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# Future Pathway for Mega Project Delivery

### EXECUTIVE SUMMARY

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**The Challenge:** Mega capital projects, like Alberta Oil Sands projects, typically experience huge cost and time overruns (50-100% over time and over budget), making investments questionable, seldom attaining the expected returns for such massive investment of time and capital. Investments are already moving to more efficient areas of the world. A far more effective project delivery approach is essential.

**Evaluation:** This paper provides a review of current industry challenges and an evaluation of the three project delivery models – Adversarial, Transactional, and Collaborative – including the factors needed to influence success, lessons learned, and project execution innovations that can (wrong word) provide a stable, predictable, and profitable project. Large project best practices from Alberta and around the world have been sourced

**Recommendation:** In virtually every case, the collaborative industrial model, powered by trust, teamwork, collaborative innovation, and strategic alliances, consistently delivers more effective results when used properly.

The collaborative model is an evolutionary product of research, “best practices” and implementation on more than ninety construction and engineering projects in Canada, plus experiences from hundreds of other cases throughout the world.

The review of the models strongly suggests the need for changing industry mindsets and proposes key ideas and steps for the executives in the Mega Project environment to create a Collaborative Construction initiative.

We propose the “next practice” evolutionary step in Mega Project construction: the Aligned Construction Enterprise (ACE) to address the current structural and organizational deficiencies in project delivery and create a highly competitive and productive “best practice” model for the future.

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