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Kalamazoo PIP  
Department of Public Services

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## **Reducing Cost of Government Services - Kalamazoo - d 502**

### **I. Friday, July 21, 1995 - 7:32:34 AM**

#### **A. Those attending**

1. **Jerri Barnett-Moore**
2. **Ken Collard**
3. **Ralph J. Stephenson**

#### **B. Random notes from background reading**

##### **1. Inter office memo from mao to mayor - April 27, 1995**

- a) PIP Employees incentive program update
- b) Four programs in effect
  - (1) Cost Savings Program - 5% bonus to individuals or teams for ideas which demonstrate cost saving for City.
  - (2) Employee Incentive Program - Reward individuals or teams for ideas that enhance service delivery.
  - (3) All Star Program - Recognizes top 1% of workforce who are exemplary in job performance, attendance, and attitude.
  - (4) Safety Incentive Program - No on-the-job injuries or preventable accidents during the a specific quarter.

##### **2. RCG conference notes - June 9 or 21, 1995?**

- a) Rumors about layoffs are being voiced.
- b) How to deal with the rumors.
- c) Efficiency on idea turn-around time is very important.
- d) Once a cost savings program is approved it is the responsibility of the work group project team to see that it gets implemented in a timely fashion.
- e) The Employee Incentive Program deals with productivity, efficiency, and morale. The Cost Savings Program deals with saving money and recognizing those employees suggesting the program by giving them financial rewards.
- f) A venture capital pool of \$25,000 is available for the organization to use to implement ideas that save money or reduce costs.
- g) Keith Overly said one of the questions that will be asked frequently will be "why are we reducing the cost of government services?"
  - (1) Answer #1 - we don't have the money to provide the same level of services in the future and also meet the needs of the City.
  - (2) Answer #2 - it is the right thing to do.
- h) Keith Overly referred to 3 criteria for recognizing ideas for reducing the cost of government
  - (1) They have to be documentable as actual savings
  - (2) They have to be a net savings.
  - (3) There must be some form of extenal validation of the savings.
- i) Jerri wanted to accomplish 3 things before the end of the meeting.
- j) Work groups appointed
  - (1) Payroll
  - (2) Personnel
  - (3) Consolidation/privatization of services
  - (4) Training
  - (5) Fleet management services
  - (6) Systems

- (7) Communication
- (8) Audit and internal review
- (9) Other

**3. RCG conference notes - May 12 or June 9, 1995**

- a) Pat DiGiovanni's parameters for the project
  - (1) We have 24 months to complete this project.
  - (2) Our goal is to reduce costs by \$2 million in the general fund.
  - (3) There will be no layoffs.
  - (4) We will maintain current levels of service.
  - (5) As we reduce costs there must be recurring savings.
  - (6) Employees who are assigned to a new position during the cost reduction project will not see a decrease in wages or fringes for a two-year period.
  - (7) Training for employees is essential.
  - (8) We will offer an employee assistance program that is confidential to provide employees with counseling and assistance.
  - (9) Employee involvement and communication are our top priorities.
  - (10) The City Manager must approve the proposed savings reductions.
- b) Pat DiGiovanni chair and Jerri project coordinator
- c) Four committees
  - (1) Technology
  - (2) Innovation
  - (3) Training
  - (4) Communications
- d) Living laundry listing
  - (1) Payroll
  - (2) Personnel issues
  - (3) Consolidation/privatization of services
  - (4) Training
  - (5) Fleet management services
  - (6) System
  - (7) Purchasing
  - (8) Audit
  - (9) Other
- e) Summary objective of the administration
  - (1) Reduce the cost of government services by \$2 million in the general fund during the next 24 months (what does this mean?)
- f) Defines the duties of the project manager, the project coordinator, and the project team.
  - (1) Project team is to be
    - (a) Mission driven
    - (b) Customer-focused
    - (c) Anticipatory
    - (d) Entrepreneurial
- g) City's fund structure
  - (1) General funds (any public purpose)
  - (2) Capital improvement fund (major streets/cemetery, etc.)
  - (3) Enterprise (water/wastewater, transit, market fund)

(4) Grant (CDBG)  
(5) Internal service funds (administrative fees)  
**4. Reducing cost of government services meeting - July 11, 1995**

- a) Ongoing city initiatives.
  - (1) Reduce the cost of government
  - (2) Operations assessments of systems/processes
  - (3) Business plan approach to budget preparation
- b) RCG analysis format
  - (1) Overview
  - (2) Status
  - (3) Strengths and weaknesses
  - (4) Outlook
  - (5) Recommendations
  - (6) Budgetary implications
  - (7) Brief summary
- c) Systems/processes to be analyzed
  - (1) Management systems
  - (2) Large-dollar physical processes
  - (3) Small group (support services) system analysis
- d) Analysis template
  - (1) Set ground rules
    - (a) What are the city manager list of 10 parameters?
    - (b) What are the givens.
  - (2) Flowchart existing process/system
  - (3) List problems/opportunities
  - (4) Problem analysis
  - (5) Develop solutions
  - (6) Prepare implementation plan

**C. Comments, suggestions, questions, and ideas**

- 1. **Are we actually at a point where new revenue is not available?**
- 2. **Discuss need-to-know and everybody-must-know concepts.**
- 3. **Time to put ideas under the cost savings program into effect may be a deterrent**
  - a) Write up and submit proposal - 4 weeks
  - b) Supervisor & Business Executive review and approve submission of proposal to 5 member team - 2 weeks
  - c) 5 member team review and approve proposal - 3 weeks
  - d) May have to gain approval to be given venture capital - possible 4 weeks (not included in total)
  - e) Put suggestion into work - 2 weeks
  - f) Monitor implementation of proposed program - 52 weeks
  - g) Decide on award of incentive payment - 2 weeks
  - h) Total estimated time from start of write up to award - 65 weeks or nearly 16 months not including acquisition of venture capital.
- 4. **The disclaimers, caveats, rules, and process may deter people from participating.**
- 5. **Bias in judging the merits of a suggestion may lead to cronyism.**

6. **Difference in programs**
  - a) Cost Savings Program
    - (1) Save City money.
  - b) Employee Incentive Program
    - (1) Improves service to citizens without an increase in cost
    - (2) Increases employee productivity
    - (3) Improves working conditions and morale
    - (4) Improves worker safety
7. **How is the concept of process driven vs. mission driven fitted into this program? Is it germane?**
  - a) Review the discussions in reference material on the subject.
8. **What leverage is available to managers that will allow them to correct deficiencies and improve performance**
9. **How does the improvement program relate to civil services provisions?**
10. **Consider diagramming the entire process of submitting, approving, and implementing a cost savings program proposal.**
- D. **Discussion with Ken and Jerri**
  1. **First presented by mao in December 1994**
  2. **PIP is a stand alone program.**
  3. **PIP has been integrated with the CRG**
  4. **Jobs**
    - a) Pat DiGiovanni - Project manager
    - b) Jerri - Project coordinator
    - c) Project team
- E. **Pat DiGiovanni's parameters for the project**
  1. **Employees who are assigned to a new position during the cost reduction project will not see a decrease in wages of fringes for a two-year period.**
  2. **Training for employees is essential.**
  3. **We will offer an employee assistance program that is confidential to provide employees with counseling and assistance.**
  4. **Employee involvement and communication are our top priorities.**
  5. **The City Manager must approve the proposed savings reductions.**
- II. **Model of Jerri's management assignment**
  - A. **Mission scenario A of the RCG program is**

To identify, for reallocation, a portion of the non capital budgets while maintaining or improving the level of city government services.
  - B. **Mission scenario B of the RCG program is**

To implement an alternative city-supplied service delivery system that costs less than the current system while maintaining or improving the level of city government services.



**C. Within the mission statement what are the given conditions and parameters under which Jerri must operate?**

- 1. Maintain a level of city-supplied services that is equal to or exceeds current levels.**
  - a) How do you measure the current and the ongoing levels of service?
    - (1) By the budget document.
    - (2) By expressed citizen concern.
- 2. ✓ Insure that the cost of the RCG is affordable.**
  - a) How do we know if it is affordable?
  - b) What are the participatory conditions that keep it within budget?
  - c) How do we budget the cost of the program?
- 3. That by June 30, 1997 there is a cash amount of \$2 million in the general fund available for capital reallocation.**
- 4. That by June 30, 1997 there is a cash amount equal to 5% of the enterprise operational budget available for reallocation.**
  - a) What is the amount in the enterprise operational budget?
  - b) For fy 1996 the amounts are
    - (1) Water = ± \$300,000
    - (2) Waste water = ± \$600,000
    - (3) Transportation system =
    - (4) Streets =
    - (5) Cemetery =
    - (6) Others?
- 5. That the entire RCG program will be carried out so as to benefit the public.**
  - a) How do we measure the benefits to the public?
- 6. That the entire RCG program will be carried out so as to benefit the city employees**
  - a) How do we measure the benefits to employees?
- 7. That the public and employee benefits be mutually compatible.**
- 8. That no city employee will lose employment by the city as a result of the RCG program.**
- 9. ✓ That the team structure and organization be totally determined by Jerri.**
- 10. That progress toward achieving the mission will be measured by an evaluation system to be formulated by Jerri in conjunction and with the approval of Pat DiGiovanni.**

**D. What is the operating mode to be used to realize achievement of objectives within each parameter?**

- 1. Insure that the cost of the RCG is affordable.**
  - a) Comments and questions
    - (1) How do we know if it is affordable?
    - (2) What are the participatory conditions that keep it within budget?
    - (3) How do we budget the cost of the program?
  - b) What are the factors that influence achieving the parameter objective?
    - (1) Nature of the work to be done.

- (2) Allocation of staff time.
  - (3) Involvement of outside consulting services.
  - (4) Cost/benefit of the outcome.
  - (5) The subjective influences on judgement of the outcome
  - (6) Cost of implementation.
  - (7) Etc.
  - c) What is the organizational structure best suited to achieving the parameter objectives.
    - (1) Types of structure
      - (a) Autonomous
      - (b) Democratic
      - (c) Representative
    - (2) Function of the task force to do this job
      - (a) Collect data.
      - (b) Analyze data for suitability and validity.
      - (c) Prepare and submit recommendations to optimize the probability of the RCG program remaining affordable for its life.
  - d) What are the activities that must be done to accomplish the parameter objective?
- 2. Jerri determine and recommend the team structure and organization to achieve the RCG mission.**
- a) Comments and questions
    - (1) What is the sequence of action needed to accomplish the mission.
    - (2) What talent is available?
    - (3) What talent is needed?
    - (4) What resources are needed?
    - (5) What are the program objectives?
    - (6) What communications modes will work best?
      - (a) Everybody must know.
      - (b) Need to know.
    - (7) What is the level of willingness to participate?
    - (8) What are the vested interests that might reduce the probability of program success?
    - (9) Who is, or who are the ultimate decision makers?
    - (10) Is it possible to make individuals responsible for what are now committee activities.
    - (11) The organizational structure must be flexible enough to accomodate changes in operation and objectives without being diverted from its mission.
    - (12) How could we prepare and implement a partnering system for this program?
  - b) What are the factors that influence achieving the parameter objective?
    - (1) Perogative to remold the present program parameters as needed.
    - (2) Perogative to remold the present organizational structure as needed.
    - (3) Congruency of the Jerri mission with the orignal mission.
  - c) What is the organizational structure best suited to achieving the parameter objectives.
    - (1) Jerri leading, in conjunction with in-house advice and talent as needed. Jerri must have these resources made available as needed by her by the UDM and the city administration.
  - d) What are the activities that must be done to accomplish the parameter objective?
    - (1) Decide on the parameter objective

**3. The entire RCG program will be carried out so as to benefit the city employees.**

- a) Comments and questions.
  - (1) How do we measure value of benefits to employees?
  - (2) What is the employees' perception of benefit within the context of the objective?
  - (3) What is the city's perception of benefits within the context of the objective?
  - (4) What is the public's perception of benefits within the context of the objective?
  - (5) What is the union's perception of benefits within the context of the objective?
  - (6) How is the relative worth of short term vs long term benefits measured?
  - (7) What are the elements of benefits?
    - (a) Job security
    - (b) Trust
    - (c) Pay
    - (d) Perks
    - (e) Quality of work
    - (f) Pride
    - (g) Condition of work place
    - (h) Recognition of worth
    - (i) Positive stimulation and excitement with work.
- b) What are the factors that influence achieving the parameter objective?
  - (1) Quality of communications.
  - (2) Union agreements.
  - (3) Employee biases.
  - (4) Employer biases.
  - (5) Political pressures.
  - (6) Media perspective.
  - (7) Living up to your word - actions speak louder than words.
  - (8) Timeliness of action.
  - (9)
- c) What is the organizational structure best suited to achieving the parameter objectives.
- d) What are the activities that must be done to accomplish the parameter objective?

**E. Words and phrases to define - to be completed by Jerri**

**1. Administration**

Those activities considered to be supportive of the ex'e'cutive operations in an organization. Administrative costs may be considered the cost of management.

**2. Adversarial**

Taking the position of an opponent or enemy. Opposing another's interests or desires.

**3. Alternative dispute resolution - adr**

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

Includes systems of resolving disputes in planning, design and construction by cooperative, internal, or 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.

4. **Approval**  
An official or formal consent, confirmation, or sanction.
5. **Articulate**  
To express oneself easily in clear and effective language
6. **At-risk**  
A position or action that puts an individual or organization in the position of possibly suffering harm, loss, or danger. Often the hazard poses an uncertain but potential danger.
7. **Authority**  
The prerogatives, either vested or acquired over a long period of time, that allow an individual to carry out his or her responsibilities and duties. This includes the right to determine, adjudicate, or otherwise settle issues or disputes; the right to control, command, or determine.
8. **Business Executive**
9. **Business model**  
A graphic depiction of the elements which make up a business entity. The model usually identifies premises, objectives, and implementation. It recognizes basic business functions, business activities and manager activities.
10. **Business plan**
11. **Cause and effect diagram**
  - a) Fish bone
  - b) Ishikawa
  - c) Why diagram
  - d) Continuous process improvement
12. **Charter**  
A document prepared and agreed to, by the project partnering stakeholders and containing a set of informal guidelines to successful performance in the execution of noncontract project matters. The charter is normally signed by the stakeholders and is used in conjunction with a mission statement from which the guidelines are derived, a partnering evaluation system by which noncontract practices are periodically evaluated, and an issue resolution system containing guidelines to the settlement of contested disputes about project matters.
13. **Charter monitoring**  
The process of evaluating achievement of an established set of performance standards as measured against a partnering charter mission and objectives.
14. **Closed System**  
A system in which there is no import or export of information or physical materials, and in which, therefore, there is no change of components.
15. **Conflict**  
A state of disagreement and disharmony.
16. **Congruent**
17. **Control**  
Maintaining firm, competent managerial direction of any given situation. Controlling leads to achievement. It is usually accomplished by the invisible use of leverage.

**18. Coordinate**

To harmonize in a common action or effort. Many design and construction consultants recommend the word not be used in contracts since it has indistinct meanings as related to management in design and construction.

**19. Cost growth**

An increase in project costs from the expected costs, and occurring during the planning, design, construction, and occupancy phases of the line of action.

**20. Cost reduction**

**21. Cost/benefit**

A comparative measure of benefits to be gained at a cost. A cost/benefit analysis usually establishes standards by which the benefits are given a value, and standards by which value-added is measured against what is desired, and what can be afforded. This allows the highest benefit/cost ratios to be identified within the standards adopted.

**22. Critical transition points**

Points in a project line of action where the nature of the job undergoes a significant change in responsibility, authority, staffing, construction sequencing, or other activity performed along the road to project completion. A critical transition point often indicates a time where project management and policies may need revisiting and revision.

**23. Cross sectional teams**

**24. Cultural changes**

**25. Culture - business**

A way of doing business that has been generated by a group of human beings and is passed along from one business generation to another, generally by unstructured communication.

**26. Decision-To-Action Time Span**

The amount of time required from the point at which a decision is made to the point where the decision is implemented. In a management structure it is important to insure that the full span of time from decision to action is covered, from shortest to longest.

**27. Demotion**

**28. Destructive conflict**

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

**29. Direct question**

A question asked in a group and directed to one or more specific individuals in the group.

**30. Disincentive**

A penalty imposed on a contract party for less-than-satisfactory performance on a project. The disincentive is usually coupled to a bonus or incentive.

**31. Dispute**

To engage in argument or discussion. To quarrel or fight about.

**32. Dysfunction - Organizational**

An organizational problem that hinders or prevents achieving objectives. May be temporary or permanent.

- 33. **Education**  
The teaching and learning process by which the principles of doing things are conveyed to the learner.
- 34. **Effective**  
Of a nature that achieves identifiable goals and objectives in accordance with an action plan, and achieves worthwhile peripheral goals through intermediate accomplishments.
- 35. **Efficient**  
Exhibiting a high ratio of output to input.
- 36. **Empathy**  
Identification with and understanding of another's situation, feelings, and motives.
- 37. **Ethical**  
In accordance with the accepted principles of right and wrong that govern the conduct of individuals in a profession and in their relationships with others.
- 38. **Everyone-must-know communications**  
An organizational communications system based on the managerial belief that if everyone in the organization knows what all or most other people in the organization are doing and working on, the organization's overall output quality will be superior.
- 39. **Ex'-e cutive**  
The executing arm of the organization closest to the flow of expense and income experienced in achieving the organization's prime objectives. Closely related to line operations.
- 40. **Executive**  
Of, relating to, capable of, or suited for carrying out or executing. The executing arm of the organization is that closest to the flow of expense and income experienced in achieving the organization's prime objectives. Closely related to line operations.
- 41. **Fact-finding**  
A process in which one or more third parties investigate and make factual determinations regarding issues in dispute.
- 42. **Feedback Loop**  
The loop of communication around a project through which information is conveyed to and through the various components of the project.
- 43. **Firing**
- 44. **Flat hierarchies**
- 45. **Front end work**  
Nonconstruction project related work usually concerning real estate, financing and pre construction leasing. May in some cases include design work.
- 46. **Functional - as related to continuous management**  
A business operation designed or adapted to perform a specialized activity or duty usually exerting a direct influence on the continuous operations of the company. Examples are departments of estimating, accounting, legal, office administration and similar ongoing functions.
- 47. **Functional component**  
A group designed or adapted to perform some specialized activity or duties, usually concerned with the continuous operation of the company.

**48. Functional operations**

Management and staff direction of the application of resources to accomplish each specialized activity. Usually defined as a department or division of the company. Usually concerned with continuous operations of the organization. Contrasts with project operations.

**49. Givens**

**50. Goals**

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

**51. Government**

**52. Grapevine**

The communication line for informal transmission of information, gossip, or rumor from person to person. The grapevine is often more accurate and rapid than formal transmission lines.

**53. Hygiene**

The elements in an organizational situation that are acceptable to an individual but do not necessarily motivate him. These same elements, if unacceptable to the individual, may act as negative influences.

**54. In-house work**

Relating to activities that are managed and directed by a permanent staff of an organization.

**55. Incentive**

A bonus paid to a contract party for performing its work in a superior manner to that specified. The incentive is usually coupled to a penalty or disincentive.

**56. Incentive-disincentive system**

A payment system used in construction to pay a bonus or incentive to a contract party for performing their work in a superior manner to that specified. The bonus may relate to cost, time, quality, safety, or other such measurable component of the total job performance. If the standards set are not reached by a measurable point on the project, a disincentive is triggered where the contract party is penalized for inferior performance on the project.

**57. Interfaces**

Points at which different but related activities exert direct influences upon each other. Interfaces are often the points where direct objective activities contact dependent objective activities. Poor management of interface situations usually causes problems and dysfunctions.

**58. Invidious comparisons**

**59. Issue**

A point or matter of discussion, debate, or dispute.

**60. Issue resolution**

A method of reaching agreement and closing out disputes and problems among the disputants at the lowest possible management level, in the shortest possible time, and with the lowest potential for residual damage.

**61. Large dollar**

**62. Laundry list**

A list of items, usually at random, that are to be classified, rearranged and used to build specifically sequenced tabulations, network models, narrative schedules or other systems of which the items in the laundry list are a component.

**63. Layoff**

**64. 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. - John W. Gardner

The art of getting someone else to do something you want done because he wants to do it - Dwight D. Eisenhower

**65. Leverage**

The effective use of vested and earned authority to solve problems and achieve goals and objectives.

**66. Log**

A permanently bound, dated, hand written record of job related events that have occurred on a project.

**67. Long list**

The initial list of those participants offering professional planning, design, and construction services for a particular project. This list is usually prepared by the conceiver of a proposed project from those having qualifications to do the job. The long list is narrowed to a short list from which the final selection is made. (See short list.)

**68. Macro matrix elements**

The individual elements or components of a three dimensional matrix that defines the actions needed, the skills that must be applied to do the action, and those who must take the action.

**69. Manage**

To define, assemble and direct the application of resources.

**70. Management**

The act and manner of managing.

**71. Management by Exception (MX)**

A measuring and monitoring system that sounds an alarm to the manager when problems have appeared or are about to appear, and remains silent when there are no problems. The system identifies the problem area, thus permitting the effective manager to manage the exception while leaving the smoothly running operations to continue running smoothly.

**72. Managerial Grid**

A numerical grid which positions a manager in a matrix by defining his concern for people as compared to his concern for production. This grid has been highly developed by Blake and Mouton and is useful in establishing managerial systems that are desirable and needed.

**73. Marketing**

The process of conceiving, formulating, and implementing a process by which the ultimate service or product of an organization can be successfully sold.

**74. Matrix**

A multiple dimensioned display of related data.



75. **Matrix management**

A management technique that employs a multiple command system. Usually it results in one employee having two or more bosses on a time-to-time basis.

76. **Mission**

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

77. **Money Flow**

The flow of income and expense measured against time.

78. **Monitoring**

Measurement of current project conditions and position against the standards of performance set for the job.

79. **Motivation**

The elements of a given situation that encourage and make effective, successful and meaningful, the activities of those engaged in the situation.

80. **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.

81. **Need-to-know communications**

An organizational communications system based on the managerial belief that information should only be offered and provided to those who truly need it and can use it to add value to the product they are responsible for producing.

82. **Network Plan**

A graphic statement of the action standard of performance to be used in achieving project objectives.

83. **Neutral**

An unbiased outside expert capable of objectively listening, analyzing, and evaluating construction-related demands or claims which are in dispute and rendering an opinion or decision as to its disposition.

84. **Objectives**

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

85. **Objectives - Dependent**

Objectives to be achieved that are affected by major influences beyond the manager's direct control. The dependent goal may be predictable or unpredictable.

Dependent goals, while usually beyond the manager's control, may well be within the company's ability to reach. Lack of correlation between company and individual effort to achieve a manager's goals that are affected by others, may cause severe dysfunctions.

86. **Objectives - Direct**

Objectives that can be achieved by managing conditions within the manager's direct influence.

87. **Objectives - End**

Objectives realized from and upon total completion of the defined project work.

- 88. **Objectives - Intermediate**  
Objectives achieved at specific and identifiable stages of the project, i.e. partial occupancy of a building, turnover of a mechanical system for temporary heat, or completion and issuance of foundation plans for early start of construction.
- 89. **Objectives - Peripheral**  
Objectives realized on an ongoing basis through the life of the project and achieved as an indirect result of project activities. Peripheral objectives may be personal, professional, technical, financial or social. Peripheral objectives might include staff promotion, profitable subcontractor operations, specialized experience, or achievement of design excellence in a special field.
- 90. **Ongoing Organization**  
The arrangement and interrelationships of people charged with providing supportive action on an ongoing basis within the company. Examples of functions contained within the ongoing design or construction organization are estimating, administration, legal, marketing, sales, purchasing, and accounting.
- 91. **Open system**  
A system which exchanges energy, information and physical components with its environments.
- 92. **Operating mode**
- 93. **Organizationx**  
The management and operational structure through which individuals and groups work systematically to conduct their business.
- 94. **Organizational structure**  
The categories of parties to the planning/design/construction/operation process and how they are organized for the work. The organizational structure is shown by a set of relations between the parties that identifies the responsibility and authority lines along which the project is to be implemented.
- 95. **Over-the-wall management**  
A management style which subscribes to the actions of participants completing their work responsibilities and duties, and then passing the work product along to others (or throwing it over the wall) without adequate briefing for the successors to do their work effectively. Often identified by statements such as "We did our job and now they can do theirs", or, "That's not my job."
- 96. **Par**  
An amount or a level considered to be average; a standard.
- 97. **Par performance**  
A rating, usually numerical, that expresses the level of performance that will be accepted as the normal degree of competence expected of an individual or organization in the performance of an action.
- 98. **Parameter objectives**
- 99. **Parameters**
- 100. **Pardigm shifts**
- 101. **Pareto chart**
- 102. **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.

103. **Partnering - project or tactical**

A method of applying project-specific management in the planning, design, and construction profession without the need for unnecessary, excessive and/or debilitating external party involvement.

104. **Partnering - strategic**

A formal partnering relationship that is designed to enhance the success of multi-project experiences on a long term basis.

As each individual project must be maintained, a strategic partnership must also be maintained by periodic review of all projects currently being performed - Ida B. Brooker 1994 WEX

105. **Partnering - suggested base statement**

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

106. **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.

107. **Perception**

108. **Perks**

109. **Planning**

Establishing and arranging necessary and desired actions leading to end, intermediate and peripheral objectives.

110. **Positive conflict**

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

111. **Prescriptive**

A document which provides detailed information as to the methods and means by which something is to be done or produced. The document explicitly identifies the material and equipment components of the finished product.

Compare to performance-oriented documents which describe the performance desired and the amount that is to be spent to achieve the performance in the finished product.

112. **Principal**

A person who authorizes another to act as his agent, or a person primarily liable for an obligation.

113. **Pro Forma - in real estate development**

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.

114. **Problem**

A deviation from an accepted and/or approved standard of performance.

115. **Procedures**

116. **Process**

117. **Profit - Educational & Training**

Fulfillment of learning and teaching goals held by individuals and their companies.

118. **Profit - Financial**

Fundamentally, the difference between organizational cash income and organizational cash expense. Further definitions of financial profit are complex and often unique to an organization or project.

119. **Profit - Self Actualization**

Personal fulfillment realized after basic needs of shelter, safety, protection, love and freedom from hunger are achieved.

120. **Profit - Socio Economic**

Company, group or individual achievement of social objectives within a financially profitable set of activities.

121. **Profit - Value System**

Company and project fulfillment of personal, professional, technical, social and financial values held important by individuals and groups related to the company.

122. **Program**

123. **Program - as defining a step in the design process**

A narrative oriented statement of the needs and character of the proposed user operation, the requirements of the user and owner, the nature of the environment to be planned, designed and built, and the corresponding characteristics of the space that will satisfy these needs and requirements. Sometimes called the brief.

124. **Project - as a set of work actions**

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

125. **Project - as related to management**

A specific management assignment to achieve a set of objectives by accomplishing a group of related, discrete operations which have a defined beginning & end.

126. **Project Delivery System**

A method of assembling, grouping, organizing & managing project resources so as to best achieve project goals & objectives.

127. **Project Director**

The individual responsible for implementation of several projects upon which his company is engaged.

128. **Project Manager**

One who helps establish objectives generated by a need, plans how these objectives are to be reached through a set of work actions, and then assembles and directs the application of available resources to achieve the objectives on one or more projects.

Usually the project manager is most concerned with supportive actions which bring resources to the point of effective use.

**129. Project Organization**

The arrangement and interrelations of people charged with actually achieving project objectives. (See organizational structure.)

**130. Quality**

A characteristic of superior excellence.

**131. RCG analysis format**

**132. Reengineering**

**133. Regulator**

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.

**134. 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 usually are 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.

**135. 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.

**136. Relations - reporting**

The official channels through which each individual conveys information; 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.

**137. 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.

**138. 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.

139. **Resolution**

A course of action determined and acted upon that results in clearing conflict or dispute.

140. **Resource Allocation**

The assignment of project resources such as money, time, space, people and equipment to activities that must be done to achieve project objectives. Usually resource allocation is done to achieve effectiveness in project work measures such as profitability, timely completion and quality of work.

141. **Resource Leveling**

The use of resource allocation to even out the use of resources within a given set of time, money, space, people or equipment conditions. Resource leveling is a special form of resource allocation with its prime use being to maintain a nearly equal assignment of resources to activities and projects for their entire duration.

142. **Resources**

The tools of the supportive and executive manager. Resources include time, talent, tools, equipment, time, money, experience, space, materials, as well as intangibles, such as enthusiasm, morale, and leverage.

143. **Responsibility**

The assignment, spoken or understood, that a person in an organization has as his part in maintaining the organization's health and vitality.

144. **Review Team**

145. **Risk**

Any exposure to the possibility of harm, danger, loss or damage to people, property, or other interest. To expose to a chance of loss or damage.

146. **Risk management**

The management and conservation of a firm's assets and earning power against the occurrence of accidental loss.

147. **Shared savings**

An arrangement by which a construction contractor and its client share in any savings realized by building a facility for a lower cost than the guaranteed maximum cost.

148. **Situational Thinking**

The ability to accurately evaluate a set of project influences by mentally moving from a long overview (macro) of them to a detailed picture (micro) and back, and being able to stop anywhere in between to consider other scale pictures of these influences and their relationships.

149. **Small group**

150. **Span of control**

The number of organizationally related individuals a manager directly controls on a one to one basis.

151. **Sponsor - partnering**

In the partnering context, a person or organization that strongly supports or champions an activity and assumes responsibility for its implementation.

**152. Staff**

A supportive unit of an organization whose basic function is to advise the organization's staff. Staff functions are occasionally defined as overhead or non production. They are considered to be the organizational partner of line operations.

**153. Stakeholders**

The parties at risk financially and legally or in an extended sense, those affected and potentially put at risk during the execution of a planning, design, or construction contract. Stakeholders are also those who participate in writing a partnering charter and are a signatory to the charter.

**154. Standard of Performance**

A well defined, explicitly stated, approved and accepted statement of the measurements to be used as a gage of performance, and goal and objective achievement.

**155. Standing neutral**

A technically trained, educated, and credentialed professional who is active in the planning, design, and construction disciplines. The standing neutral must be capable of objectively listening, analyzing, and evaluating construction related demands or claims which are in dispute.

**156. Strategy**

Applies to the management skills required to attain an macro result. Strategy is sometimes considered the action take to plan, direct, and implement larger and longer range programs, particularly in the military.

**157. Submittal**

Any document submitted by contracting parties to the owner's agents for review for accuracy, responsibility of design, general arrangement, and approval. Submittals are used by the fabricator and the installer to show adequate details so the intent of the contract documents can be achieved. There is a mild ongoing professional controversy as to whether approved submittals are contract documents. Generally they are not considered contract documents, but aids to better fabrication and installation procedures.

**158. Sum zero**

A situation in which there is a winner and a loser. The loser often will lose what the winner wins.

**159. Supportive**

The administrative group of the project organization that is responsible for bringing resources to the point of use by the executive or operational project group.

**160. Synergism**

The action of two or more substances, organs, or organisms to achieve an effect of which each is individually incapable.

**161. System**

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

**162. Tactics**

Applies to the management skills required to attain a micro or current result. Tactics may be considered the actions taken to plan, direct, and implement the day-to-day action itself.

**163. Task force**

A temporary grouping of individuals and resources who are responsible for accomplishing a specific objective.



**164. Termination**

The dismissal of a contractor, from a project, for convenience, resulting from factors beyond the contractor's control, or for default when the contractor's performance is not acceptable.

**165. Training**

The teaching and learning process by which specific, explicit methods and systems of doing something, usually by rote, are conveyed to the learner.

**166. Transfer**

**167. Translation**

Recasting standard of performance information into graphic, narrative, mental, oral, or other forms, in order to insure optimum use of the information by those involved.

**168. Translator**

Those who translate the environmental program into construction language. Designers, subcontractors, suppliers, vendors, manufacturers, contractors and the conceiver may all play a role in translating.

**169. Trust**

Reliance on an organization or individual to apply integrity, justice, fairness, good judgment, and other relational qualities for the benefit of those affected by the actions of that organization or individual.

**170. Turnaround Time**

The amount of time required to process submittals.

**171. Ultimate Decision Maker (UDM)**

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

**172. Unilateral Meetings**

A decision meeting at which only a portion of the parties affected are invited to participate.

**173. Updating**

The process of revising and reissuing a project network model to bring it into conformance with a current desired and necessary plan of action. Updating often, but not always, results from monitoring and evaluating the project. Usually the updating is done when it is found that the current plan of work does not adequately depict the actual conditions under which the project is being executed.

**174. Upset Price**

A guaranteed maximum price agreed to in a time and material contract.

**175. User**

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.

**176. Value**

The increase in worth of an open system to which an item of value has been added. Often multiplied by the weight of a factor to give the weight & value rating of a factor to help determine a choice of alternatives.

**177. Value added**

The improvement in the worth of anything that results from the efforts, contribution and involvement of people, processes, materials, and ideas.



178. **Venture Capital**

179. **Vested Authority**

The endowing of privileges, strength and leverage from a superior usually to a subordinate. Generally gained quickly, rather than being earned by long and proven service in a related field within the organization.

180. **Vested interests**

181. **Want list**

Those items that are wanted and can be included in the scope of work, over and above the must list items, and which provide a definable and acceptable rate of return on their cost.

182. **Win - win**

A situation in which there are no losers. Usually some parties win more than other parties win.

183. **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. Wish list items are best added, not deleted, as the project moves into construction.

184. **World of nonwords**

The world in which we live by our physical actions.

185. **World of words**

The world in which we live by simulating actions through words and other symbols what might happen in the world of nonwords.