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PARTNERING REFERENCE NOTES

Design & Construction Expo 93

Date: Thursday, February 4, 1993

Location: Cobo Conference/Exhibition Center
Detroit, Michigan

Time: 9:00 A.M to 12:00 noon

PARTNERING - A. G. C.

A way of achieving an optimum relationship between a customer and a supplier. A method of doing business in which a person's word is their bond, and where people accept responsibility for their actions.

Partnering is not a business contract, but a recognition that every business contract includes an implied covenant of good faith.

PARTNERING - C. I. I.

A long term commitment between two or more organizations for the purpose of achieving specific business objectives by maximizing the effectiveness of each participant's resources.

(This requires changing traditional relationships to a shared culture without regard to organizational boundaries. The relationship is based upon trust, dedication to common goals, and an understanding of each other's individual expectations and values. Expected benefits include improved efficiency and cost effectiveness, increased opportunity for innovation, and the continuous improvement of quality products and services.)

PARTNERING

**A method of conducting
business in the planning, design,
and construction profession
without unnecessary, excessive,
or disruptive external party
involvement.**

P. M. AGENDA - Charter meeting

12:45 P. M. to 1:30 P. M.

- Task force prepare project mission statement

1:00 P. M. to 3:00 P. M. - Session #3

- Introduction to evaluation methods
- Workshop #5 - Complete project mission statement
- Workshop #6 - Set project goals & objectives

3:00 P. M. to 3:15 P. M. - Coffee break

3:15 P. M. to 5:00 P. M. - Session #4

- Complete workshop #6 - Set project goals & objectives
- Review principles of partnering performance evaluation
- Review principles of alternative dispute resolution
- Workshop #7 - Full group write project charter
- Print final draft of charter

5:00 P. M. to 5:15 P. M. - Session #5

- Participants sign charter
- Adjourn

A. M. AGENDA - Charter meeting

7:00 A. M to 8:00 A. M. - Continental breakfast for attendees

8:00 A. M. to 10:00 A. M. - Session #1

- Opening remarks
- Introductions
- Partnering overview
- Workshop #1 - Problems caused by others

10:00 A. M. to 10: 15 A. M. - Coffee break

10:00 A. M. to 12:00 noon - Session #2

- Workshop #2 - Problems caused by us
- Workshop #3 - Improvement recommendations
- Workshop #4 - Definition of missions

12:00 noon to 1:00 P. M - Lunch

Participant notebook outline

Project: New post office building
Location: Area P, Detroit, Michigan
Owner: United States Postal Service
Architect: Frank, Stamp & Mail Associates, P. C.
General Contractor: Box Construction, Inc.
Date of meeting: Friday, February 5, 1993
Location of meeting: Postenmach Rathskellar, Detroit, Michigan
Purpose of meeting:

To identify the project construction operating mode and to prepare and adopt a *partnering charter* for the guidance of the entire Area P Post Office project team.

Time of meeting

08:00 A. M. to 12:00 noon, and 01:00 to 05:15 P. M.

Definitions:

Words in italics are defined in glossary of terms on pages three and four.

Timetable:

07:00 to 08:00 A. M.

- Continental breakfast for attendees

08:00 to 10:00 A. M. - Session #1

- Introductory remarks by principals of Owner, general contractor, and design team.
- Introduction of those attending by chairman.
- Introduction to workshop procedures - Meeting chair

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- *Workshop #1* - Table discussion of the question "What actions do others take that create problems for us?"
- Break out by teams, conduct discussion, reassemble, and present findings to *full partnering membership*.

10:00 to 10:15 A. M. - Coffee break

10:15 A. M. to 12:00 noon - Session #2

- *Workshop #2* - Table discussion of the question "What actions do we take that create problems for others?"
- Break out by teams, conduct discussion, reassemble, and present findings.
- *Workshop #3* - Table discussion of the question "What recommendations can we make that could improve relations and performance on the Area P Post Office project?"
- Break out by teams, conduct discussion, reassemble, and present findings.
 - Owner/user
 - Design
 - General contractor
 - Building frame & close in contractors
 - Building interior work contractors
 - Building systems contractors
 - Building fixtures, furnishings, and equipment (FFE) contractors
 - Others?
- *Workshop #4* - Individual work on the question "In light of the results of workshops #1, 2, and 3, what do I think my organization's mission is for the project?"

12:00 noon to 01:00 P. M. Lunch

- *Task force work* - During the lunch break a small volunteer *task force* will meet apart from the main group and prepare a 25 word or less first draft *mission* statement for the project. The draft *mission* statement will be derived from the individual *mission* statements prepared in *workshop #4*.

This project *mission* statement will be used as guide in writing the *charter*, and will, after editing, be incorporated into the final *charter* document.

01:00 P. M. to 03:00 P. M.

Session #3

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- *Workshop #5 - Full partnering membership* discuss, revise and accept the first draft *mission* statement as revised.
- *Workshop #6 - Table* discussion of the question "What specific project *objectives* can we now set for the Area P Post Office considering the results of *workshops* #1, 2, 3, 4, and 5?

These objectives should be designed to help insure excellent relations and performance for all concerned on the project?"

03:00 P.M. to 03:15 P.M. - Coffee break

03:15 P. M. to 05:00 P. M.- Session #4

- Review principles of *alternative dispute resolution*. - Chair
- Review principles of *partnering* performance and evaluation. - Chair
- *Workshop #7 - Full partnering membership* combine all previous discussions into a *charter* ready for signatures.
- Print final draft of *charter*.

05:00 P. M. to 05:15 P. M.- Session #5

- Each participant sign *charter* and receive award memento
- Adjourn

Definitions:

- *Alternative dispute resolution*
A method of resolving disputed construction claims outside the courtroom.
- *Full partnering membership*
The group consisting of the entire project team attending the partnering meeting.
- *Issue resolution*
A method of reaching agreement and closing out disputes at the originating management level, in the shortest possible time, and with the lowest potential for residual hard feelings.
- *Mission*
The single most important goal to achieve by being successful in the project organization's principal efforts.

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- *Objectives*

Quantified targets derived from the established mission and goals.

- *Partnering - Associated General Contractors*

A way of achieving an optimum relationship between a customer and a supplier. A method of doing business in which a person's word is their bond, and where people accept responsibility for their actions.

Partnering is not a business contract, but a recognition that every business contract includes an implied covenant of good faith.

- *Partnering charter*

The basic manual for operating a partnering system. Contains, at a minimum, the mission statement of the project team, and their objectives for the project. Usually is signed by all those writing the document.

The charter is an agreement in principle and must not supersede or supplant the design and construction contracts in place or to be written.

- *Partnering*

A method of conducting business in the planning, design, and construction profession without unnecessary, excessive, or disruptive external party involvement.

- *Table discussion*

A discussion at a break out table where people with a common interest can review and recommend for presentation to a larger group of which they are a part.

- *Task force*

A temporary grouping of forces and resources designed to achieve a specific objective.

- *UDM*

Ultimate decision maker - the individual or group at the lowest management level that has the authority to make a final binding decision in any job related matter.

- *Workshop*

The meeting structure through which table or full partnering discussions are conducted. Usually participation is required of all attending.

Sample team groupings for break out sessions.

Those that have similar sets of interest relative to the performance of others on the project

- **Owner/user**
- **Design**
- **General contractor**
- **Building frame & close in subcontractors**
- **Building interior work subcontractors**
- **Building systems subcontractors**
- **Building FFE contractors**
- **Others?**

Design & Construction Expo 93 - Partnering Seminar

I. Charter for new Detroit, Michigan Post Office, Area P

A. Mission

This partnering team commits to deliver a quality project on time, within budget, safely, profitably for all, and of the intended quality, through mutual cooperation among the participants.

B. Objectives

1. Maintain a clean and well maintained work site
 - a) Experience no lost time from accidents.
 - b) Be a good neighbor.
 - c) Use good construction site housekeeping practices.
2. Effectively administer the project
 - a) Prepare & publish an acceptable payment procedure.
 - b) All parties submit complete, accurate & timely billings.
 - c) Prepare & publish an acceptable submittal processing procedure.
 - d) Treat each other fairly
3. Close out the project in a proper & timely fashion
 - a) Prepare & publish acceptable close out guidelines.
 - b) Establish clearly defined punch out procedures and standards early in the project.
4. Maintain effective lines of communication.
 - a) Recognize the need for quality information.
 - b) Minimize response times in all matters.
 - c) Maintain an appropriate level of documentation.
 - d) Be available.
5. Resolve problems effectively
 - a) Develop, approve, and implement a responsive conflict resolution system
 - b) Resolve disputes and conflicts at the originating level if at all possible.
 - c) Resolve disputes and conflicts as quickly as possible.
 - d) Eliminate the need for third party legal involvement
6. Limit cost growth
 - a) Maintain objective attitude toward constructibility.
 - b) Develop cost effective measures to apply to all job related activities.
 - c) Recognize owner's needs in occupation and operation of project.
7. Maintain technical excellence in all program, design & construction work.
 - a) Owner abate promptly as required
 - b) Define and clearly communicate quality standards expected
 - c) Maintain constructability of the project.
 - d) Properly plan and schedule the work.
 - e) Do it right the first time.
8. Maintain good job morale & attitudes
 - a) Promote partnering attitudes at all levels of contract administration.
 - b) Have pride in your work.
 - c) Have fun.
9. Maintain partnering effectiveness
 - a) Prepare and publish a partnering effectiveness measurement system.
 - b) Meet on a scheduled, regular bases and formally evaluate the partnering effectiveness.
 - c) Take prompt steps to correct any deterioration of partnering effectiveness on the project.

II. Issue resolution

A. Policy

It is the objective of the Area P Post Office project team management to first and foremost avoid unnecessary disputes and conflict on the job. It is the intent to do this by achieving the objectives of the charter, particularly to resolve an issue promptly and at the level at which it originates. If this is not possible the issue will be referred promptly to the next highest level for resolution.

In all cases, individuals who are involved in a difference should be businesslike and not resort to personal attack. The principles outlined in the Partnering Charter mission and charter should be followed at all times in resolving differences.

Upon request, site meetings will be convened to discuss any unresolved issue and to attempt to reach resolution. Any issue presented should be clearly defined and alternative solutions suggested. The resolution process is to work through open communication and looking at the other side's point of view. In addition, issues are to be kept in the forefront to ensure resolution in a timely manner. A log of unresolved issues will be maintained from meeting to meeting.

If resolution cannot be reached at the job site, the principals of the involved firms or agencies should attempt to reach resolution through informal discussion before the formal process outlined in the contract documents is used.

In seeking resolution to an issue, involved parties will attempt to:

- Thoroughly understand the issues.
- Maintain empathy for the other point of view.
- Communicate thoughts openly and clearly.
- Clearly document the issue resolution.

B. Methodology

Goal - To encourage and provide a forum for resolution of issues at the lowest possible level, but to provide a mechanism to elevate the issue if needed.

If resolution is not achieved at the lowest level forum, the principals in the firms in conflict will attempt to reach resolution through informal discussion.

III. Partnering evaluation

Each objective in the Charter is to initially be given a par weight as indicated below. The par weight indicates how important the item is in relation to achieving the project mission. Weights are assigned from 1 to 3. A weight of 3 indicates that the objective is of critical importance in achieving the project mission. A Weight of 2 indicates the objective is of lesser importance, and a weight of 1 indicates that the objective is of least importance when evaluated against the highest weighted objectives.

The weight of the objectives remains constant throughout the project. Therefore care must be taken in assigning them properly at the onset of the evaluation process.

The quality of the project performance in relation to the Partnering Charter objectives is to be measured once per month by representatives of all organizations participating in writing the Charter. Partnering performance quality ratings are to be from 1 to 5.

A quality rating of 1 indicates very poor performance and little adherence to the standards set out by the objective. A quality rating of 5 indicates high and excellent adherence to standards set by the objectives.

The total evaluation of the objective is the constant weight multiplied by the quality for each objective for each evaluation. The total partnering performance is measured at each evaluation.

Total partnering performance = total of the (objective weights x the objective quality) for the period.

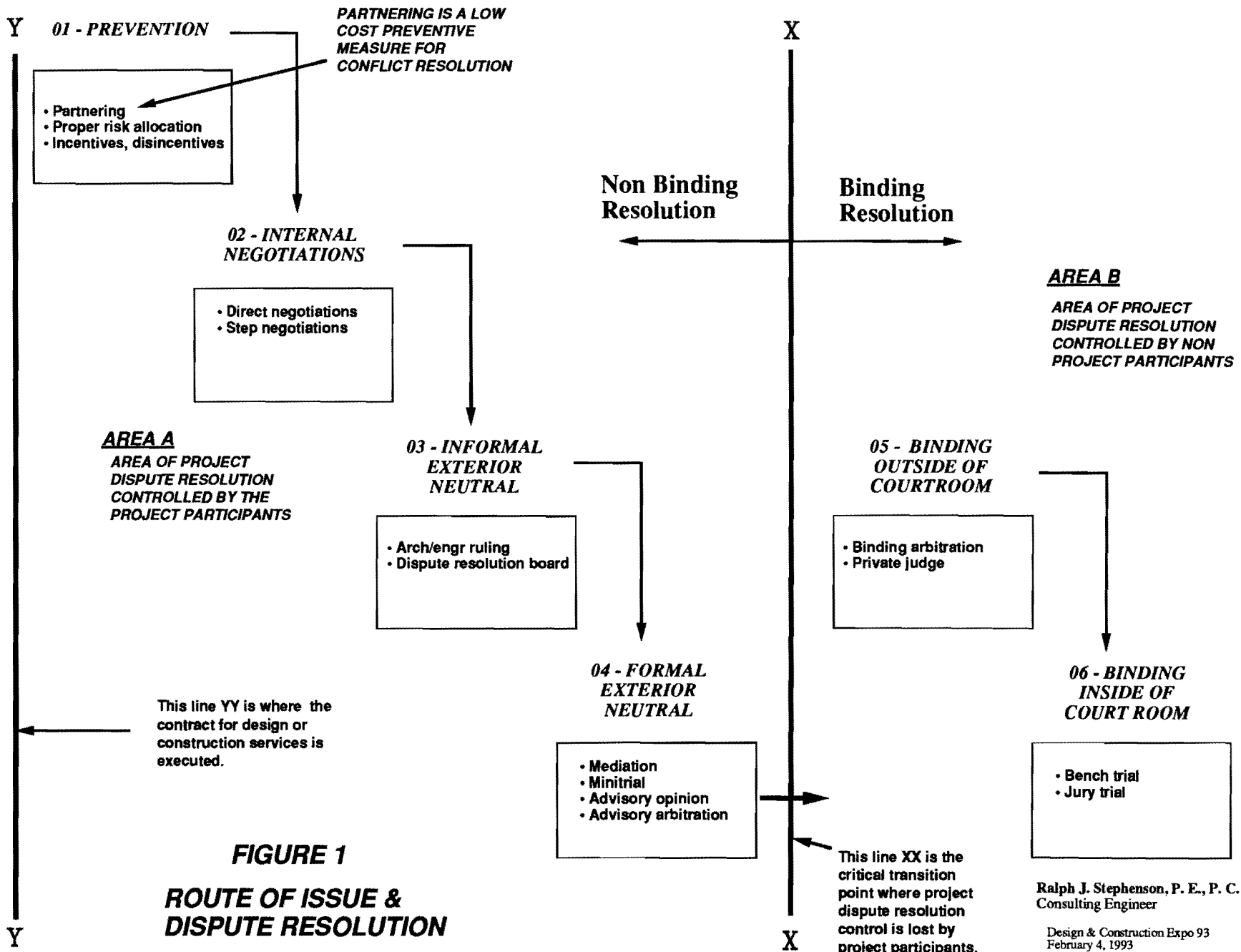


FIGURE 1
ROUTE OF ISSUE & DISPUTE RESOLUTION

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Partnering evaluation for current period

1 - objective	2 - par weight (w)	3 - par quality (q)	4 - par (w) x (q)	current quality	current (w) x (q)
01. Maintain a clean and well maintained work site	3.00	2.50	7.50	2.25	6.75
02. Effectively administer the project	4.50	3.75	16.88	3.50	15.75
03. Close out project in a proper and timely fashion	4.00	3.50	14.00	2.00	8.00
04. Maintain effective lines of communication	4.25	3.75	15.94	3.00	12.75
05. Resolve problems effectively	4.50	4.00	18.00	4.00	18.00
06. Limit cost growth	2.50	2.25	5.63	2.25	5.63
07. Maintain technical excellence in all program, design and construction work	3.50	3.00	10.50	3.25	11.38
08. Maintain good job morale and attitudes	2.50	2.25	5.63	2.00	5.00
09. Maintain partnering effectiveness	4.00	3.75	15.00	3.25	13.00
Average:	3.64	3.19	12.12	2.83	10.69