integration		
Section 1 - Backgr	round - Relevai	ice to Proje	ect							Section 3 - Analysis Option	Advantages					
Comparison of stru meeting project gos Section 2 - Curren Two-story 15,000 S ypically constructe comparison analysi overlooked and pro Section 2 - Curren	nt Condition SF facility located of a steel francis with other stru- operly evaluated	dule, and ae ed in San D ne system d actural syste	iego CA wi	th an open h any advanta;	igh bay lobl ges of steel :	by area. A as noted in	facility of th the followin	is size and	d type is s below. A	Steel	 Lower Cost More Flexible (modificat Faster Erection Time Lighter System Much More Accommoda More Durable Material Better Sound and Floor V Easier Construction 	ting in Architectural Design				
										Concrete / Masonry	 Much More Durable Mat Much More Thermal Mat 	ss (Due to Local Resources) Floor Vibration Qualities				
		3D 9	Section				© © Level 1	Floor Pla		Wood						
Section 3 - Analys SHOULD CRIT																
Structural Syste	tem Options	Construction Schedule	Flexibility	Durability (Life Cycle)	Cost	ustainability	Sound Atuniation	Floor Vibration	Total	Section 4 - Unresolved I	sues - Identify any problem	ns or constraints that still exist				
Structural Syst	stem									Need structural analysis to	o determine preliminary steel	member sizes to confirm steel op	tion.			
1 Steel System		+	+	+	4	+	+	+	7	Section 5 - Recommend:	tions					
2 Concrete Syste	em	o	o	+	o	+	+	+	4		-	a steel structural system is recom	mended.			
3 Masonry Syste	em	0	0	+	+	+	o	0	3	Section 6 - Path Forward	-	mbar circo. Aldrin Onto				
4 Wood * 0 0 * 0 0 2								0	2	2. Confirm structural stee	 Structural analysis to determine preliminary steel member sizes- Aldrin Orue Confirm structural steel member sizes with budget - Dustin Smith 					
	+ Meets "Shou 0 Does Not Me										em selection with entire team th structural steel design- Ald	and approve A3- Aldrin Orue drin Orue				

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San Diego Community College District BIM Standards for Architects, Engineers & Contractors

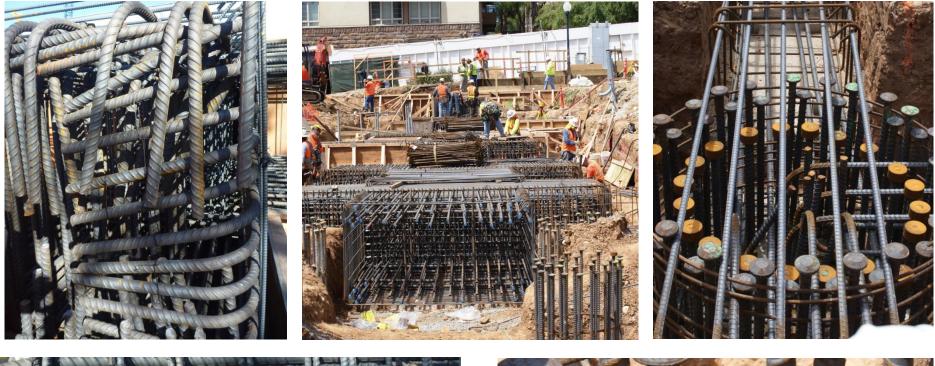
VERSION 2.0



http://public.sdccdprops-n.com/Design/SDCCD%20-%20Building%20Design%20Standards/SDCCD%20BIM%20Standards%20Version%202.pdf

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Which Design Would You Want?







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Is Critical Path Method Scheduling Obsolete?





Schedule Performance

- SDCCD Experience: 34 Major Projects with CPM Scheduling 4 (12%) finished on time
- UC System Experience in past 10 years: More than 30% of projects delayed by more than 90 days
- Research by Glenn Ballard and Greg Howell indicated only 54% of planned weekly activities get completed on average.
- Last Planner[®] pull system a better way (typically 80-90% percent promises kept)

Last Planner[®] System

Who are the Last Planners?

The foremen and superintendents

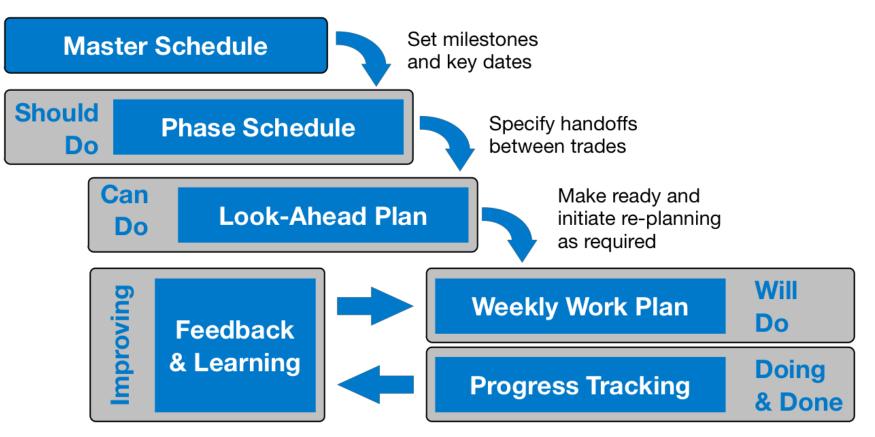
5 Major Elements of System

- 1. Master Scheduling setting milestones
- 2. Phase (Pull) Planning specifying handoffs
- 3. Make Work Ready Planning 6 week look-ahead
- 4. Weekly Work Planning
- **5. Learning** Measure Percent Promises Complete, conduct root cause analysis and act on reasons for failure to keep promises

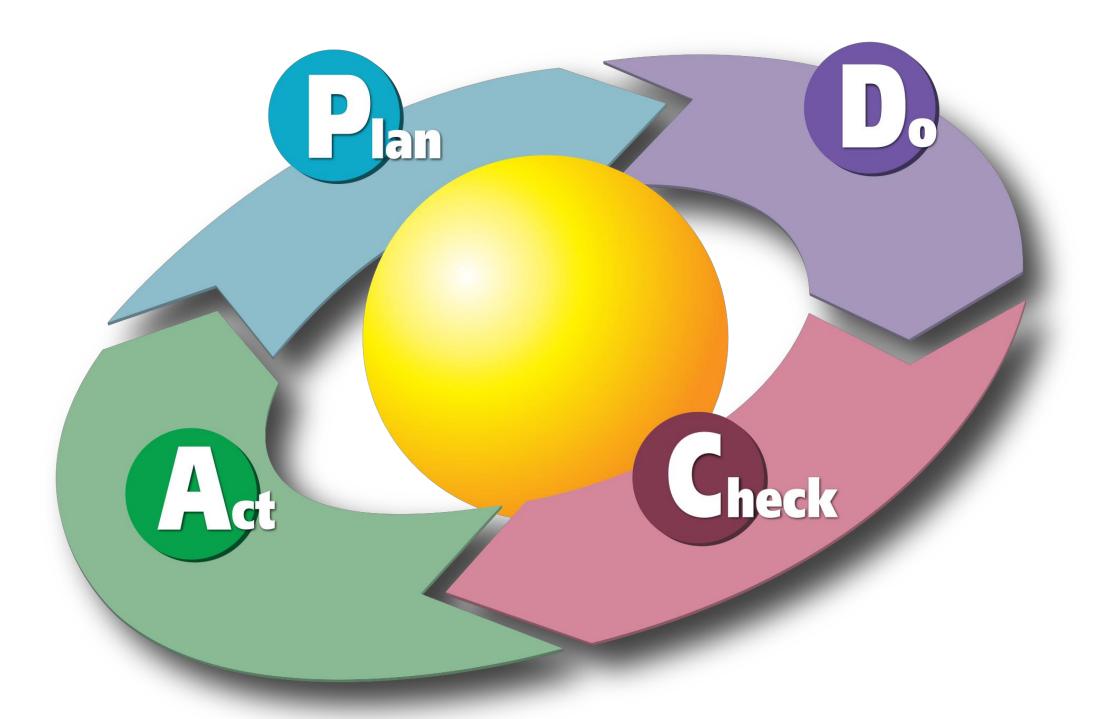
Last Planner[®] System Principles

- 1. All plans are forecasts and all forecasts are wrong. The longer the forecast the more wrong it is. The more detailed the forecast, the more wrong it is.
- 2. Plan in greater detail as you get closer to doing the work.
- 3. Produce plans collaboratively with those who will do the work.
- 4. Reveal and remove constraints on planned tasks as a team.5. Make reliable promises.6. Learn from breakdowns.

Last Planner System



Measure progress and remedy issues



Pull Planning



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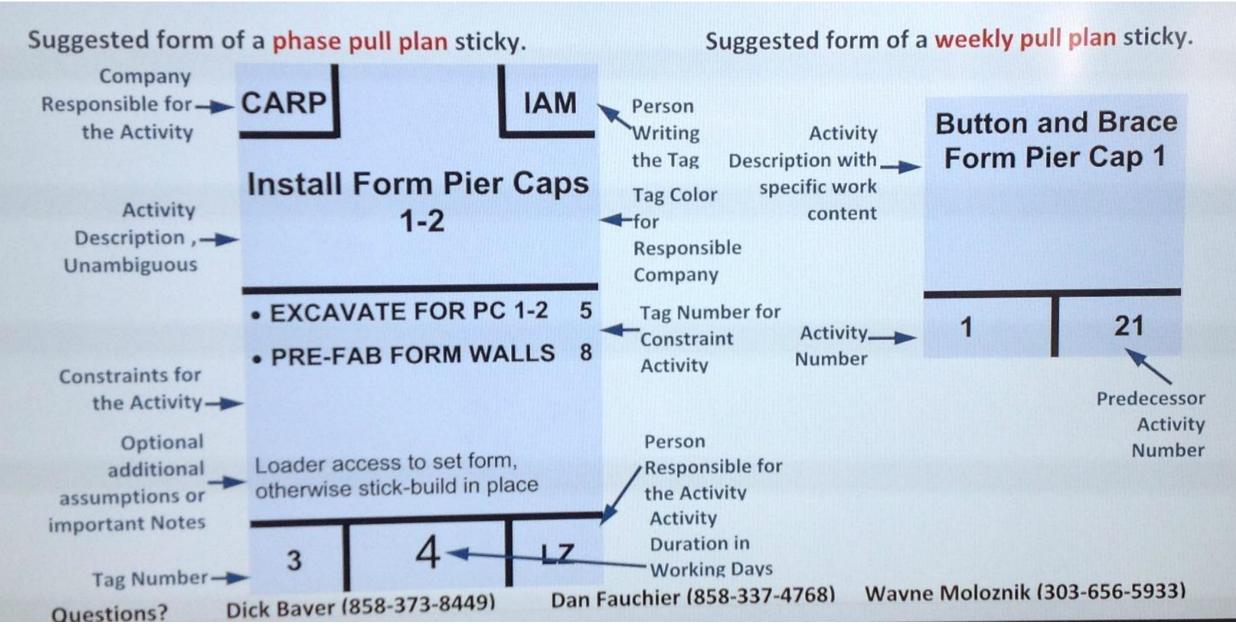
Pull Planning Activities

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Resp. Party	Preparer
Activity	
Constraint 1	Tag #
Constraint 2	Tag #
Tag UID	Total Duration P3/P6 Act. ID

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Milestone Planning Design Phase



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How is the lookahead within Last Planner[®] different from traditional lookahead schedules?

- Traditional lookahead schedules are used to provide advance notice of activity starts in the service of sticking to a usually quite detailed master schedule.
- Traditional lookahead schedules do not:
 - Shape work flow sequence and rate
 - Match work flow and capacity
 - Maintain a backlog of ready work
 - Develop detailed plans for how work is to be done

Source: LCI (2009)

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San Diego CCD Metrics Discussion

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Wouldn't It Be Nice If You Could...

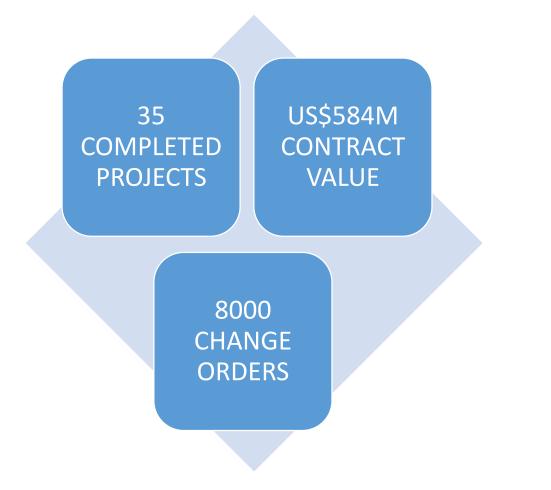
Average Savings of \$900,000 on each of 15 projects

Reduce Average Schedule Delay by 56 days

Enhance Sustainability Objectives by 44%

Reduce Facilities Maintenance Costs by 53%

By the Numbers – The Database



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Change Order Analysis

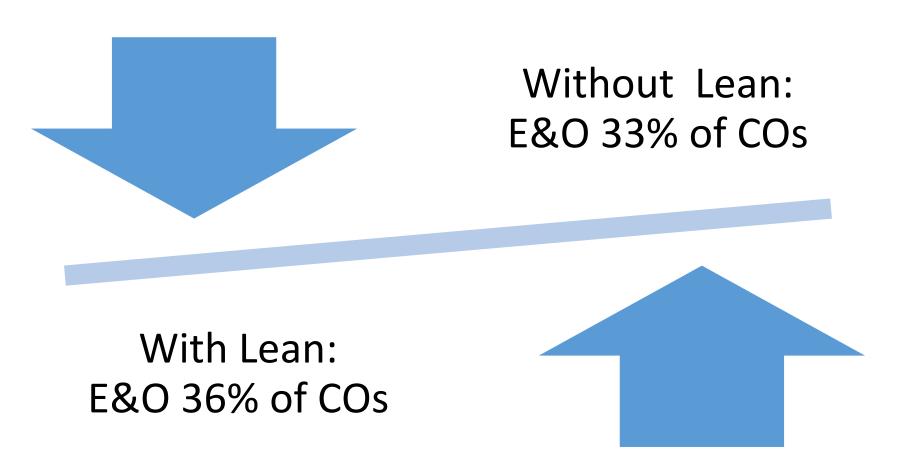
Pre-Lean

7.73% Total COs2.99% E&O COs

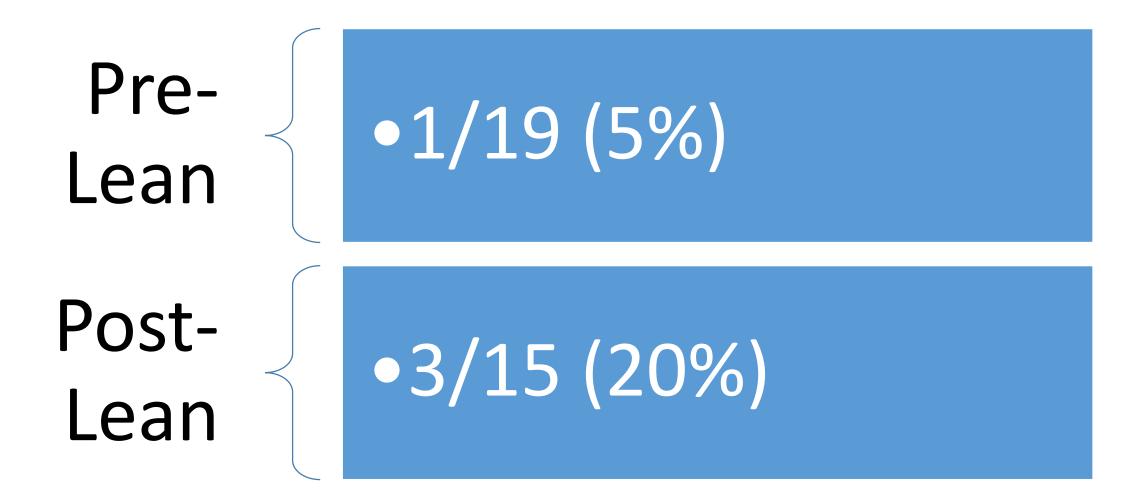
Post-Lean

•4.43% Total COs•1.88% E&O COs

Interesting Finding



Who is on Time?

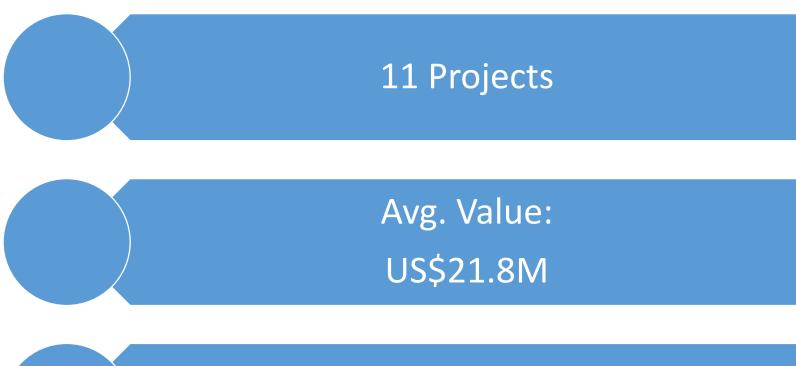


San Diego CCD Schedule Impacts – Lean (with BIM) vs. No Lean or BIM (20 projects)

Average Delay (All Contract Types) Lean w/ BIM: 25 days (n=8) Pre-Lean w/o BIM: 80 days (n=12)



Target Costing



83% Met Target Cost; Avg. 7% Below Target Cost

Target Value Design

- Six projects evaluated
- Range of GMP: \$4,707,408 to \$50,423,353
- Average: \$21,768,648
- 5/6 (83%) met target budget
- Averaged 7% under target budget

Target Value Design – Root Cause Analysis

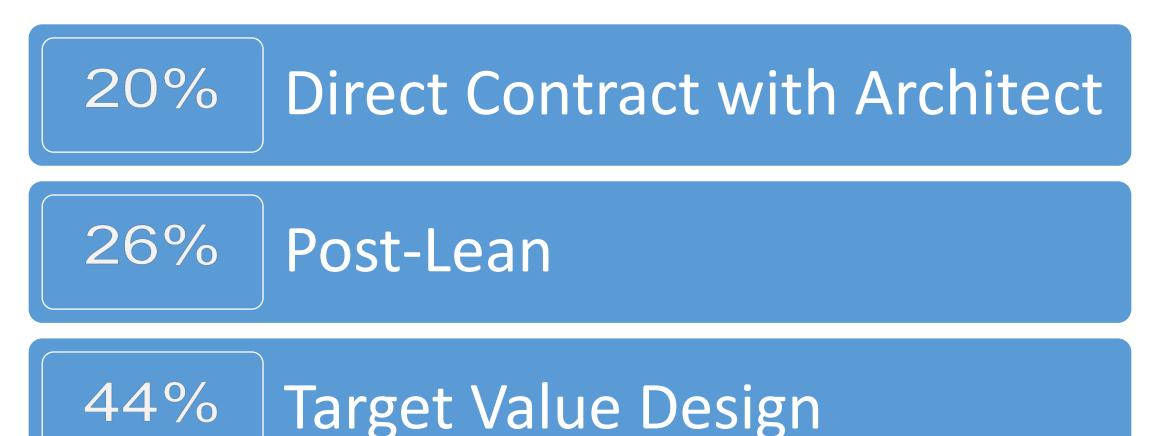
- Lack of contemporaneous estimating and exclusion of specialty trades from early participation in project resulted in project exceeding target budget
- Counter measure: All subsequent projects required presentation of budget first



Potential Sustainability Features

- Higher building energy efficiency
- Extensive use of daylighting
- Use of natural ventilation tied to EMS
- Reduced water consumption
- Use of reclaimed water for irrigation, flushing
- Solid flooring without need for stripping and waxing

Sustainability as a Core Value LEED Gold Projects

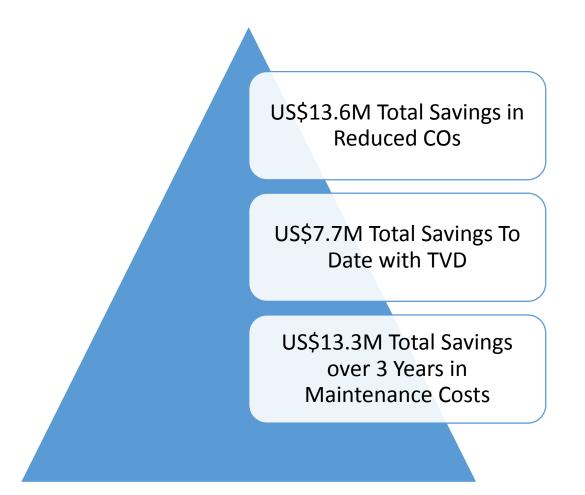


Value as Reduced Maintenance Costs



83

US\$34.6 Million of Waste Eliminated



84

Questions?



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