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ALTERNATIVE DISPUTE RESOLUTION FOR THE DESIGN AND CONSTRUCTION PROFESSIONAL

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GROUND RULES

1. Open your mind to new ideas & to new applications of old ideas.

2. Listen well & ask helpful questions.

3. Be selective in which techniques you use.

4. Learn more about the subjects of interest to you.

5. Relax and enjoy the company of your professional friends.

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THINKING PATTERNS

Why plan?.....to evaluate

Why translate?.....to communicate

Why control?.....to achieve

Why correct?.....to maintain

Why learn?.....to improve

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Alternative dispute resolution - ADR

In its basic form, ADR is a method of resolving disputed construction claims outside the courtroom.

ADR includes systems of resolving disputes in planning, design and construction by cooperative, internal, or external third party assistance methods that are alternatives to conventional dispute resolution methods currently in common use. Conventional methods are usually considered to be litigation and binding arbitration.

Alternative dispute resolution may make use of non traditional combinations of conventional dispute methods.

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PARTICIPANTS IN DESIGNING & BUILDING ENVIRONMENTS

There are six basic participants in the process of designing and building environments. These are the conceiver, the translator, the constructor, the user, the operator and the regulator.

Conceivers - Those who conceive the idea and provide the wherewithal to bring the environmental program to a successful conclusion. The conceiver may be the owner but it also might be a governmental agency, a financial source, an architect, an engineer, a contractor, a vendor or a potential tenant looking for space. We identify the conceiver since he usually is the key person driving the project on to completion.

Translators - Those who translate the environmental program into construction language. Traditionally we think of the architect/engineer as the translator. However careful consideration of this matter shows there are many others who translate the conceiver's fundamental ideas into understandable, workable construction language. Subcontractors, suppliers, vendors, manufacturers, contractors and the conceiver may all play a role in translating.

Constructors - Those who interpret the construction language and convert it to a actual physical environment. Occupying this role are general contractors, specialty contractors, vendors, suppliers, manufacturers, artists and others who actually put the materials into place in the field.

Users - Those who occupy and use the completed facility to conduct their work, their recreation, their domestic living, or other activities for which the facility was specifically designed and built.

Operators - Those who operate and maintain the completed physical environment on a continuing basis. Usually the party responsible for this function is an owner or tenant working through a plant or facilities manager.

Regulators - Those who fill a review & inspection position to help insure protection of the health, safety & welfare of the people. This is usually done by enforcing regulations written and adopted by qualified public or private bodies. Examples of regulators include those who work for building departments, departments of natural resources, public health agencies, fire prevention organizations, technical societies and other such groups.

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LINE OF ACTION

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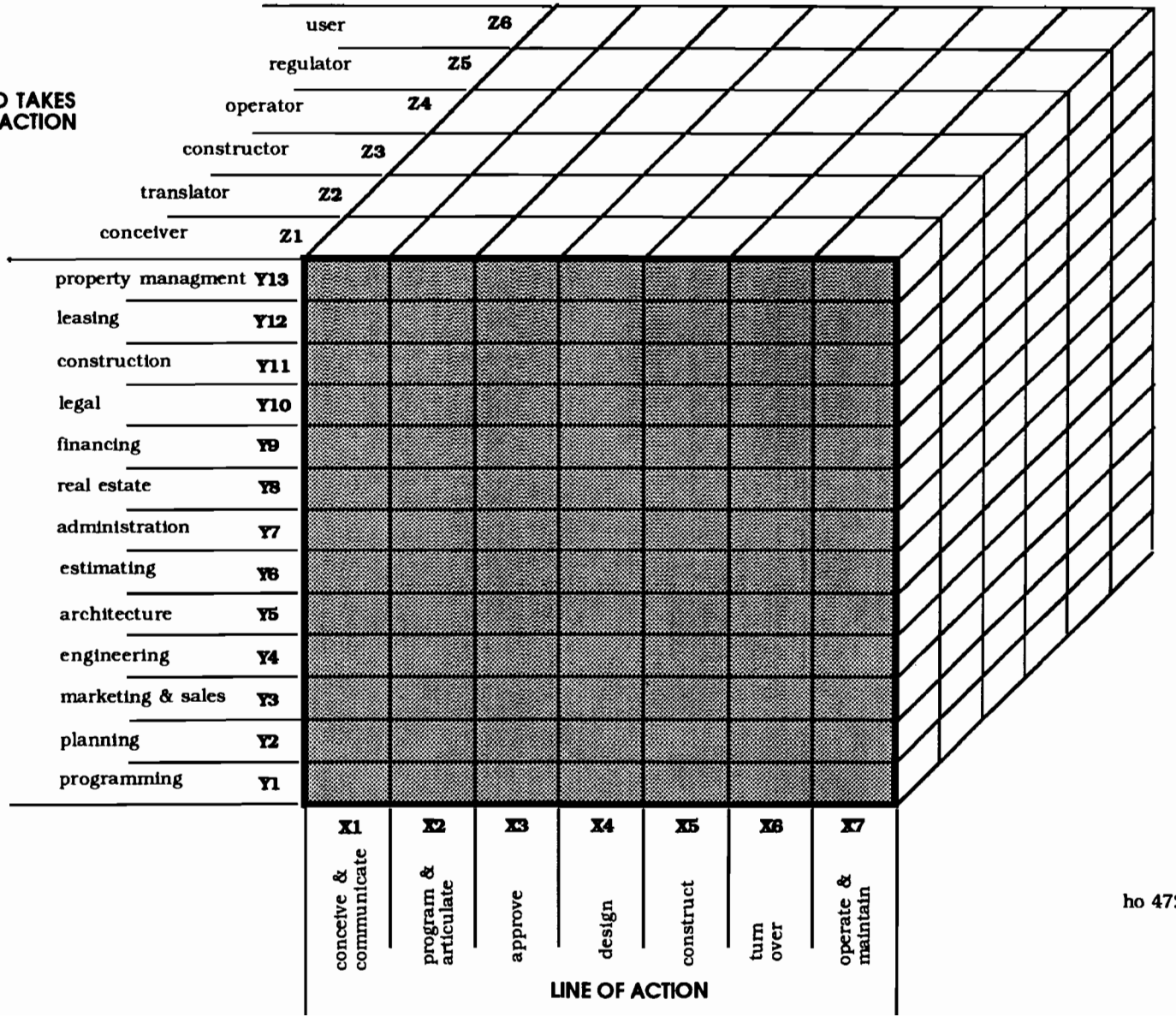
Questions to be asked about your project

1)	**What?**	--	What is the scope of the activity?
		--	What is the standard of performance?
		--	What are out objectives?
		--	What are our goals?
		--	What is needed to start?
2)	**Where?**	--	Where will the work take place?
3)	**When?**	--	When does the work start?
		--	When is the work supposed to finish?
		--	When will the work be completed?
4)	**How?**	--	How do I know when the job is done?
		--	How do I know if we've done a good job?
		--	How do I get out of the job when it is done?
5)	**Who's?**	--	Who's responsible?
		--	Who's in charge?
		--	Who's doing the work?
		--	Who's liable?
		--	Who's in charge for my client?
		--	Who's the ultimate decision maker? (UDM)

MACRO MATRIX BOUNDARIES OF DESIGN AND CONSTRUCTION



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OBLIGATIONS

Hierarchy of professional obligations as formulated by Dean Freund

- *Prime - Protection of public health, welfare & safety*
- *Secondary - Your employer or client*
- *Tertiary - Your peers*

OBLIGATIONS & PROFESSIONAL NEEDS

- **The design and construction professional is obliged, above all, to protect the health, welfare and safety of the public.**

- **The legal professional is obliged, above all, to protect the interest of his or her client. These interests are supposed to be defined by the body of law. Thus the body of law, not the legal professional, is depended upon to protect the health, welfare & safety of the public - relative to the law.**

OBLIGATIONS & BUSINESS NEEDS

- **To profitably produce services & facilities.**
- **To provide solutions.**
- **To measure the quality of the process you provide.**
- **To help manage destructive conflict.**
- **To encourage early action on potentially damaging events.**
- **To reduce professional liability costs.**

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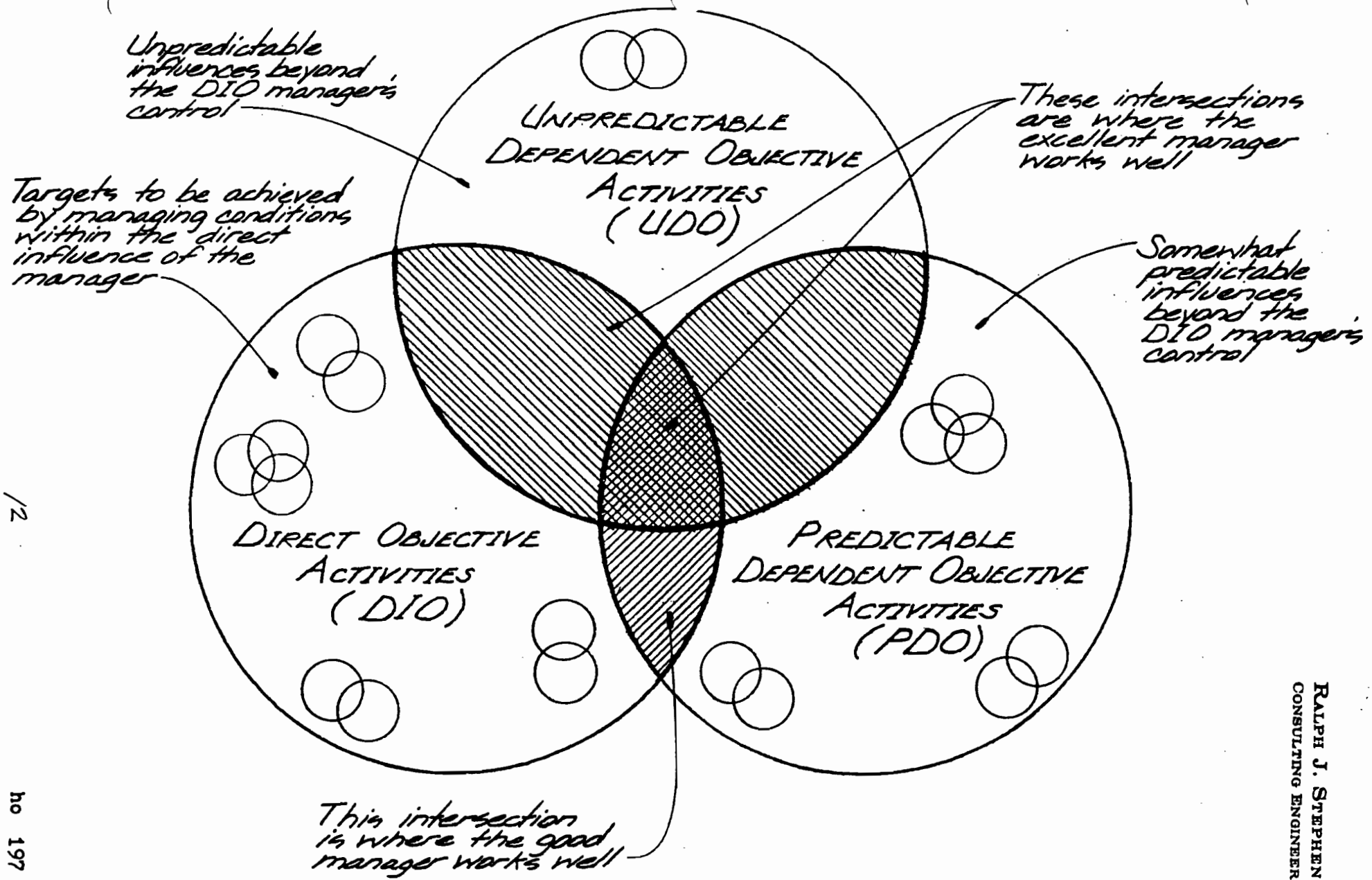
DESTRUCTIVE CONFLICT

Animosity or disagreement which results in lowering the potential for an individual or organization to succeed.



THE DIO/PDO/UDO INTERSECTION

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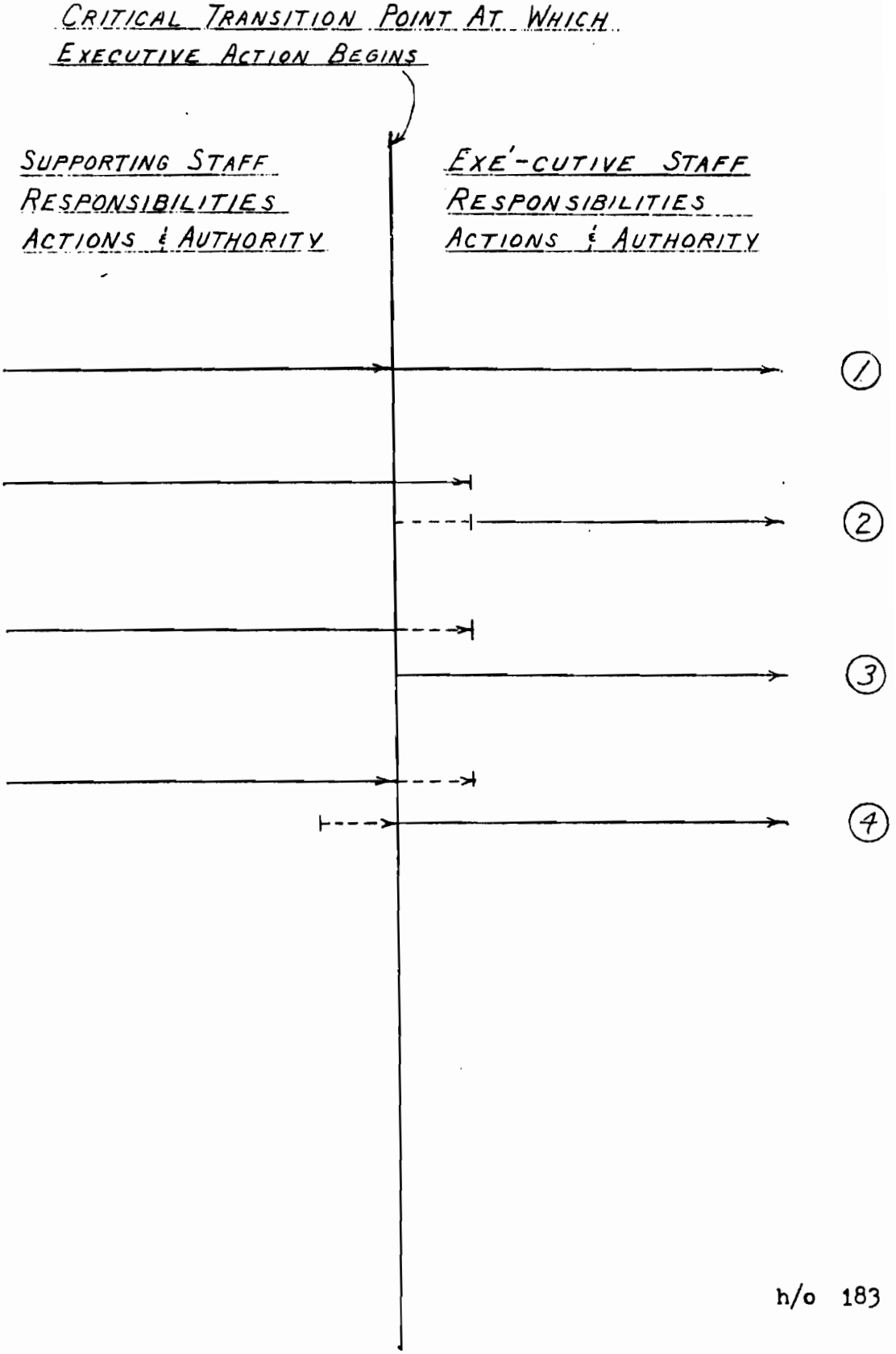

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Destructive conflict in today's technical world is often caused by:

- Not understanding that conflicts lead directly to results.
- Frustration over a lack of control of events affecting performance.
- Differences in goals and objectives of parties in the project.
- Lack of understanding about the needs of others also involved in the planning, design, and construction process.
- Resentment or dislike resulting from a perceived lack of value added to projects by those responsible for adding value.
- Excessive technical and legal delays to resolution of conflict.
- Excessive demands on resources normally depended on to assist in the resolution of conflict.

- Greed.
- Incorrect assumptions made from biased perceptions.
- Demands for higher quality than specified.
- Failure to meet commitments.
- Insufficient time to make required decisions.
- Lack of ability to do the job.
- Poor or inadequate training.
- Inadequate credentials to do the job.
- Indifferent leadership.
- Actual or perceived overwork.
- Bad blood among participants.
- Desire to take advantage of those in weaker positions.
- Misplaced attempts to demonstrate who is in charge.

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Seven actions to smooth out and resolve potentially destructive conflict

- Action 1) Understand the cause of the conflict.
- Action 2) Put yourself in the other person's shoes.
- Action 3) Understand the relative importance of resolution vs. nonresolution.
- Action 4) Become competent in properly applying the technical and professional management tools of our profession.
- Action 5) Don't lie. Always tell the full truth.
- Action 6) Thoroughly understand the obligations you have to society and to your clients, your employer, and your peers.
- Action 7) Understand everything you can...not just your own field, and work to be effective in managing intersections of diverse interests.

PEOPLE

Most people are honest, concerned, desirous of challenge, need attention, and welcome help in times of turmoil.

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POSITIVE CONFLICT

Hostility that is managed so that its resolution raises the potential for individuals or organizations to succeed at being excellent.

QUESTIONS TO CONSIDER

Guides to Ethical Decision Making

1. Is my decision legal?

- Does it violate civil law or company policy?

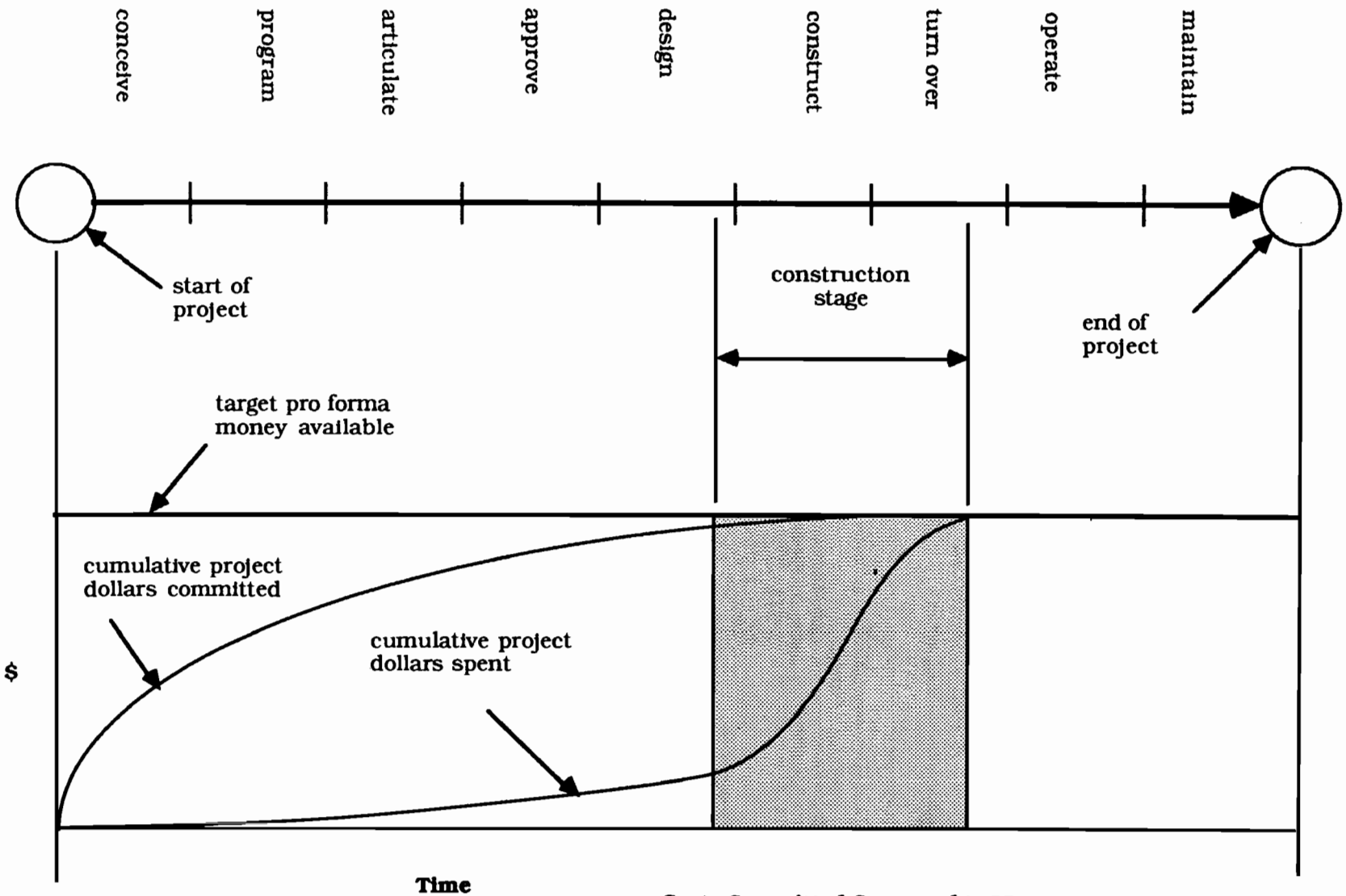
2. Is my decision balanced?

- Is it fair to all concerned in the short and long term situation. Does it avoid sum zero situations?

3. How will my decision make me feel about myself?

- Will it make me proud?
- Will I feel good if it is published in the newspaper?
- Will I feel good if my family finds out about it?

Adapted from "The Power of Ethical Management"
by Kenneth Blanchard & Norman Vincent Peale



Costs Committed Compared to Money Spent on Construction Projects

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Costs Committed vs. Money Spent

Committed costs are promised funds for purposes, that if such purposes are aborted a penalty must be paid, and a loss is often incurred.

Penalties and losses may include such items as:

- OPTION COSTS
- RIGHT OF FIRST REFUSAL COSTS
- LEGAL FEES
- EARLY ENGINEERING FEES
- EARLY PLANNING FEES
- DISPLEASURE OF POLITICAL ENTITIES
- STAFF TIME EXPENDITURES
- LOSS OF CREDIBILITY
- LOSS OF OPPORTUNITY

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TRADITIONAL PROJECT DELIVERY SYSTEM CHARACTERISTICS

1. Checks and balances normally built in from start

2. Construction decisions usually based on capital costs

3. Participant selection often made by cost competitive bidding

4. Job control is highly centralized in most stages

5. Project usually being built for owner/users

6. Contract documents completed before bidding

7. Bidders selected from short list derived from long list (occasionally use long list)

8. Bonding is often required

9. Site preparation and expense work often by owner before construction starts

Note - Expense work includes those costs that do not directly increase life or value of the facility.

10. Majority of attention given to the need and want list. Wish list usually considered a luxury.

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NON TRADITIONAL PROJECT DELIVERY SYSTEM CHARACTERISTICS

1. Checks and balances evolve as project proceeds and when need arises.

2. Construction decisions based on capital costs, maintenance costs, operating costs, project quality desired, and desired investment return.

3. Lead participant selection made on professional and technical abilities, and on reputation and past performance, along with estimated project cost.

4. Job control somewhat decentralized during early program and design stages with progressive centralization as the working document and construction phases are approached.

5. Project could be for a variety of conceivers and prime movers including owners, users, investors, developers, funds, syndicates, governmental agencies (privatisation), and groups assembling capital to gain desired returns on investment.

6. Construction is often closely dovetailed with design of the project. Design usually proceeds with construction guidance, and advice from a construction discipline.

7. Capital cost is often negotiated from the pro forma base and reduced in stages to a guaranteed maximum price (gmp).

8. Need for bonding is usually minimized or eliminated by careful selection procedures to maximize probability of success.

9. Site preparation and expense work often done by various members of the selected project or program team.

10. Design and construction is heavily influenced by consideration of the needs, wants and wishes of the participants.

2. Professional Service Contract Characteristics

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A. Agreement premises

1. Totally negotiated - broad multivalue competition
2. Partially qualified - moderate multivalue competition
3. Totally qualified - narrow multivalue value competition

B. Authority limits

1. As agent
2. As limited agent
3. As contractor

C. Payment methods

1. Fixed total including payroll + overhead + profit + (expenses)
   a. Expenses included
   b. Expenses separate
2. (Payroll costs) x multiplier + fixed fee + expenses
   a. Limit on
   1.) Payroll hours
   2.) Expenses
   b. No limit on
   1.) Payroll hours
   2.) Expenses
3. (Payroll costs) x multiplier for payroll costs & overhead
   a. Expenses included
   b. Expenses separate
4. % of total construction cost
   a. Expenses included
   b. Expenses separate

D. Scope of services

1. Single responsibility
   a. All in house
   b. In house & outside consultants
2. Split responsibility
   a. In house, client & other prime consultants
   b. In house & other prime consultants
   c. In house & client

3. Construction Contract Characteristics

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A. Agreement premises

1. Totally negotiated - broad multivalue competition
2. Partially qualified - moderate multivalue competition
3. Totally qualified - narrow multi valuevalue competition

B. Authority limits

1. As full agent
2. As limited agent
3. As contractor

C. Payment methods

1. Fixed cost (hard money)
2. Time & material + fixed fee
   a. Limit on
      1.) Time & material (gmp) with no shared savings
      2.) Time & material (gmp) with shared savings
   b. No limit on time & material
3. Time & material + % fee
   a. Limit on
      1.) Time & material (gmp) with no shared savings
      2.) Time & material (gmp) with shared savings
   b. No limit on time & material
4. Conditional payments or penalties
   a. Incentive/disincentive
   b. Liquidated damages

D. Scope of services

1. Single responsibility - in house & subcontractors
   a. All trades
      1.) Provide management
      2.) Provide design
      3.) Provide construction labor
      4.) Provide construction materials
   b. Limited trades
      1.) Provide management
      2.) Provide design
      3.) Provide construction labor
      4.) Provide construction materials
2. Split responsibility - in house, subcontractors & other primes
   a. All trades in contract
      1.) Provide management
      2.) Provide design
      3.) Provide construction labor
      4.) Provide construction materials
   b. Limited trades in contract
      1.) Provide management
      2.) Provide design
      3.) Provide construction labor
      4.) Provide construction materials

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- Summary

In the design and construction industry there exist many factors which influence the degree of success achieved on a project. They deal with project goals, profit types, project sequencing, the nature of the participants and the kinds of problems most likely to be encountered.

If the parties to a planning, design and construction program recognize the nature and importance of these factors, a major step will have been made toward their proper and effective combination and management.

Below are listed 38 basic influences on project delivery systems. Project management concerns how to combine these into a successful job of which all participants are proud.

- Six major goals to meet for design & construction project success

The client, owner & user must be assured upon completion of his job that:

1. The facility program and the facility design have met their needs, desires and wishes.

2. The planning, design and construction work on the project has been accomplished within the time and cost structure required and desired.

3. All relationships on the project have been maintained at a high technical and professional level, and have proven rewarding for those involved and affected.

4. The people involved at all levels of work on the job have realized a financial, professional and technical profit for themselves and their associates by being on the project.

5. The project has been closed out with little or no residual potential for major problems of maintenance or operation.

6. The entire process has been free of unresolved contested claims for additional money, additional time, damage payments, and of the potential for future financial demands after the job has been closed out.

- Seven types of profit
  1. **Financial** - an improvement in a money position
  2. **Social** - a gratifying experience contributing to society's well being
  3. **Self actualization** - a gain in personal non financial satisfaction by contributive work
  4. **Value system** - reward gained by application of values in which one believes
  5. **Technical** - acquisition of technical skill or technical data of value
  6. **Enjoyment** - personal enjoyment of a situation gained from involvement in it
  7. **Educational** - learning made possible only by efforts exerted in any given situation

- <u>Nine major elements in the design & construction sequence & how they are done</u>
  1. **Conceive the basic project**
     Visualize and state the fundamental nature of the proposed project, what purpose it is to serve, and its base characteristics.
  2. **Prepare the program**
     Set down the physical characteristics of the total project in written and graphic form so as to be able to translate these characteristics into approval documents from which the full design can proceed.
  3. **Articulate the program for approval**
     Merge the concept, and the written and graphic program into written and graphic construction language which can be reviewed and released by the ultimate decision makers for full design.
  4. **Approve the basic project**
     Approve the concept, the program, and the merging of the two. This approval by those in authority initiates the full design and construction process
  5. **Design the project**
     Prepare full contract documents for construction use.
  6. **Construct the project**
     Build the project and make it ready for turnover to the owner or user.
  7. **Turn over the project**
     Release the constructed project to the owner or user with full documentation needed to operated and maintain the completed environment.
  8. **Operate the project**
     Take over, run in, and make the new environment fully operational.
  9. **Maintain the project**
     Keep the new environment in proper operating condition by a well conceived and effectively managed maintenance effort.
- <u>Six major participants in the design & construction process</u>
  1. **Conceiver** - The ultimate decision making force behind the entire program
  2. **Translators** - The parties that translate the project concept into construction documents
  3. **Constructors** - Those who build the facility
  4. **Operators** - Those who operate the completed facility
  5. **Regulators** - Those who help assure project adherence to the cause of public good
  6. **Users** - Those who occupy and use the facility for the purpose for which it is intended
- <u>Ten major types of design & construction problems</u>
  1. **Constructive acceleration**
     An action by a party to the contract that forces more work to be done with no time extension, or the same amount of work and a shorter period of time in which to do it.
  2. **Constructive change**
     A construction action or inaction by a party to the contract that has the same effect as a written order.
  3. **Defective or deficient contract documents**
     Contract documents which do not adequately portray the true contract scope.
  4. **Delay**
     A situation, beyond the control and not the fault of a contract party, that causes a delay to the project

5. **Differing site condition**
   A situation in which the actual conditions at the site of a project differs from those represented on the contract documents, or from reasonable expectations of a site in that area.
6. **Directed change**
   A legitimate change within the contract scope for which the owner is obligated to pay.
7. **Impossibility of performance**
   A situation in which it is impossible to carry out the work within the contract requirements.
8. **Maladministration**
   The interference of one contract party with another contract party's rights, that prevents the latter party from enjoying the benefits of least cost performance within the contract provisions.
9. **Superior knowledge**
   The withholding of knowledge by one party to a contract from another party to the contract during the precontract period, and that, subsequent to contract execution, adversely affects the second party's construction operations in matters of importance.
10. **Termination**
    Dismissal of a party to the project contract for convenience or default.

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PARTNERING

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.

Associated General Contractors of America

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Negotiated dispute resolution and project success

I. **Definitions**

A. ***Binding resolution***
A third party imposed solution to a contested claim in which the conditions are legally binding on the parties.

B. ***Litigation***
The process of formal legal proceedings. Usually results in permanent or temporarily binding resolution.

C. ***Non binding resolution***
A suggested solution to a contested claim or problem in which the conditions are not legally binding on the parties, but are an expert's recommendations for resolution.

D. ***Pro Forma***
A financial model unusually built early in a construction program to show by projecting income and expenses, how the money flow to and from the project will occur. It is often used to establish the capital amount to be allocated to a project based on simulated operating conditions. The term pro forma means according to form.

E. ***Project***
A set of work actions having identifiable objectives, and a beginning and an end.

F. ***Project Delivery System***
A method of assembling, grouping, organizing & managing project resources so as to best achieve project goals & objectives.

II. **Introduction**

A. **Unresolved conflict and disputes often require that a neutral view be considered where positive change is desired.**

III. **What is alternative dispute resolution (ADR)?**

A. **In broadest terms, ADR is a method of resolving disputed design and construction claims outside the courtroom.**

IV. **Origins of negotiated methods of dispute resolution.**

A. **Informal negotiation was the delivery technique before excessive legal systems were imposed upon the industry (or were accepted by us)**

B. **Varies with the time.**

1. **In periods of exceptionally high economic activity, speculative money can be spent on expensive resolution methods to gamble for a high return on the investment.**
2. **In periods of low economic activity money is usually not be spent on high risk, uncontrollable methods of expensive resolution, hoping for a favorable result.**

C. **Today we cannot afford to spend our, nor our client's, money on high risk gambles. Therefore relatively low cost, non binding resolution processes have become popular.**

D. **The long lasting acrimonious atmosphere surrounding binding resolution methods has proven demeaning, unpopular, negative, and harmful to the design and construction professional who wants to practice effectively.**

E. **Temporary adversarial positions taken during short time alternative dispute resolution often helps heal business and professional wounds very rapidly,.**

V. **ADR guidelines for effective project use**

A. **A basic ADR principle - The earlier in a construction project that the participants employ alternative dispute resolution techniques, the more these techniques will contribute to**

project success.

B. **Even when problems turn into disputes, litigation should not be the initial method used to resolve them.**
C. **Non-binding dispute resolution should be attempted before resorting to binding dispute resolution.**
D. **Advance commitment to ADR methods, contributes to effectively and fairly solving problems as they arise.**
E. **A cooperative project environment helps prevent disputes.**
F. **Job site dispute resolution often helps dispose of problems as they arise & before they multiply.**
G. **Dispute resolution proceedings should be conducted expertly, and effectively by experienced *design and construction* practitioners.**

VI. **What is needed for success in resolving disputes?**

A. **A comprehensive, clearly written initial program statement that clearly defines measurement yardsticks for the entire project.**
   1. **The character and needs of the proposed user operation.**
   2. **The requirements of the user and owner**
   3. **The nature of the environment to be planned, designed and built**
   4. **The characteristics of the space that will satisfy the user and owner's needs and requirements.**
   5. **A proforma analysis and project budget that properly accommodates three levels of user and owner needs.**
      a) Must list
      Those items that must be included in the scope of work to make the project a go. If any of the items in the must list are not able to be included the project is a no-go.
      b) Want list
      Those items that are wanted and might be possible to include in the scope of work, over and above the must list items, since they provide a definable and acceptable rate of return on their cost.
      c) Wish list
      Those items that the owner and the user wish they could include but might not be able to due to budgetary or other reasons.
         (1) Note that affordable wish list items are best added, not deleted, as the project moves into construction.
   6. **An analysis and preliminary recommendation of the project delivery system best suited to the project.**

B. **A strong desire for a fair resolution, equitable for all involved.**
C. **People in charge who want a fair resolution.**
D. **A dispute resolution technique that is acceptable to those involved.**
E. **The knowledge of how to arrive at a resolution system that can produce a decision.**
F. **An understanding and agreement with the belief that *if you aren't entitled to it don't try to get it!***

An Overview of Partnering

I. **Definitions**

A. ***Critical Transition Point***
The point in a project delivery system at which the responsibility and authority for the work passes from the supportive group to the ex'e'cutive group.

B. ***External project challenges***
Challenges to the functional or project integrity by those outside the parent organization that seek change or disruption.

C. ***Functional component***
A group designed or adapted to perform some specialized activity or duties, usually concerned with the continuous operation of the company.

D. ***Internal functional or project challenges***
Challenges to the functional or project integrity by those within the parent organization that seek change or disruption.

E. ***Partnering***
A method of conducting business in the planning, design, and construction profession without the need for unnecessary, excessive and/or debilitating external party involvement.

F. ***Partnering charter***
The basic manual for operating a partnering system. Contains at a minimum, the mission of the project team, and their objectives for the project. Usually is signed by 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.

G. ***Project component.***
Project - as related to management
A group established to achieve a set of objectives by accomplishing a set of related, discrete operations which have a defined beginning & end.

H. ***Relations - Formal Functional***
Organizational connections that concern distribution and use of data, information and decisions that flow along formally defined transmission lines. Formal functional communications are usually written and are normally both from and to individuals and groups.

Formal relations are precisely defined and most day to day business is accomplished within the formal relation framework. The line expressing a formal functional relation usually has an arrowhead at each end to show a mutual exchange of responsibility and authority. If there is a higher authority to be implied a single arrowhead can be used pointing to the superior party.

I. ***Relations - Informal***
The natural channels along which organizationally related material is most easily and comfortably transmitted. The informal relation exists by mutual consent of the parties to the relation, and is stimulated to maximum effectiveness by a mutual profit gained from the relation.

Little, if any, authority normally is expressed in informal relations. Communications are usually

oral and one to one. Often informal relations define the hidden organization structure. A line defining an informal relation is usually shown dotted with an arrowhead at each end.

J. ***Relations - Reporting***
The official channels through which each individual conveys, or is given raises, appraisals and evaluations; is fired, assigned or is provided professional, vocational and personal identity in the organization. The true organizational superior of an employee is usually that individual with whom he maintains a reporting relation. The line expressing reporting relations has an arrowhead at one end pointing to the superior.

K. ***Relations - Staff***
The business patterns through which a person or group provides consulting services necessary to achieve goals and objectives. Staff personnel usually have little or no authority over those outside the staff group. The line expressing staff relations has an arrowhead at each end.

L. ***Relations - Temporary***
Those relations created when extraordinary or unusual management demands must be met. The temporary relation is usually unstable and should be kept active for only short periods of time. The line expressing a temporary relation can have an arrowhead at one or both ends depending on the nature of the relations.

Extensive use of temporary relations creates business dysfunctions, breaks down morale and causes internal tensions.

M. ***Stakeholder***
An at-risk member of the charter writing team who has signed the charter.

II. **Project contract components**
   A. **Agreement premises**
   B. **Authority limits**
   C. **Payment methods**
   D. **Scope of services**

III. **Project organization components**
   A. **Relationships**
      1. **Formal**
      2. **Informal**
      3. **Reporting**
      4. **Staff**
      5. **Temporary**
   B. **Functional components**
   C. **Project components**
   D. **Authority**
   E. **Responsibility**
   F. **Internal project challenges**
   G. **External project challenges**

IV. **Partnering is a system of conducting business with minimal destructive conflict. Other names for partnering are:**
   A. **A handshake agreement.**
   B. **A gentleman's agreement.**
   C. **"Let's look at the drawings a bit more closely."**

D. **"Let's tally up the favor score?"**
E. **"Let's settle this over a beer."**

V. **Why is partnering applicable in today's construction industry?**
A. **What value is added by partnering?**
1. **Lower costs to resolve conflicts.**
2. **Quicker settlement of conflicts.**
3. **Knowledgeable professionals make the resolution decisions.**
4. **Decision makers are closer to the resolution process.**
5. **Nature of decisions rendered lessen the probability of appeal.**
6. **Participants gain privacy in the resolution process.**
7. **Probability of fair resolution is increased by timely consideration of the dispute.**
8. **Helps cross critical transition points by setting the ground rules for the crossing.**

B. **Where and why has partnering been successful?**
1. **Comments on partnering from the Albuquerque District Corps of Engineers staff in a guide to partnering dated February, 1991.**

"Our experience is positive based on six contracts with four of them substantially complete." Benefits include:

a) Disputes reduced - no formal claims.
b) Common objectives achieved (schedule, safety, etc.).
c) Increased responsiveness.
d) Higher trust levels.
e) Improved communication.
f) Excellent cooperation & teamwork.
g) Increased value engineering proposals.
h) Developed expedited process for tracking and resolving open items.

2. **Comments on partnering by Colonel Charles E. Cowen - Commander Portland District Corps of Engineers in a strategy for partnering in the public sector - April 15, 1991.**
a) 80 to 100 % reduction in cost growth over the life of major contracts.
b) Time growth in schedules virtually eliminated.
c) Paper work reduced by 66%.
d) All project engineering goals met or exceeded.
e) Completion with no outstanding claims or litigation.
f) Safety records significantly improved.
g) Pleasure put back in the process for all participants.

3. **Combination partnering relationships surveyed & studied by the Construction Industry Institute and reported in the publication ("In Search of Partnering Excellence" - July 1991).**
a) Shell Oil/SIP Engineering - 1984.
b) DuPont/Fluor Daniel - 1986.
c) Proctor & Gamble/Fluor Daniel - 1986.
d) Proctor & Gamble/BGP - 1986.
e) Shell Oil/Bechtel - 1987.
f) DuPont/MK - Ferguson - 1987.
g) Shell Oil/The Ralph M. Parsons Company - 1987.

h) Alcan/Fluor Daniel - 1988.
i) Union Carbide/Bechtel - 1988.
j) DuPont/Day & Zimmerman - 1988.
k) Great Northern Nekoosa/Rust International - 1988.
l) Pillsbury/Fluor Daniel - 1989.
m) Hoffman-LaRoche/Day & Zimmerman - 1989.
n) Chevron/Bechtel - 1989.
o) Bethlehem Steel/United Engineers & Constructors - 1989.
p) Proctor & Gamble/M. W. Kellogg - 1989.
q) Chevron/Besteel - 1990.
r) DuPont/H. B. Zachry.

C. **Situations in which partnering may be difficult to use.**
1. **Where the parties intend to pay lip service only to the partnering effort.**
2. **Where individuals in key technical or management positions choose to resist intelligent discussion and fair decision making.**
3. **Where early commitments by the owner have made made good intercontract relationships difficult or impossible to maintain.**
4. **Where construction contracts are let as the documents are being released for field use.**
5. **Where several parties to the contract prefer to resolve disputes by contested claiming & binding resolution.**
6. **Where poor contract documents are made the basis of the partnering effort.**
7. **Where excessive, one sided conditions are placed on sub contractors by prime contractors.**
8. **Where unfair or obscure payment processing systems are specified and enforced.**
9. **Where risk has been poorly defined and unfairly allocated.**

VI. **What are some of the action ingredients of a successful partnering effort?**
A. **Generate and maintain a strong desire to achieve project success for all.**
B. **Make intelligent commitments.**
C. **Avoid accepting or imposing unreasonable risk.**
D. **Work and act ethically, morally, and with integrity.**
E. **Work and act from a position of fairness rather than a position of power.**
F. **Suppress greed.**
G. **Try to establish an honest feeling of trust among participants.**
H. **Gain support from the participants and stakeholders.**
I. **Assign experience, competent people to responsible management positions.**
J. **Have empathy.**
K. **Prepare a good charter, a good partnership evaluation system, and a good issue resolution process.**
L. **Allow time to make the partnering system work.**
M. **Recognize and celebrate success.**
N. **Gain the support and participation of higher management.**
O. **Develop and use guidelines and evaluation systems for measuring performance quality.**

Guidelines for the Application and Use of Partnering Concepts

I. **Definitions**

A. ***Ethics***
The study of the general nature of morals and of the specific moral choices to be made by the individual in his relation with others.

B. ***Goals***
The unquantified desires of an organization or individual expressed without time or other resources assigned.

C. ***Leadership***
The process of persuasion or example by which an individual induces a group to pursue objectives held by the leader or shared by the leader and his or her followers.

D. ***Mission***
A statement of the most important result to be achieved by the project being successfully completed.

E. ***Moral***
Of or concerned with the judgment principles of right and wrong in relation to human action and character.

F. ***Objectives***
Quantified targets derived from established goals. The most commonly used resources in converting goals to objectives are money, time, human abilities, human actions, equipment, and space.

G. ***Sum zero***
A situation in which there is a winner and a loser. The loser often usually loses what the winner wins.

H. ***System***
An assemblage or combination of things or parts forming a complex or unitary whole.

II. **Determine the need for a partnering system.**

A. Suggestions and ideas to help in deciding about the use of partnering.

1. Litigation *should not* be considered as an initial method used to resolve construction disputes.
2. Partnering is most effective when used early in the project.
3. Advance commitment to partnering methods helps solve problems at their source and as they arise.
4. Support for partnering must be gained at all project team levels, particularly at the senior management level in those organizations involved.
5. Non-binding dispute resolution methods should be considered before resorting to binding dispute resolution.
6. Job site dispute resolution helps dispose of problems before they multiply.
7. All partnering participants must take responsibility for their thoughts and actions.
8. All managers must provide leadership where they can, or where they are expected to lead.
9. Don't play sum zero games.
10. Understand and use ethical principles to gauge your behavior
11. Partnering assumes most people are honest, concerned, desirous of challenge, need attention, and welcome help in times of turmoil.

III. **Obtain management commitment for use of a partnering system.**

A. Top management commitment to non binding resolution of conflict issues is vital to partnering success.

B. All levels of management and operations must be shown where value is added for them by use of the partnering process.

IV. **Develop a partnering plan of action (the charter).**

A. Tips for planning the partnering process.

1. During the project programming period, encourage the owner, user, and design team to learn about, and consider, a partnering effort.
2. During the construction proposal period, encourage prospective prime contractors, vendors and specialty contractors to learn about, and consider a partnering effort.
3. Alert all parties that the project staff may, or will, be expected to be operate within a partnering system by which the facility is built.
4. May be desirable to hold some early partnering orientation sessions to insure adequate understanding of partnering assumptions and requirements.
5. Award contracts on the basis of well thought out partnering principles and guidelines.
6. Gain and display the owner/user team support for the use of partnering to all involved.
7. Adopt and display the design team support for the use of partnering to all involved.
8. Inform and gain as much support for partnering from associations and other trade organizations as may influence the project implementation
9. Continually review the partnering guidelines and assumptions for improvement.

B. Tips for writing the basic partnering document - the charter.

1. Staff assistance recommended - you may not have all of these people available, but somebody has to do the following if you are going to write the charter in a single day.
   a) Someone to introduce the subject - these are the top managers of the project team organizations.
   b) Someone to chair the meeting - usually an outside neutral individual, a leader who is knowledgeable about the design and construction profession.
   c) Someone to help take notes during combined group discussions.
   d) Someone to help break out and reassemble groups.
   e) Someone to display flip charts and other material as needed.
   f) Someone to tend, as needed, to the break out groups.
   g) Someone to make and distribute copies.
2. Equipment recommended
   a) Lap top or portable word processor & someone who knows how to use it.
      (1) The meeting chair may type notes and other material as the meeting proceeds.
   b) Copier near at hand - must be capable of quickly producing high quality copies of material prepared in the charter meeting.
   c) Flip charts - probably as many as 5 to 7 with felt pens of various colors available for each.
   d) Marker boards, markers, & erasers.
   e) Wall space for display of charts.
   f) Drafting tape - non paint destructive.
   g) Push pins.
   h) Transparent scotch tape.
   i) Overhead transparency projector with spare bulb.
   j) Large screen - 6' x 6' at least
3. Select who is to be in charge of the initial organizing effort
   a) Owner?
   b) User?

c) Designer?
d) Contractor?
e) Neutral party?
f) Other?

4. Set the date, time and place of the charter meeting.
   a) Make certain all key people can attend!
5. Invite all involved in responsible project decision making and operations actions to the charter meeting.
   a) Owner.
   b) Users.
   c) Financing sources.
   d) Planners.
   e) Architects.
   f) Engineers.
   g) Specialty designers.
   h) Prime contractors.
   i) Sub contractors.
   j) Key vendors.
   k) Key suppliers.
   l) Operators of the facility.
   m) Regulatory representatives - who among these benefits from a good project?
   n) Guests - who do you want to see you in action? Who might benefit from observing the session?
6. Provide a briefing document to all expected to attend - to be sent over signature of senior management executive (of the owner, designer, or principal contractor).
   a) State objectives of the meeting.
   b) Explain who is invited and expected to attend.
   c) Present an agenda - well thought out & well written.
7. Conduct the partnering meeting & write the charter in one day.

C. Set goals and objectives to be gained from the partnering system.
1. The goals of a partnering system should be broadly stated by the project mission defined during a charter meeting.
   a) Typical mission statements - from actual charters
      (1) We seek to work together as a team producing valuable, accurate , high-quality hydrographic surveys at a fairly negotiated price.
      (2) We, the partners for construction of the Bonneville Navigation Lock, commit to trust, cooperation an excellence for the benefit of all stakeholders.
      (3) We, the Project Team commit to construct a quality facility, on time and within budget, maximizing safety, communications, & cooperation so that all participants can be proud and profitable in their accomplishments.
      (4) Our mission is to work together in a trustworthy and professional manner to produce a quality project completed within budget, safely, and on time.
2. The objectives of a partnering system should be specific, understandable, and possible. The objectives are set during the charter meeting and after the mission statement is formulated.
   a) Typical partnering goals and objectives at random - from actual charters (some paraphrased).
      (1) Address the problem not the person.

(2) Construction employees should maintain professional relationship with the client's employees and the public.
(3) Be a good construction neighborhood.
(4) Build it right the first time.
(5) Close out the job in a proper and timely manner.
(6) Define and clearly communicate quality expectations.
(7) Encourage value engineering.
(8) Have fun.
(9) Hold changes to a minimum.
(10) Hold regular team progress meetings and prepare and publish minutes.
(11) Limit cost growth to less than 5 %.
(12) Make timely release of retainage.
(13) Minimize paperwork.
(14) Minimize submittal and approval times for shop drawings.
(15) No litigation.
(16) Pay promptly.
(17) Plan, organize and publish site layout and organization.
(18) Prepare and implement a partnering evaluation system.
(19) Prepare and implement an effective alternative dispute resolution system.
(20) Prepare and publish close out procedures for all trades
(21) Prepare and publish organizational chain of command (with phone and fax numbers).
(22) Prepare and publish program to regularly monitor and report on job quality.
(23) Prepare and publish progress schedule and update regularly.
(24) Prepare and publish standard procedures for payment, changes, questions and other documentation.
(25) Prepare and submit complete and accurate submittals and shop drawings in a timely manner.
(26) Prepare, approve, and commit to a total quality management program.
(27) Promptly resolve conflicts at the lowest possible level.
(28) Stress and encourage pride in good workmanship.
(29) Treat this project as if you were the owner.

V. **Award a memento of the day's work to all participants.**
A. Specially lettered celebration coffee cup.
B. Baseball cap with name of project.
C. Calculation tablet in windproof folder lettered with the project name and the event.
D. Special badges with partnering meeting lettering and a message.
E. Certificate, specially lettered to celebrate the event.
F. Lettered T shirts (may be expensive).
G. Pen knife.
H. Later, a special parchment copy of the signed charter.

General Format for Partnering Specification

I. Sample Construction Partnering Specification

The NSEDS Corporation, and their design and construction consultants intend to encourage, support and implement a partnering system on their expansion program with the full participation of the contractors and their subcontractors.

Partnering is a performance system designed to achieve an optimal relationship between all parties to a construction contract. Further, it is a method of conducting business in the planning, design and construction profession without unnecessary, excessive or disruptive external party involvement.

The partnering system is structured to draw on the strengths of each participating organization to identify and achieve mutually profitable objectives.

The partnering system will consist of three main elements, preparation of a partnering charter, establishing and implementing a partnering effectiveness evaluation technique, and establishing and implementing an issue resolution procedure.

Contractors will be required to participate in establishing these three elements of the partnering system in conjunction with the NSEDS Corporation and its consultants.

It is anticipated that within 14 calendar days of the issuance of a notice to proceed with construction, the NSEDS Corporation, its consultants, and the prime contractors on the project will participate, with their subcontractors, in a one day meeting to write a partnering charter.

The partnering charter is the basic manual for operating a partnering system. It includes at a minimum the mission of the project, and the objectives of the project team. In addition it outlines in broad terms, the project evaluation methods to be used, and the dispute resolution process to be applied to conflict issues as they arise on the job.

It is anticipated that within 14 calendar days after the partnering charter meeting that a partnering evaluation task force will be appointed by mutual agreement among the partnering charter participants, and will meet to establish and publish a partnering effectiveness evaluation method. This partnering evaluation method will set guidelines for measuring project performance as periodically measured against the mission and objectives set out in the charter.

Also within 14 calendar days after the partnering charter meeting a mutually selected issue resolution task force will be appointed from the partnering charter participants. This task force will establish and publish an issue resolution procedure encouraging the use of alternative dispute resolution (ADR) techniques.

Alternative resolution methods are voluntary, and designed to help resolve conflicts quickly, satisfactorily, and as near as possible to the originating level of the conflict.

As a part of their expected contract performance each party will be expected to participate in the preparation and maintenance of the charter, the periodic evaluations, and the issue resolution process. Outside costs for effectuating the partnership will be mutually agreed to by all parties.

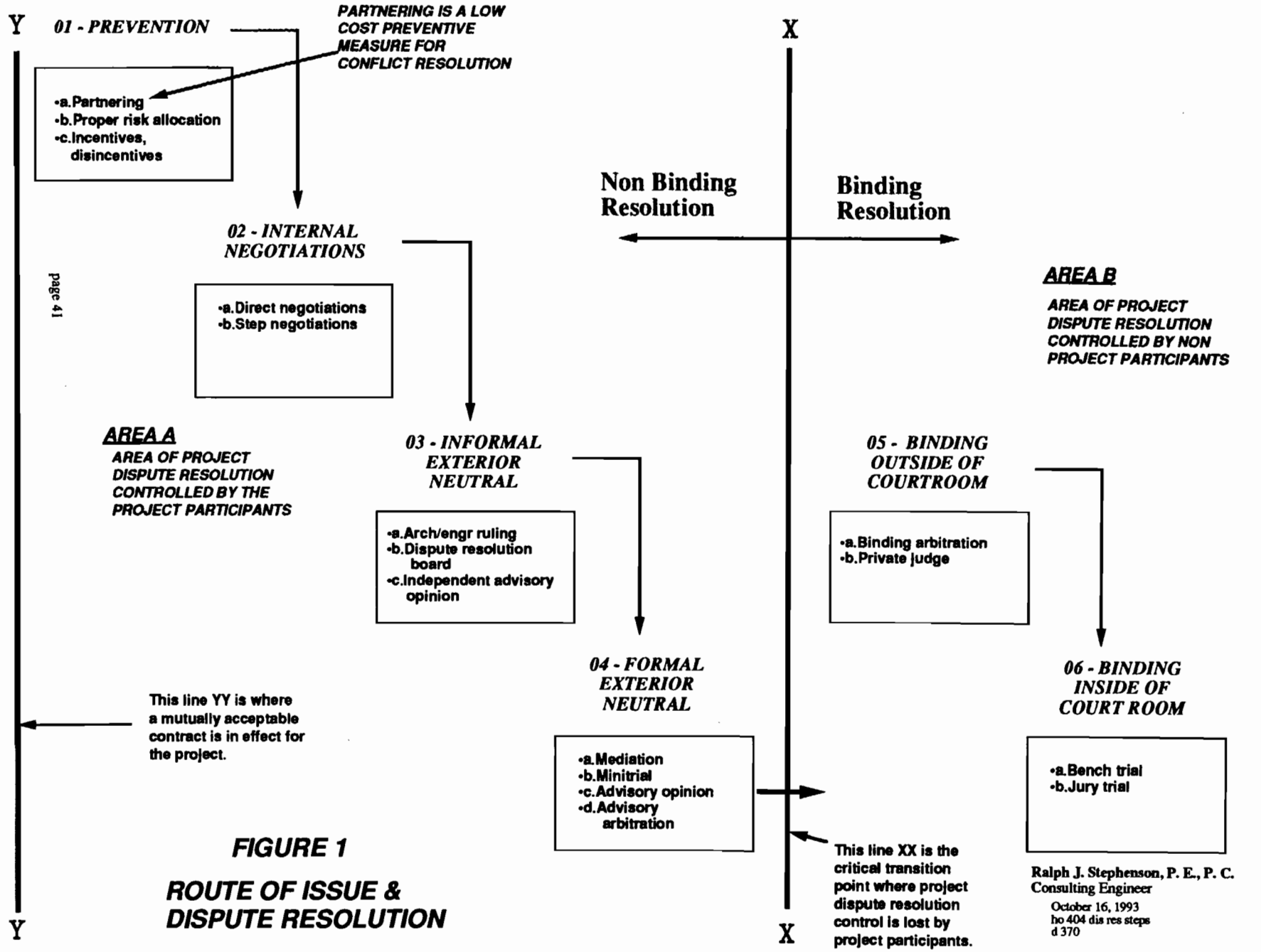

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FIGURE 1

ROUTE OF ISSUE & DISPUTE RESOLUTION

Ralph J. Stephenson, P. E., P. C.
Consulting Engineer

October 16, 1993
ho 404 dis res steps
d 370

Alternative Dispute Resolution Systems

I. **Non binding**

A. ***Prevention methods*** **- produces maximum harmony - usually least cost.**

1. **Intelligent and proper risk allocation.**
   a) Risk should be assigned to the parties that can best manage or control the risk - for example:
      (1) The architect, if the owner has prepared a well conceived and clearly stated program from which to begin design development.
      (2) The owner, if the a/e is expected to assemble and write the program.
      (3) The contractor, where full, well prepared, and checked construction documents are available.
      (4) The owner, where construction begins before construction documents are complete.
   b) Attempts to shift risks to architects, engineers or contractors not able to absorb these risks is not cost-effective
      (1) Reduces competition
      (2) Increases costs due to greater contingency allowances.
      (3) Increases costs and reduces effectiveness because of the potential for increased numbers and intensity of design & construction project disputes.
2. **Incentives for cooperation.**
   a) Incentives or bonus provisions
   b) Disincentives or penalty provisions
3. **Partnering.**
   a) Stresses good faith agreements
   b) Emphasizes teamwork
   c) Encourages good communications

B. ***Internal negotiation methods*** **- parties involved conduct negotiations - requires consensus - relatively cost free.**
One method of using the internal method is to include an resolution method in the issue resolution policy that conflicts will first be submitted to a specified group of stakeholders for advice as to settlement methods and a possible resolution.

1. **Direct negotiations (often start at UDM level).**
2. **Step negotiations (usually start at dispute originating level).**
   a) If the dispute is not resolved at the originating level, it is moved up to the next management level until a resolution is reached.

C. ***Informal external neutral methods*** **- selected external neutral serves as a informal dispute-resolver - relatively low cost. Usually requires nominal preparation.**

1. **Architect/engineer rulings.**
   a) May be respected even though not legally binding.
   b) Must be impartial
2. **Dispute resolution board.**
   a) One member selected by owner and approved by contractor; one by the contractor and approved by the owner; a third by the first two members. Third selection usually acts as chairman.
   b) Those selected should be from the design & construction industry.

c) Must have no conflict of interest.
d) Conduct investigations and hearings on disputes and publish prompt opinions re the dispute.

3. **Independent advisory opinion.**
   a) Mutually agreed upon neutral expert meets informally with interested parties, obtains information from both, and render prediction as to the ultimate outcome if not resolved at meeting level.

D. ***Formal external neutral method*** **- selected external neutral(s) serves as formal dispute resolver - relatively low cost - usually requires considerable preparation, and may require legal assistance.**
   1. **Mediation - settlement conferences and informal hearings conducted by a neutral third party.**
   2. **Minitrial - private settlement method usually initiated by an agreement between the parties - less formal than mediation.**
   3. **Advisory opinion - neutral expert meets formally with both parties, obtains information from both, and render prediction as to the ultimate outcome if adjudicated.**
   4. **Advisory arbitration - abbreviated hearing before neutral expert(s). Arbitrator(s) issue advisory award, and render prediction as to ultimate outcome if adjudicated.**

II. **Binding**

A. ***Outside of courtroom*** **- dispute given to knowledgeable third party - moderate cost - may require legal assistance.**
   1. **Binding arbitration**
   2. **Private judge**

B. ***Inside of courtroom*** **- most expensive - usually requires legal assistance.**
   1. **Bench trial - before a judge**
   2. **Jury trial - before a jury**

Sample charter

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 constructability.
   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 basis and formally evaluate 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 thorough informal discussion.

III. Partnering evaluation

Each objective in the Charter is to be initially given a par weight. The par weight indicates how important the item is perceived by the charter partners in relation to achieving the project mission. Weights are assigned from 1 to 5. A weight of 5 indicates that the objective is of critical importance in

achieving the project mission. A weight of 1 indicates that the objective is of least importance when evaluated against the highest weighted objectives.

The weights assigned to the objectives remains constant throughout the project. Therefore care must be taken in assigning them properly at the start 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 with little adherence to the standards set out by the objectives. 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 rating 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 total of the objective quality for the period.

A comparison of current to past performance and to the expected par should be carefully analyzed by the charter partners for trends both good and bad. Action on trends should be taken promptly after the analysis - maintaining good performance if the trend is up, and correcting poor performance if the trend is down. The charter is the report card standard of performance.

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 arranged 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

PROBLEM MENTIONS

Total assignments of problem types from 2,855 responses to the questions "What job difficulties are caused by us and by others?" Listed by frequency of appearance.

01. 1146 - Job management.
02. 0984 - Communicating with others.
03. 0684 - Staff morale and attitudes.
04. 0593 - Personnel quality and problems.
05. 0475 - Being a good on-site neighbor.
06. 0467 -Timely action.
07. 0396 - Planning and scheduling.
08. 0371 - Organization, authority, and responsibility.
09. 0288 - Work site conditions.
10. 0268 - Revision processing.
11. 0267 - Construction document quality.
12. 0233 - Program conditions.
13. 0205 - Submittal processing.
14. 0166 - Issue, conflict, and problem resolution.
15. 0166 - User group interaction.
16. 0145 - Equipment and material problems.
17. 0141 - Documents and documentation.
18. 0133 - Decision making.
19. 0125 - Procurement of materials and equipment.
20. 0116 - Project cost structure.
21. 0112 - Closing out the project.
22. 0097 - Contract interpretation.

23. 0097 - Quality management.
24. 0095 - Payment processing.
25. 0092 - Paper and administrative work.
26. 0090 - Approval processes.
27. 0088 - Being a good off-site neighbor.
28. 0073 - Time growth.
29. 0070 - Policies and procedures.
30. 0069 - Inspecting and testing.
31. 0069 - Staffing and manpower.
32. 0064 - Cost growth.
33. 0058 - Substitutions and alternates.
34. 0052 - Maintaining regular project evaluations.
35. 0052 - Safety.
36. 0049 - Regulatory agency matters.
37. 0022 - Constructibility.
38. 0022 - Training.
39. 0022 - Value engineering.
40. 0014 - Labor conditions.
41. 0014 - Legal matters.
42. 0011 - Backcharges.
43. 0011 - Financial problems.
44. 0010 - Weather conditions.
45. 0005 - Warranty conditions

Partnering Charter Objectives

The list of objectives below is designed to assist the stakeholders to write a sound, well expressed charter. If a numbered objective fits a particular recommendation your team wishes to make, note the number of the objective and any revisions you wish to make to it. We will then consider the objective for inclusion as we write the project charter.

Major topics appearing below include:

A. Approval Processes
B. Being A Good Off/On Site Neighbor
C. Closing Out the Project
D. Communicating With Others
E. Decision Making
F. Documents and Documentation
G. Financial Matters
H. Inspection and Testing
I. Issue, Conflict, and Problem Resolution
J. Job Management
K. Legal Matters
L. Maintaining Regular Project Evaluations
M. Organization, Authority, and Responsibility
N. Planning and Scheduling
O. Payment Processing
P. Personnel Quality and Problems
Q. Regulatory Agency Matters
R. Revision Processing
S. Staff Morale and Attitudes
T. Submittal Processing
U. Work-site Conditions

Don't hesitate to change wordings since it is entirely possible that your expression of a desired objective may be different than that of the original.

A. Approval Processes

1. Provide required documentation and approvals within the mutually agreed upon time frame.
2. Make and document all decisions, and provide all approvals at their

management level promptly, fairly and with consideration of the requirements of the project.

B. Being A Good Off/On Site Neighbor

3. Maintain a clean, safe, accessible , and well-planned work site.
4. Recognize that project conditions and decisions affect other partners in achieving the overall design intent.
5. Maintain, in conjunction with other stakeholders, a work area plan to be implemented by affected stakeholders.

C. Closing Out the Project

6. Establish close-out guidelines that provide clearly understood direction for punching out the job, issuing Certificates of Substantial Completion, establishing intermediate occupancy dates, and maintaining and transmitting contract record documents.
7. Prepare and specify a close out plan.
8. Prepare and specify a rolling punch list and close out procedure.
9. Establish and implement guidelines that provide direction for accepting the work and closing out the job.
10. Do it right the first time and strive to achieve a minimal punch list.

D. Communicating With Others

11. Prepare, publish, keep current and respect a chart of channels of communication, responsibility, and authority.
12. Limit the release of public information through the owner's designated representative only.
13. Anticipate, identify, and accurately communicate potential job problems.
14. Ask questions and request information clearly and accurately
15. Be sensitive to the informational needs of the design and construction team partners.
16. Communicate all issues in a timely fashion to all those affected by the issues.
17. Communicate clearly, accurately and in a timely manner through appropriate project channels.
18. Communicate effectively in an open, honest manner with all appropriate stakeholders.
19. Anticipate and communicate the conditions and disruptive circumstances inherent in demolition and construction activities, to the staffs of the various facilities that are a part of this total program.

20. Communicate the principles of partnering on this project to all participating organizations and individuals.
21. Identify planned and required shut downs, and outages from and to the designers, builders, and the Capitol Complex operations staffs.
22. Ensure the design is understood and acknowledged by all the partners.
23. Maintain open lines of communication.
24. Make progress and technical meetings productive and brief by preparing well, and bringing both problems and solutions to the table.
25. Prepare and publish a communications flow chart showing roles and responsibilities of all project team members.
26. Prepare well for progress meetings and make them brief and productive.
27. Promptly prepare and respond to requests for information, substitutions, and clarifications of project documents.
28. Provide adequate data re: user-furnished equipment for construction to proceed as desired.
29. Provide timely communications, responses, decisions... and be available.
30. Recognize that project conditions and decisions affect other partners in achieving the overall design intent.
31. Regularly monitor and discuss, all anticipated outages with utility company and subcontractor input and provide maximum possible notice to the user of anticipated outages.
32. Respond promptly to requests for information and clarifications of contract documents.
33. Stay in touch with the project, i.e. reading meeting minutes, attending meetings as needed, and being available for input.
34. Prepare, publish and adhere to the lines of communication, authority, and responsibility for the school building partnering team.
35. Prepare and respond promptly and completely to requests for information and clarification of contract documents.

E. Decision Making

36. Make decisions in a timely manner and stand by the agreements you have made.
37. Make timely decisions in all project related matters.
38. Provide adequate backup data, within expectations, to allow timely and accurate decisions to be made by members of the project team.
39. Recognize that project conditions and decisions affect other partners in achieving the overall design intent.

F. Documents and Documentation

40. Accurately prepare and properly distribute project documentation in a timely manner.

G. Financial Matters

41. Practice fairness in price proposals, backcharges, and all other financial matters.

H. Inspection and Testing

42. Provide for timely and professional technical inspection services with appropriate documentation and feedback to those affected.

I. Issue, Conflict, and Problem Resolution

43. Maintain the current issue resolution policy. (The current policy stresses the resolution of conflict at the originating or lowest possible working level.)
44. Minimize disputes and resolve conflicts quickly and at the lowest possible management level.
45. Prepare and publish an issue resolution policy which stresses the timely resolution of conflict at the originating or lowest possible management level and seeks to avoid litigation.
46. Prepare, publish, and implement a dispute resolution system designed to resolve conflicts at the lowest possible management level.
47. Strive to resolve job conflicts quickly and at the originating or lowest possible level.

J. Job Management

48. Anticipate events - be proactive.
49. Avoid surprises!
50. Be familiar with the contract documents.
51. Carefully evaluate and be sensitive to the impact that construction activities may have on the environmental integrity and safety of all ongoing hospital operations.
52. Continue to implement the partnering evaluation system (involving new participants).
53. Continue to improve and implement agreed-upon project procedures that provide all stakeholders guidelines for:
54. Time commitments for procedures.

55. Prioritizing assignments.
56. Design and construct a facility that is built so as to recognize the need for the builders and the designers to achieve a reasonable financial profit on their work.
57. Design and construct a facility that is built within the time and cost terms of the lease-purchase documents.
58. Develop a organizational matrix showing lines of communication and responsibility to be maintained on the project.
59. Encourage the participation of all parties at all project levels in the partnering process and the partnering spirit.
60. Enforce the construction traffic and parking plans.
61. Foster understanding of construction documents
62. Identify and remedy incorrect performance in a timely manner.
63. Insure that each of their management team members is fully aware of the requirements of the project.
64. Keep current with project status and requirements.
65. Keep paperwork to a minimum.
66. Maintain a close relationship between expectations and reality
67. Maintain a continuous and efficient work force and effective procurement to ensure quality, sequence, and schedule
68. Maintain an adequate management and work force to fulfill contract commitments.
69. Maintain client safety and user satisfaction during construction.
70. No surprises
71. Plan for and meet the human resource requirements of the project, and maximize opportunities for women and minorities.
72. Plan for future service access to equipment during mechanical, electrical and plumbing installation.
73. Plan for the future not for the past.
74. Prepare and publish a calendar of project events indicating when key personnel are required to participate in project management activities. Partners will attend and participate in all required meetings and provide backup management where necessary.
75. Preplan work recognizing the impact plans have on achieving the design intent.
76. Properly staff and maintain competent personnel, and equipment required on the project.
77. Provide proper resources to support the agreed-upon plan and schedule of work.
78. Provide resources to fulfill contract & charter obligations.
79. Recognize and be sensitive to the needs of other stakeholders on the project.
80. Strive for a zero punch list.

81. Use human and technological resources to their maximum effectiveness.
82. Meet individual and organizational obligations.
83. Maintain a clean, safe, accessible and well-planned job site.
84. Maintain a clean, secure, accessible and well-planned job site.
85. Work to improve submittal and request for information (rfi) processing, including agreed-upon schedules and response times to meet the needs of all parties.
86. Work to maintain prompt payment processing including retention.
87. Work to improve revision and change order processing, including a streamlined process for minor changes ($1000 or less).

K. Legal Matters

88. Strive to avoid litigation.
89. No litigation.

L. Maintaining Regular Project Evaluations

90. Prepare, publish, and implement a partnering evaluation system by which the effectiveness of the system is regularly monitored. (stakeholders task force)
91. Prepare, publish and implement a project partnering evaluation system.

M. Organization, Authority and Responsibility

92. Be accountable for your actions.
93. Fulfill respective responsibilities and commitments to permit on-time completion of the project.
94. Maintain continuity of key job personnel.
95. Prepare and publish a project directory showing people, work category, position and alternate contact.
96. Prepare, publish, and use a project chain of command
97. Prepare, publish, and keep current a chart of channels for communication, responsibility, and authority.

N. Planning and Scheduling

98. Adhere to agreed upon schedules and resource commitments.
99. Adhere to the current master construction schedule in effect on the project.
100. Develop a realistic plan of work and project schedule and honor it.
101. Distribute and regularly monitor and discuss, with subcontractor input, a master project schedule, and update schedules as required.

102. Mutually prepare, publish, implement, and keep current a project action plan and schedule of work that is useful to all stakeholders.
103. Prepare, distribute and regularly monitor and discuss, with subcontractor input, a master project schedule, and update schedule as required.
104. Solicit all team member's input for planning and scheduling

O. Payment Processing

105. Promptly prepare, submit, and process all payment requests.
106. Submit properly prepared requests for payment.

P. Personnel Quality and Problems

107. Do it right the first time and strive to achieve a zero punch list.
108. Prepare, publish, promote, and adhere to standards of work place conduct.

Q. Regulatory Agency Matters

109. Work closely with all regulatory agencies to assure compliance to their current standards and regulations.

R. Revision Processing

110. Accurately price changes to the project in a timely, reasonable and fair manner.
111. Approve and process changes in a timely manner.
112. Approve changes in a timely manner including formal issuance of supplemental agreements.
113. Control revisions being considered for the project to maintain the planned budget.
114. Prepare and implement guidelines for screening proposed changes to the project prior to requesting formal pricing of the changes. (owner, user, designers)
115. Provide accurate data and adequate time to ensure pricing changes that are fair and timely.
116. Provide reasonable change request budgets and identify insufficient budgets promptly.
117. Provide reasonable field change orders and change issue budgets, and accurately price changes to the project in a timely, reasonable, and fair manner.

S. Staff Morale and Attitudes

118. Be available.
119. Be cooperative.
120. Be willing to suggest and consider cost and time effective options.
121. Establish a trustful work environment with other stakeholders.
122. Establish and maintain good informal working relations on the job.
123. Extend the spirit of partnering to all project participants.
124. Have fun!
125. Have fun and celebrate the successful completion of the project.
126. Maintain high job morale and cooperative attitudes among all project participants.
127. Make the project a fun place to work and to meet new friends.
128. Promote and adhere to acceptable standards of conduct by the project team on the site.
129. Recognize individual and team accomplishments.
130. Respect all project participants and their work.
131. Respect and treat other's and their work as you wish you and your work to be treated; accept responsibility for damage to other's work.
132. Respect design and construction excellence as a fundamental goal to be achieved.
133. Respect financial profit as an incentive for private sector stakeholders.
134. Respect other team members' work and abilities.
135. Take pride in our work, respect the ideas and work of others and treat others as you would have them treat you.
136. Treat others as you would have them treat you.
137. Practice fairness in price proposals, back charges, and all other financial matters.

T. Submittal Processing

138. Prepare, package, and process submittals in a timely, fair, and considerate manner consistent with the priorities of the contractors, designers, and owner.
139. Promptly review and determine the merit of properly submitted requests for extensions of time.

U. Work-site Conditions

140. Continue to maintain continuity of work points between trades. (Work points refer to building control coordinates and elevations.)
141. Maintain a safe, orderly, well organized work site.
142. Maintain a well planned and clean work site.
143. Maintain continuity of work points between trades.

144. Maintain, in conjunction with other stakeholders, a work area plan to be implemented by affected stakeholders.
145. Prepare and publish a construction traffic and parking plan.
146. Prepare, publish, and implement a project clean up program for contractors on site.
147. Promote a clean and safe job environment.
148. Provide complete and unencumbered access to needed work areas in accordance with the project schedule.
149. Respect and treat others and their work as you wish you and your work to be treated. Take responsibility for damage to other's work. Amen!

RECOMMENDATIONS TO IMPROVE OUR PROFESSIONAL AND BUSINESS PRACTICES

- Manage the job as if all team members are working toward the same project end objectives.

- Set a good example for other managers on your project.

- Exercise intelligent, consistent decision-making tempered with good judgment and empathy for others.

- Plan the project well, communicate the plan, & know yourself what your plan says.

- Listen well.

- Avoid using emotional words in project discussions.

- Try to match your non-word world with your world of words.

- Submit properly prepared pay requests.

- Learn to close out your job quickly and cleanly.

- Properly manage the submittal system.

- Consider the regulatory agencies as

friends and important participants in your project.

- Educate and train your staff in partnering principles.

- Take the project mission and the partnering charter seriously and work hard to accomplish both.

- Set a good example to industry newcomers. They are the hope of today, and the you of tomorrow.

- Be available.

- Believe that others on the job want to do well -- it's contagious.

- Keep the job clean and the site well organized.

- Keep good people on the job by making them want to stay.

- Be honest and open with the project team about your plans and schedules.

- Determine early in the job what each party's profit motive is, and then help them achieve that specific profit.