

*Muskegon Community College
Muskegon Construction
Charter meeting*

*Ralph J. Stephenson, P. E.
Consulting Engineer
July 23, 1993*

PARTNERING CHARTER WORK BOOK

*Center for Higher Education / Cooperation Center
Muskegon Community College Muskegon, Michigan*

Date: Friday, July 23, 1993

Location: Muskegon Community College
Muskegon, Michigan
Blue & Gold Room

Time: 8:00 A. M. to 12:00 noon &
1:00 P. M. to 5:15 P. M.

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July 23, 1993

Participant notebook outline

Project: Center for Higher Education / Cooperation Center
Muskegon Community College

Location: Eaton Rapids, Michigan

Owner: Muskegon Community College, Muskegon, Michigan

General contractor: Muskegon Construction Company, Muskegon, Michigan

Architect/Engineer: The WBDC Group, Grand Rapids, Michigan

Date of meeting: Friday, July 23, 1993

Location of meeting: Muskegon Community College Blue & Gold Room

Purpose of meeting:

To prepare and adopt a *partnering charter* for the guidance of the Muskegon Community College new facility project team.

Time of meeting

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

Definitions:

Major partnering terms are defined in glossary on pages 4 and 5.

Timetable:

07:30 to 08:00 A. M.

- Coffee for attendees
- 08:00 to 10:00 A. M. - Session #1
 - Brief introductory remarks on purpose of day by principals of owner, general contractor,

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and design team.

- Introduction of those attending by chairman.
- Introduction to *charter* workshops - Ralph J. Stephenson
- Break out sessions by teams. Possible team groupings include:
 - Owner/user
 - Designers of record
 - Advisory professional service contractors
 - General Contractor
 - Site work and related contractors
 - Structure and related contractors
 - Mechanical and electrical contractors
 - Systems and related contractors
 - Interior finishes contractors
 - Owner's equipment contractors
 - Others?
- Workshop #1 - Table discussion of the question "What actions do others take that create problems for us?" - See page 5 for examples.
- Workshop #2 - Table discussion of the question "What actions do we take that create problems for others?" - See pages 5 for examples.

Workshops #1 & #2 comments are to be recorded on both flip charts and on transparencies.

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

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

- Workshop #3 - Table discussion of the question "Considering your team's comments in Workshops #1 and #2, what can all of us do to help promote good relations and excellent performance on this specific project?" - See page 5 and 6 for examples.

Workshops #3 comments are to be recorded on both flip charts and on transparencies.

- Workshop #4 - Individual work on the question "In light of the results of Workshops #1, 2, and 3, what do I think my organization's mission is for this project?" See pages 6 and 7 for examples.

The *mission* should state in 25 words or less, *the single most important goal to achieve by being successful through my project organization's efforts on this project.*

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

- *Mission task force* work - From 12:45 to 1:30 P. M. selected lead individuals in the break out table groups will meet apart from the main group and prepare a 25 word or less, first draft *mission* statement for the project. The draft *mission* statement will be derived from the individual *mission* statements prepared in workshop #4.

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

01:00 P. M. to 03:00 P. M. Session #3

- *Workshop #5 - Full partnering membership* discuss, revise and accept the first draft *mission* statement as revised.

This work is to be based on the project *mission* statement prepared by the *mission* task force.

- *Workshop #6 - Full partnering membership* discuss and answer the question "What specific project objectives can we now set considering the results of workshops #1, 2, 3, 4, and 5?"

These objectives should be designed to help insure excellent relations and performance for all concerned with the Muskegon Community College project?"

Workshops #5 and #6 are to run concurrently with the full group participating

- Give overview of partnering performance evaluation and *issue resolution* in relation to *charter* - Ralph J. Stephenson.

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

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

- *Workshop #7 - Full partnering membership* combine all previous discussions into a final *charter* ready for signatures.

- Print final draft of *charter*.

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

- Each participant sign *charter*.
- Adjourn.

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Definitions:

- *Alternative dispute resolution*

A method of resolving disputed construction claims outside the courtroom.

- *Full partnering membership*

The group consisting of the entire project team attending the partnering meeting.

- *Issue resolution*

A method of reaching agreement and closing out disputes at the originating management level, in the shortest possible time, and with the lowest potential for residual hard feelings.

- *Mission*

The single most important goal to achieve by being successful in the project organization's principal efforts.

- *Objectives*

Quantified targets derived from the established *mission* and goals.

- *Partnering - Associated General Contractors*

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

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

- *Partnering charter*

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

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

- *Partnering*

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

- *Table discussion*

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

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- *Task force*

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

- *UDM*

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

- *Workshop*

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

Working guidelines:

- Workshops #1 and 2 - Examples of answers to the questions - "What actions do others take that create problems for us?", and "What actions do we take that create problems for others?" (sample responses from an actual charter meeting are given below.)

- Giving directions to proceed without a timely change order.
- Failing to establish clear chain of command.
- Lack of timely acceptance of work.
- Lack of timely responses
- Improper passing of general conditions responsibility to subs.
- Slow submittal turn around.
- Unreasonable punch lists.
- Failure to recognize impact of changes on ongoing work.
- Late submission of proposals.
- Failure to maintain clean efficient, safe working conditions.
- Untimely delivery of owner equipment.
- Slow payment.
- Resistance to solving problems perceived as contractor problems.
- Changes issued in incomplete form
- Slow owner response to concurrent reviews & changes.
- Pass through attitude by general contractor.

Workshop #3 - Example of responses to the question - "Considering your team's comments in Workshops #1 and #2, what can all of us do to help promote good relations and excellent performance on this specific project?" (below are listed some edited samples from an actual charter meeting)

- Maintain better communications.
- Exhibit less defensiveness/more openness.
- Resolve disputes fast.
- Don't take issues personally.
- Review requests for information & submittals before processing.
- Be willing to propose/suggest solutions.

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- Prioritize submittals.
- Recognize owner's need to eventually occupy, operate and maintain facility/systems.
- Recognize the importance of paper work.
- Allow necessary contract time for training.

Workshop #4 - Example of responses to the question -" In light of the results of Workshops #1, 2, and 3, what do I think my organization's mission is for this project?" (edited samples from an actual charter meeting)

- All involved parties agree to solve problems quickly and fairly so a quality product can be produced that is profitable, and functionally pleasing to all
- To build a quality project with the total commitment of all involved from owner to tradesperson, and finish the project with pride and satisfaction to all.
- To complete the project within budget, on time, to the quality standards desired by the owners. To develop a prequalified team that can be used on future projects.
- Our *mission* is to complete the project safely, on time, and within budget, working in a spirit of cooperativeness & respect for all parties involved.
- 4 C's - Cooperate, & Coordinate, & Communicate with team members to Complete a successful & profitable project.
- The *mission* of this group is to properly coordinate all construction to obtain the best building for the owner without causing undue hardships to those involved.
- We seek to work together as a team to produce a quality project on time, safely, and within budget, with a fair profit realized by all parties involved.
- We recognize the common goal to finish this project with the highest quality, on time, and within budget, & agree to work together safely, as a team with trust and cooperation.
- Complete the project with the highest level of quality, on time, and within the budget so that all of the team members want to do the next project together.
- To provide a quality building within the budgeted time & cost - earning a fair profit & having fun doing it.
- To work in harmony with all team players to provide a project that everyone can be proud of.
- Work together as a team to build a quality building in a safe and cost effective way.
- To furnish to the owner a quality installed system in a timely manner, considering all people involved, at a profit.
- *Mission* of this project
 1. Profitable
 2. Fun
 3. Efficient
 4. Cooperative
 5. Quality
 6. Innovative
 7. Proud
- To have the customer delighted with the project at its completion.
- To achieve the highest quality building possible for the owner that satisfies their needs and objectives, within budget and schedule parameters.

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- The cooperative, respectful and safe construction of a new facility exhibiting our pride of workmanship, participation and team work.

A working charter - courtesy of those noted

*Veteran's Administration Medical Center Replacement Hospital
Detroit, Michigan*

Mission statement

- We the undersigned recognize that we all have common objectives. We therefore agree to strive together to construct the Detroit VAMC safely, on time and within budget to the highest quality standards commensurate with its mission of serving veterans and the community.
- To achieve our mission we believe in the following principles
 - Commitment
 - Mutual trust
 - Integrity
 - Personal pride

Charter objectives

01. Maintain open lines of communications.
 - a. Recognize the need for quality information
 - b. Minimize submittal and response times in all matters
02. Keep paper and administrative work to a minimum.
03. Develop and implement an alternative conflict resolution system.
 - a. Prompt resolution of conflicts at lowest possible level
 - b. Eliminate need for Contracting Officer decisions
 - c. Fair interpretation of ambiguities
 - d. Be proactive (not reactive) in problem solving
 - e. Maintain objective attitude toward constructibility and practicality
 - f. Accept responsibility for your actions or inactions
 - g. Have empathy in all matters
 - h. Clearly describe changes to contract work
04. Limit cost growth.
 - a. Develop cost effective measures
05. Maintain clean, efficient, secure work site.
 - a. No lost time due to accidents
 - b. Properly staff project
 - c. Be a good neighbor
06. Seek to maintain good job morale and attitudes.
 - a. Promotion of partnering attitudes at all levels of contract administration
 - b. Have fun

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- c. Have pride in your product
- 07. Commit to quality control in all project related matters.
 - a. Do it right the first time
 - b. Maintain proper work sequence
 - c. Meet design intent
 - d. Recognize owner's needs in occupation and operation of the facility
- 08. Close out job in proper and timely manner.
- 09. Maintain and implement a partnering evaluation system.

Agenda

- **07:30 to 08:00 A. M.**
 - Coffee for attendees
- **08:00 to 10:00 A. M.** - Session #1
 - Brief introductory remarks on purpose of day by principals of owner, project manager, and design team.
 - Introduction of those attending by chairman.
 - Introduction to *charter* workshop - Ralph J. Stephenson
 - Break out sessions by teams. Possible team groupings include:
 - Owner/user
 - Designers of record
 - Advisory professional service contractors
 - General Contractor
 - Site work and related contractors
 - Structure and related contractors
 - Mechanical and electrical contractors
 - Systems and related contractors
 - Interior finishes contractors
 - Owner's equipment contractors
 - Others?
 - Workshop #1 - Table discussion of the question "*What actions do others take that create problems for us?*"

- **Workshop #2 - Table discussion of the question "What actions do we take that create problems for others?"**

Workshops #1 & #2 comments are to be recorded on both flip charts and on transparencies.

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

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Workshops #3 comments are to be recorded on both flip charts and on transparencies.

- **Workshop #4 - Individual work on the question "In light of the results of Workshops #1, 2, and 3, what do I think my organization's mission is for this project?"**

The mission should state in 25 words or less, the single most important goal to achieve by being successful through my project organization's efforts on this project.

- **12:00 noon to 01:00 P. M. - Lunch**
 - **Mission task force work - From 12:45 to 1:30 P. M. selected lead individuals in the break out table groups will meet apart from the main group and prepare a 25 word or less, first draft mission statement for the project. The draft mission statement will be derived from the individual mission statements prepared in workshop #4.**

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This work is to be based on the project *mission* statement prepared by the *mission* task force.

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These objectives should be designed to help insure excellent relations and performance for all concerned with the Muskegon Community College project?"

Workshops #5 and #6 are to run concurrently with the full group participating

- **Give overview of partnering performance evaluation and *issue resolution* in relation to *charter* - Ralph J. Stephenson.**

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

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- **Print final draft of *charter*.**

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- **05:00 P. M. to 05:15 P. M. Session #5**
- **Each participant sign *charter*.**
- **Adjourn.**

PARTNERING

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

PARTNERING - A. G. C.

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

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

PARTNERING - C. I. I.

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

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

Team groupings for break out sessions.

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

- **Owner/user**
- **Designers of record**
- **Advisory professional services contractors**
- **General contractor**
- **Site work & related contractors**
- **Structure & related contractors**
- **Mechanical & electrical contractors**
- **Systems & related contractors**
- **Interior finishes contractors**
- **Owner's equipment contractors**
- **Others?**

MISSION

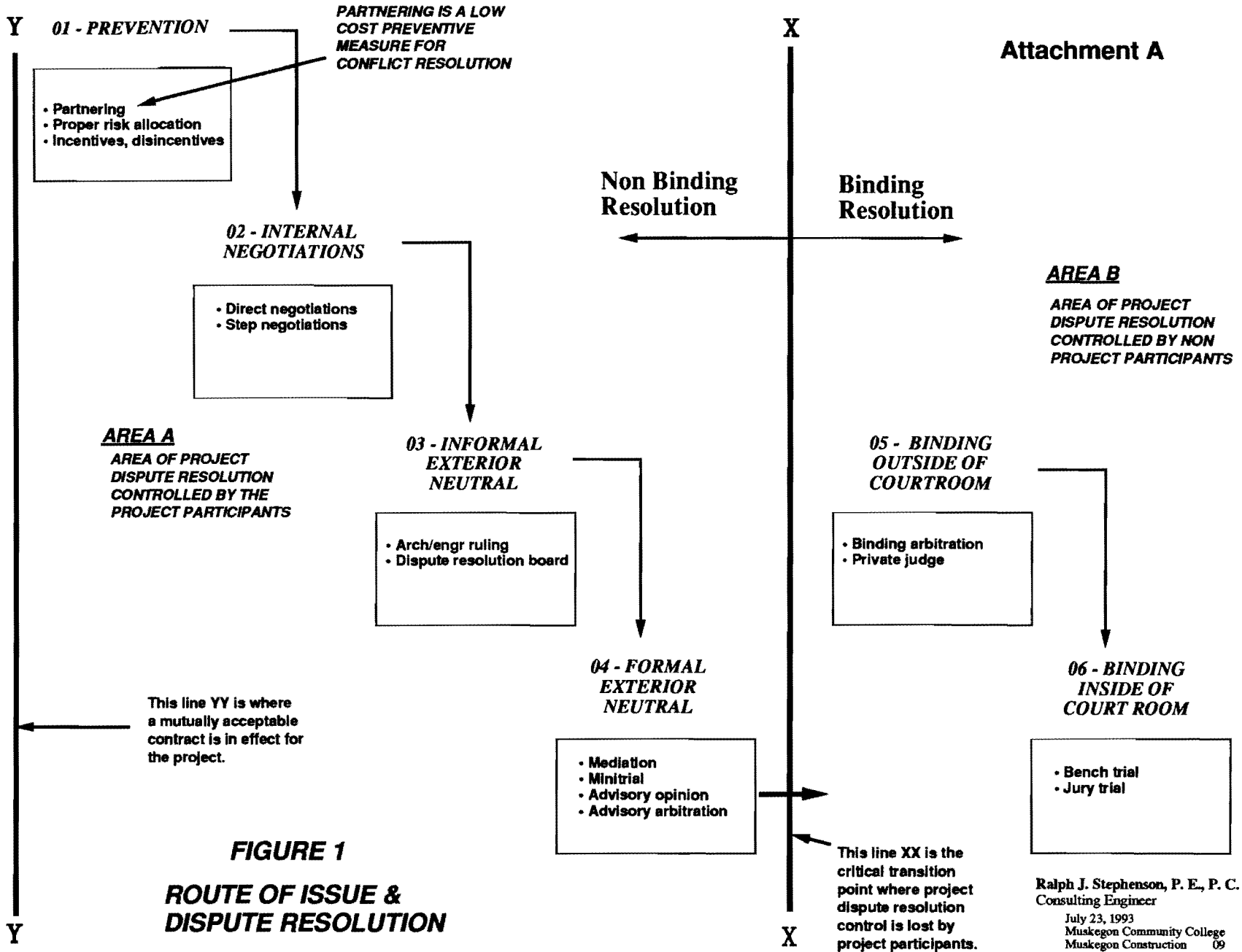
**The most important result to be achieved
by this project being successfully
completed?**

GOALS

**Unquantified desires of individuals or an
organizations expressed without time or
other resources assigned.**

OBJECTIVES

**Quantified targets derived from
established goals.**



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 through 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 - from Triton Steel

1 - objective	2 - par weight (w)	3 - par quality (q)	4 - par (w) x (q)	current quality	current (w) x (q)	previous (w) x (q)
01. Maintain a clean and well arranged work site	3.00	2.50	7.50	2.25	6.75	7.00
02. Effectively administer the project	4.50	3.75	16.88	3.50	15.75	13.25
03. Close out project in a proper and timely fashion	4.00	3.50	14.00	2.00	8.00	8.25
04. Maintain effective lines of communication	4.25	3.75	15.94	3.00	12.75	13.25
05. Resolve problems effectively	4.50	4.00	18.00	4.00	18.00	15.75
06. Limit cost growth	2.50	2.25	5.63	2.25	5.63	7.30
07. Maintain technical excellence in all program, design and construction work	3.50	3.00	10.50	3.25	11.38	13.58
08. Maintain good job morale and attitudes	2.50	2.25	5.63	2.00	5.00	4.33
09. Maintain partnering effectiveness	4.00	3.75	15.00	3.25	13.00	10.22
Average:	3.64	3.19	12.12	2.83	10.69	10.33

CATEGORIES OF OBJECTIVE DEFINITION

- 01 - Achievement of technical excellence
- 02 - Alternative Dispute Resolution
- 03 - Be a good neighbor
- 04 - Close out
- 05 - Communications
- 06 - Constructibility
- 07 - Cost growth
- 08 - Good work site
- 09 - Job morale & attitudes
- 10 - Leadership
- 11 - Legal matters
- 12 - Maintain partnering evaluation
- 13 - Paper and administrative work
- 14- Payment
- 15 - Planning and scheduling
- 16 - Policies and procedures
- 17 - Processing revisions
- 18 - Quality management
- 19 - Responsibility and authority definition
- 20 - Role of the construction group
- 21 - Role of the design group
- 22- Role of the user group
- 23 - Submittal processing
- 24 - Time creep



MUSKEGON CONSTRUCTION COMPANY

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MCC
file
93:43

July 26, 1993

Mr. Ralph J. Stephenson, P.E.
323 Hiawatha Drive
Mt Pleasant MI 48858

Subject: Muskegon Center for Higher Education
Partnering Charter Meeting

Dear Mr. Stephenson:


On behalf of Muskegon Community College and ourselves, I want to thank you for your leadership in our "Partnering" meeting last Friday. It was a long day, but, I believe one that will pay us dividends as this job unfolds. I heard many positive comments about the meeting and the opportunity to discuss individual and mutual concerns up front.

We will be organizing an "Evaluation Task Force" to prepare a format for monitoring our "Partnering" performance on this project. For us the challenge is to continue the spirit of cooperation we began at this meeting throughout the duration of the project.

Again, thanks for your fine assistance. Perhaps we will call on you again for similar guidance.

Sincerely,

MUSKEGON CONSTRUCTION COMPANY


Gary Post, P.E.
President