

INTEGRATED DELIVERY – MOST EFFICIENT METHOD FOR RETAIL BUILD-OUTS

One of the most important decisions when opening a new brick and mortar location for a business is defining the project delivery method. What I mean by this, is the process of how the owner will go from choosing a space and signing a lease to opening the doors for business. But more specifically, how build out portion of the project is designed and constructed.

The most efficient or cost-effective project completion or delivery method is often debated amongst internal corporate teams, franchise systems, tenants, landlords, architects, contractors, etc.

- Traditional design-bid-build vs design-build vs cm at risk??
- Is the owner capable of managing the process internally or does the project justify a 3rd party construction management firm??
- At what stage should design and construction teams become involved? (I'll answer that one for free... during the lease!)

These are all common concerns, and to be fair, each project delivery method has its place... just not in the retail and restaurant world.

Why you ask?? Time.

Once that lease is signed, the clock starts ticking. However long the rent abatement period is, the day rent is due is approaching sooner rather than later. Every owners' worst fear is to be paying rent when they are not yet open for business, and without the proper planning and team in place... that fear becomes reality.

The reason traditional delivery methods are so popular is that they work well for other product types and situations. They are also easy to understand and to manage: One portion of the project at a time step by step in a linear fashion, one after another.

The approach that has gained recent popularity due to the ease of management with the help of technology, is integrated project delivery (IPD) and the preferred method of SCGWest.

IPD is the BEST approach for retail and restaurant tenant improvement build-out projects. IPD takes it one step further then design-build and has the entire team, including the real estate broker, working together before a lease on a new location is even executed. The team

is negotiating the work letter, TIA and rent abatement periods while creating space plans, pricing, schedules and pre-qualifying vendors and subcontractors all while interfacing with municipalities. Because the team is established from the start and working cohesively, multiple phases of the project are being completed simultaneously and the timeline is greatly reduced. There is no bid process. The price is negotiated from the beginning with a small contingency and a Not-to-Exceed. While design is in plan check, numerous permits and approvals may be obtained over the counter in order to allow various portions of the project to be completed. This is a trick of the trade that only comes from experience.

The IPD method cuts buildout time in half and virtually eliminates cost overruns. One firm controlling all aspects of the project, communicating with all parties, with one point of contact, opening YOU for business.