

**APPLICABILITY OF INTEGRATED PROJECT
DELIVERY PROCUREMENT METHOD TO PUBLIC
SECTOR CONSTRUCTION CONTRACTS IN SRI LANKA**

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Master of Science in Project Management

Department of Building Economics
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Dissertation submitted in partial fulfillment of the requirement for the
degree Master of Science in Project Management

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DECLARATION PAGE OF THE CANDIDATE & SUPERVISOR

I declare that this is my work and this dissertation does not incorporate without acknowledgement any material previously submitted for a degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

Further, I acknowledge the intellectual contribution of my research supervisor Ch.QS Vijitha Disaratna for the successful completion of this research dissertation. I affirm that I will not make any publication from this research without the name of my research supervisor as contributing author unless otherwise I have obtained written consent from my research supervisor.

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.....

Ch.QS Vijitha Disaratna
Dissertation Supervisor

.....

Date

DEDICATION

I dedicate this research to my beloved parents, partner and all Lecturers, whose unwavering love, support, and sacrifices have been the foundation of my success.....

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The research study would not have been possible without the dedication, encouragement, and remarkable assistance of many individuals and organizations. Therefore, I would like to convey my sincere gratitude to every one of them.

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M.D.D.L. Munasinghe

ABSTRACT

The effective utilization of public funds in construction procurement is a critical concern for the public sector of Sri Lanka. This study examines the issues and challenges associated with the traditional procurement system currently employed in public sector construction contracts in Sri Lanka. It evaluates the potential of Integrated Project Delivery (IPD) as a modern alternative approach. It has been identified that traditional procurement methods used in the current public sector context suffer from several issues, including inefficiencies, fragmented stakeholder collaboration, and delays in project delivery. Drawing on global trends, IPD offers a collaborative, value-driven approach that integrates stakeholders from the early stages of a project, promoting a shared risk and reward system and improved outcomes in terms of cost, time, and quality. The research begins with a review of existing literature, identifying systemic issues in traditional procurement, including root causes, IPD definitions and its core values, principles and the IPD process. The globally highlighted benefits and challenges of IPD were also identified. It reveals that while IPD has gained traction internationally, its application in Sri Lanka's public sector remains unexplored. To bridge this gap, qualitative data were collected through semi-structured interviews with industry professionals.

The findings confirm that IPD core values (09) and principles (09) are applicable to public sector construction contracts under the identified strategic approaches. Furthermore, the IPD process is characterized as a flexible flow, which contrasts with the traditional approach, and it can also be applied to Sri Lanka's public sector under legal, cultural, and systemic reform. Possible strategies for implementation have been identified, including the formation of a public sector unit for IPD implementation and the initiation of pilot projects. Moreover, the applicability of existing rules, regulations, guidelines, and manuals also revealed and identified the non-availability of a multi-party standard form as a gap in implementing IPD. To overcome regulatory challenges, several strategies were proposed. Additionally, the benefits and challenges of the application of IPD in the public sector of Sri Lanka were identified, and strategies were also proposed to overcome cultural, technological, legal, financial and procurement environment-related challenges. Key recommendations include adopting a two-stage bidding process with prequalification, implementing quality-based evaluation systems, conducting IPD and team alignment workshops, and securing early budget approvals. Further, the study also emphasizes the need for legal reforms, cultural reforms, institutional support, capacity building, and phased pilot projects to facilitate IPD implementation. Ultimately, the research concludes that IPD can significantly enhance procurement efficiency and project outcomes in Sri Lanka's public construction sector, particularly for large-scale, complex, and strategic projects. This study lays the groundwork for future empirical research and policy development requirements aimed at IPD implementation public procurement in Sri Lanka.

TABLE OF CONTENTS

DECLARATION PAGE OF THE CANDIDATE & SUPERVISOR.....	i
DEDICATION.....	ii
ACKNOWLEDGEMENT	iii
ABSTRACT.....	iv
TABLE OF CONTENTS.....	v
LIST OF FIGURES	ix
LIST OF TABLES.....	x
LIST OF ABBREVIATIONS.....	xi
1.0 INTRODUCTION.....	1
1.1 Research Background.....	1
1.2 Research Problem.....	2
1.3 Aim.....	3
1.4 Objectives.....	3
1.5 Methodology	3
1.6 Scope and Limitations.....	4
1.7 Dissertation Outline.....	4
1.8 Summary	6
2.0 LITERATURE REVIEW	7
2.1 Introduction	7
2.2 Introduction to Common Procurement Methods.....	7
2.3 Construction contracts of Public sector of Sri Lanka.....	8
2.3.1 Procurement methods practice in the public sector of Sri Lanka	8
2.3.2 Procurement trends in the public sector in Sri Lanka	12
2.3.3 Main issues of the existing procurement system used in the public sector construction contracts	13
2.4 Introduction to IPD.....	16
2.4.1 Definition of IPD	19
2.4.2 Core values of IPD.....	20
2.4.3 Principles of IPD.....	20
2.5 The process of applying IPD as a procurement method.....	22

2.5.1	Project Team Formation	22
2.5.1.1	Team selection.....	23
2.5.1.2	Contract and Team alignment workshop and creating a virtual organization.....	25
2.5.1.3	Team management	26
2.5.1.4	Decision Making within the team	27
2.5.1.5	Team Communication	28
2.5.1.6	Application of Building Information Modeling (BIM) within the Team	28
2.5.1.7	Risk and reward sharing within the team	29
2.5.1.8	Contract Agreement	29
2.5.2	Project Execution	31
2.6	Benefits of IPD as a procurement method	33
2.7	Challenges of IPD as a Procurement Method and strategies to overcome challenges.....	34
2.8	Suitability of IPD as a procurement method to use in the public sector	36
2.8.1	Legal issues	36
2.8.2	Organizational issues	37
2.9	Summary	37
3.0	RESEARCH METHODOLOGY	38
3.1	Introduction	38
3.2	Research design and approach	38
3.3	Research approach.....	38
3.3.1	Literature review	39
3.3.2	Research problem statement	39
3.4	Data Collection.....	39
3.5	Data analysis	40
3.6	Research Process	41
3.7	Chapter Summary.....	42
4.0	RESEARCH FINDINGS AND ANALYSIS.....	43
4.1	Introduction	43
4.2	Semi-Structured Expert Interviews	43
4.2.1	Objectives of Expert Interviews.....	43

4.2.2	Respondents for Expert Interviews	44
4.3	Analysis of Expert Interview Findings	48
4.3.1	Applicability of Core values and principles of IPD.....	48
4.3.2	Applicability of IPD – Process	56
4.3.2.1	Team selection.....	57
4.3.2.2	Integrated evaluation	59
4.3.2.3	IPD workshops and team alignment sessions	60
4.3.2.4	Structured education, team orientation and implementation.....	62
4.3.2.5	IPD implementation possibility under standard approval and the Budgeting process of public sector of Sri Lanka	63
4.3.2.6	IPD implementation possibility –factors support to IPD implementation 64	
4.3.3	Suitability of IPD to public sector construction contracts of Sri Lanka	67
4.3.4	Applicability of IPD – Rules, regulation, guideline and manual of Sri Lanka 69	
4.3.4.1	IPD Compliance to procurement guideline and manual of Sri Lanka (Procurement objectives and principles).....	69
4.3.4.2	IPD Compliance to procurement guideline and manual of Sri Lanka (Factors to select procurement method).....	70
4.3.4.3	IPD Compliance with other rules and regulation of Sri Lanka	71
4.3.5	Applicability of IPD – Identify main issues of the existing procurement system, benefits, challenges of IPD and strategies to overcome challenges	72
4.3.5.1	Possibility of eliminating the main issues of the existing procurement system through IPD.....	72
4.3.5.2	Relevance of IPD benefits to public sector construction contracts of Sri Lanka. 74	
4.3.5.3	Challenges of IPD and strategies to overcome challenges.....	75
4.4	Chapter Summary.....	82
5.0 CONCLUSIONS AND RECOMMENDATIONS.....		86
5.1	Introduction	86
5.2	Conclusions	86
5.3	Recommendations	88
5.4	Contribution of the Research.....	90

5.5	Limitations of the Research.....	90
5.6	Areas of Further Research.....	90
6.0	REFERENCES.....	91
7.0	APPENDICES	100
7.1	Interview guideline of expert interviews.....	100
7.2	Sample of an interview.....	115

LIST OF FIGURES

Figure 2.1 Traditional and IPD Process Comparison	18
Figure 2.2 Simple organization structure for IPD	25
Figure 2.3 IPD Organization structure for large-scale project	26
Figure 2.4 IPD Team Overlapping in Organization Structure	26
Figure 2.5 Decision-making process	28
Figure 3.1 Research process	42
Figure 4.1 Key categories of analysis	44
Figure 4.2 Applicability of core values and principles	55
Figure 4.3 IPD Process	56
Figure 4.4 IPD process applicability analysis	65
Figure 4.5 Process related difficulties and strategies	66
Figure 4.6 Process applied to identify the IPD applicability	84
Figure 4.7 Strategies to implement IPD in public sector construction contracts of SL	85

LIST OF TABLES

Table 2.1 Categorization of Procurement Systems	7
Table 2.2 Categorization of Procurement Systems	10
Table 2.3 Procurement Trends in Sri Lanka	12
Table 2.4 General issues in SL public procurement	13
Table 2.5 Root causes that negatively affect SL public procurement	14
Table 2.6 IPD Core Values	20
Table 2.7 Management levels of IPD	27
Table 2.8 Benefits of IPD	33
Table 2.9 IPD challenges and strategies to overcome	34
Table 4.1 The election criteria of the interviewees	45
Table 4.2 Cultural challenges and strategies to overcome	75
Table 4.3 Technological challenges and strategies to overcome	77
Table 4.4 Financial challenges and strategies to overcome	78
Table 4.5 Legal challenges and strategies to overcome	80
Table 4.6 Procurement environment related challenges and strategies to overcome	81

LIST OF ABBREVIATIONS

AGC	-The Associated General Contractors
AIA	- The American Institute of Architects
AIA CC	- The American Institute of Architects California Council
BIM	- Building Information Modeling
CBO	- Community-Based Organizations
CCDC	- The Canadian Construction Documents Committee
CIDA	- Construction Industry Development Authority
GoSL	- Government of Sri Lanka
e-GP	- Electronic Government Procurement
ERP	- Enterprise Resource Planning
FR	- Financial Regulations
GDP	- Gross Domestic Product
ICB	- International Competitive Bidding
IESL	- Institute of Engineers Sri Lanka
IQSSL	- Institute of Quantity Surveyors Sri Lanka
IPD	- Integrated Project Delivery
LCC	- Lean Construction Institute
LIB	- Limited International Bidding
LNB	- Limited National Bidding
NCB	- National Competitive Bidding
NPA	- National Procurement Agency
PQ	- Pre-qualification
RFI	- Request for information
RFP	- Request for Proposals
RFQ	- Request for Qualifications
SL	- Sri Lanka
SPP	- Sustainable Public Procurement
SPE	- Single-purpose entity
VFM	- Value for money