

Michigan Quality Initiative

December 13-14, 1993

Michigan State University

Kellogg Center

East Lansing



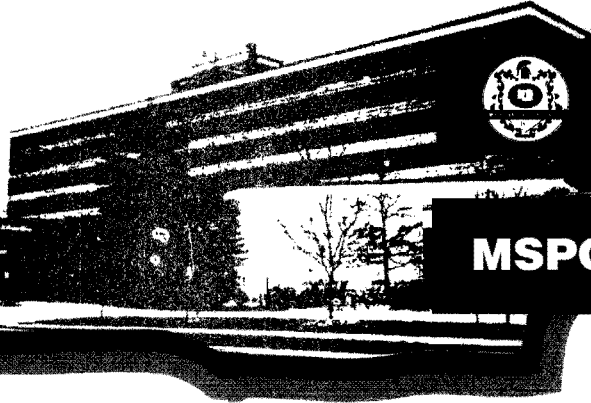
Michigan Concrete Paving Association
101 West Ottawa, P.O. Box 1000, Lansing, MI 48901



Michigan Society of Professional Engineers



MSPO





MICHIGAN QUALITY INITIATIVE SEMINAR

December 13 & 14, 1993

East Lansing, Michigan



Monday, December 13, 1993

8:30 a.m. - 9:30 a.m.

Kellogg Center MSU - Hotel Lobby

REGISTRATION

Coffee and Rolls

PROGRAM AGENDA - MONDAY, DECEMBER 13

9:30 a.m. - 12:00 p.m.

OPENING SESSION

Auditorium

Moderator: Robert A. Welke
Deputy Director - Bureau of Highways
Michigan Department of Transportation

Welcoming Statement:

Barton W. LaBelle, Chairman
State Transportation Commission

Gordon Guyer, President, Emeritus
Michigan State University

Keynote Speakers:

Rodney E. Slater, Administrator
Federal Highway Administration (video)

Larry Bonine, Director
Arizona Department of Transportation

Leet E. Denton, President
Denton Construction Company

A. George Ostensen, Division Administrator
Federal Highway Administration

12:00 p.m. - 1:15 p.m.

LUNCH

Big Ten A

Moderator: James L. Little, Director
County Road Association of Michigan

1:30 p.m. - 3:00 p.m.

BREAKOUT SESSIONS

*** SPECIFICATIONS/QA - QC**
Big Ten B

Moderator: George Gallup, President
Michigan Mineral Resources Association

Panel:
Larry Heinig - MDOT
Material & Technology Division

Jack Weigel - Payne & Dolan, Incorporated
Contractor

John Olle - E.C. Levy Company
Material Supplier

*** PARTNERING**
Big Ten C

Moderator: Gerald McCarthy
Executive Director
Michigan Concrete Paving Association

Panel:
Steve Earl - MDOT
Construction Division

Jim Klett - Klett Construction Company
Contractor

Ralph Stephenson
Consulting Engineer

*** MEASURES OF QUALITY/QUALITY LINKS**
Auditorium

Moderator: James Erickson
Assistant Division Administrator
Federal Highway Administration

Panel:
Keith Herbold, FHWA
Office of Engineering Services

Derek Calomeni, Program Manager
Michigan Technological University

Tom Harman, FHWA
Office of Technological Applications

3:00 p.m. - 3:15 p.m.

BREAK
Big Ten A

3:15 p.m. - 5:00 p.m.

*** SPECIFICATIONS/QA - QC**
Big Ten B

Moderator: George Gallup, President
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Panel:
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Michigan Technological University

Tom Harman, FHWA
Office of Technological Applications

6:00 p.m. - 7:00 p.m.

RECEPTION

Big Ten A

Sponsors:

Michigan Road Builders Association
Michigan Concrete Paving Association
Michigan Asphalt Paving Association
Michigan Society of Professional Engineers
Consulting Engineers Council of Michigan
Michigan Concrete Association
Michigan Mineral Resources Association
Concrete Pipe Association of Michigan

7:00 p.m.

DINNER

Big Ten A

Moderator: Lee A. Kinney, MDOT
Assistant Deputy Director - Highway Operations

Tuesday, December 14, 1993

7:30 a.m. - 8:00 a.m

CONTINENTAL BREAKFAST

Room Big Ten A

Moderator: Gerald McCarthy, Executive Director
Michigan Concrete Paving Association

PROGRAM AGENDA - TUESDAY, DECEMBER 14

8:00 a.m. - 10:15 a.m.

BREAKOUT SESSIONS

*** PLANNING/DESIGN**

Big Ten B

Moderator: Donald Trim, President
Wade-Trim Group

Panel:

Gerald Trout
Greiner, Incorporated

Kenneth Coulston
Capital Consultants

Robert Rabeler
Soil & Materials Engineers, Incorporated

*** MAINTENANCE**

Big Ten C

Moderator: John O'Doherty
Engineer of Maintenance Division
Michigan Department of Transportation

Panel:

Dick Klobuchar, MN/DOT
Office of Maintenance

Brian Gaston, Ontario
Highway Operation & Maintenance Program

Jim Dunleavy, Director Maintenance
Road Commission of Oakland County

*** EDUCATION/TRAINING**

Auditorium

Moderator: Gilbert Baladi, MSU
Civil & Environmental Engineering

Panel:

Karim Chatti, Michigan State University

Ruby Ivens, Lansing Community College

William Saul, Michigan State University

Ralph Shields, Ferris State University

Mumtaz Usman, Wayne State University

Donald R. Tuggle, FHWA
Construction & Maintenance Division

A. John Becsey
Michigan Asphalt Paving Association

Gerald McCarthy
Michigan Concrete Paving Association

10:15 a.m. - 10:30 a.m.

BREAK

Big Ten A & Willy - 110

10:30 a.m. - 12:00 p.m.

CLOSING SESSION

Auditorium

Moderator: Lawrence W. Martin
Executive Vice President
Michigan Road Builders Association

Keynote Speakers:

Jay C. Wilber, Executive Director
Quality Network
General Motors Corporation

Thomas L. Weekley, Assistant Director
UAW - General Motors Department

Michigan's Policy On The Quality Of Highways

Closing Statement:

Patrick M. Nowak, Director
Michigan Department of Transportation

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- Tab 4: Partnering
- Tab 5: Measures of Quality/Quality Links
- Tab 6: Planning/Design
- Tab 7: Maintenance
- Tab 8: Education/Training
- Tab 9: Closing Session
- Tab 10: Resource Information

Ralph J. Stephenson, P.E., P. C.
Consulting Engineer
323 Hiawatha Drive
Mt. Pleasant, Michigan
ph 517 772 2537
November 21, 1993

James K. Erickson
Assistant Division Administrator
U. S. Department of Transportation
Federal Highway Administration
Region 5 - Michigan Division
315 West Allegan Street - Room 211
Lansing, Michigan, 48933

Re. Michigan Quality Initiative Seminar - Partnering Panel

Dear Mr. Erickson:

Enclosed is the information you requested of me in your letter of November 5, 1993. The attachments include:

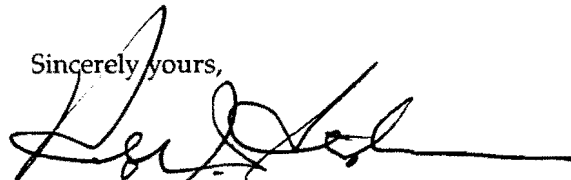
1. A short biographical sketch.
2. A photograph.
3. A short overview of partnering I use in the charter writing meeting.
4. A graphic display of some of the alternative dispute resolution methods used in partnering.

For my presentation I may need an overhead transparency projector, so would appreciate having one available if possible. Items 3 and 4 mentioned above can be reproduced for the meeting notebook.

I may also prepare additional presentation material. Any supplemental items however, I shall prepare and bring with me to the meeting.

Thank you very much for inviting me to the seminar, and I wish you the best of luck for its success.

Sincerely yours,



Ralph J. Stephenson, P. E

enclosures:

Alternative Dispute Resolution and Partnering - an overview

A. Introduction

1. Why has construction become so adversarial?
 - a) The process of dispute resolution is not well understood
 - b) We are having increasing difficulty controlling the indirect predictable, and the unpredictable impacts on our jobs.
 - c) Professional success requires we consider the following:
 - (1) The design and construction professional is obliged, above all, to protect the health, welfare and safety of the public.
 - (2) The legal professional is obliged, above all, to protect the interest of his or her client. These interests are defined by the body of law. Thus the body of law, not the law professional, is depended upon in legal resolutions to protect the health, welfare & safety of the public.
 - (3) The legal process has often moved too far outside the control of those depending on its proper use to fairly resolve damaging conflict.
 - d) Business success requires we take certain business actions.
 - (1) Provide a quality process leading to a well constructed facility.
 - (2) Focus on profitable production of services and facilities.
 - (3) Provide a mechanism by which destructive conflict can be managed by intelligent leaders.
 - (4) Encourage early action on potentially damaging events.
 - (5) Reduce exposure to professional liability claims and costs.
2. The existence of unresolved conflict and disputes often requires that a neutral view be considered useful as a tool for positive change.

B. Partnering is a system of conducting business with minimal destructive conflict.

1. Other names for partnering
 - a) A gentleman's agreement
 - b) "Let's look at the drawings a bit more closely."
 - c) "Let's tally up the favor score?"
 - d) "Let's settle this over a beer."
 - e) A handshake agreement.

C. Why is partnering applicable in today's construction industry?

1. What value is added by partnering?
 - a) Lower costs to resolve conflicts.
 - b) Quicker settlement of conflicts.
 - c) Knowledgeable professionals make the resolution decisions.
 - d) Decision makers are closer to the resolution process.
 - e) Nature of decisions rendered lessen the probability of appeal.
 - f) Participants gain privacy in the resolution process.
 - g) Probability of fair resolution is increased by more timely consideration of the dispute.
 - h) Helps cross critical transition points by setting the ground rules for the crossing
2. Where and why has partnering been successful?
 - a) 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:

- (1) Disputes reduced - no formal claims.
 - (2) Common objectives achieved (schedule, safety, etc.).
 - (3) Increased responsiveness.
 - (4) Higher trust levels.
 - (5) Improved communication.
 - (6) Excellent cooperation & teamwork.
 - (7) Increased value engineering proposals.
 - (8) Developed expedited process for tracking and resolving open items.
- b) 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
- (1) 80 to 100 % reduction in cost growth over the life of major contracts.
 - (2) Time growth in schedules virtually eliminated.
 - (3) Paper work reduced by 66%.
 - (4) All project engineering goals met or exceeded.
 - (5) Completion with no outstanding claims or litigation.
 - (6) Safety records significantly improved.
 - (7) Pleasure put back in the process for all participants.
- c) Combination partnering relationships surveyed & studied by the Construction Industry Institute and reported in the publication ("In Search of Partnering Excellence" - July 1991).
- (1) Shell Oil/SIP Engineering - 1984.
 - (2) DuPont/Fluor Daniel - 1986.
 - (3) Proctor & Gamble/Fluor Daniel - 1986.
 - (4) Proctor & Gamble/BGP - 1986.
 - (5) Shell Oil/Bechtel - 1987.
 - (6) DuPont/MK - Ferguson - 1987.
 - (7) Shell Oil/The Ralph M. Parsons Company - 1987.
 - (8) Alcan/Fluor Daniel - 1988.
 - (9) Union Carbide/Bechtel - 1988.
 - (10) DuPont/Day & Zimmerman - 1988.
 - (11) Great Northern Nekoosa/Rust International - 1988.
 - (12) Pillsbury/Fluor Daniel - 1989.
 - (13) Hoffman-LaRoche/Day & Zimmerman - 1989.
 - (14) Chevron/Bechtel - 1989.
 - (15) Bethlehem Steel/United Engineers & Constructors - 1989.
 - (16) Proctor & Gamble/M. W. Kellogg - 1989.
 - (17) Chevron/Besteel - 1990.
 - (18) DuPont/H. B. Zachry.
3. Situations in which partnering may be difficult to use
- a) Where the parties intend to pay lip service only to the partnering effort.
 - b) Where individuals in key technical or management positions choose to resist intelligent discussion and fair decision making.
 - c) Where early commitments by the owner have made good intercontract relationships difficult or impossible to maintain.
 - d) Where construction contracts are let as the documents are being released for field use.
 - e) Where several parties to the contract prefer to resolve disputes by contested claiming & binding resolution.
 - f) Where poor contract documents are made the basis of the partnering effort.
 - g) Where excessive, one sided conditions are placed on sub contractors by prime contractors.

- h) Where unfair or obscure payment processing systems are specified and enforced.
 - i) Where risk has been poorly defined and unfairly allocated.
- D. What are some of the ingredients of a successful partnering effort plan ?
- 1. Develop and maintain a strong desire to achieve project success for all.
 - 2. Make intelligent commitments.
 - 3. Avoid accepting or imposing unreasonable risk.
 - 4. Work and act ethically, morally, and with integrity.
 - 5. Work and act from a position of fairness rather than a position of power.
 - 6. Suppress greed.
 - 7. Try to establish an honest feeling of trust among participants.
 - 8. Assign experience, competent people to responsible management positions.
 - 9. Have empathy.
 - 10. Prepare a good charter, a good partnership evaluation system, and a good issue resolution process.
- E. Experiences and applications of the partnering concept.
- 1. What actions do others engage in that create problems for us, or do we engage in that create problems for others? (sample responses from an actual charter meeting.)
 - a) Giving directions to proceed without a timely change order.
 - b) Failing to establish clear chain of command.
 - c) General contractor covering general conditions costs by charging subs.
 - d) Lack of timely acceptance of work.
 - e) Lack of timely responses to
 - (1) RFI's.
 - (2) Approval of shop drawings.
 - (3) Site activity restrictions.
 - (4) Change orders.
 - (5) Value engineering.
 - (6) Acceptance of work.
 - f) Improper passing of general conditions responsibility to subs.
 - g) Lack of forum to evaluate and resolve open issues.
 - h) Slow submittal turn around.
 - i) Unreasonable punch lists.
 - j) Failure to recognize impact of changes on ongoing work.
 - k) Late submission of proposals.
 - l) Untimely submission of as-builts, operating & maintenance manuals, and training of user personnel.
 - m) Failure to maintain clean efficient, safe working conditions.
 - n) Do your own punchlists.
 - o) Pretest special systems - equipment start-up.
 - p) Untimely delivery of owner equipment.
 - q) Slow payment.
 - r) Design errors and omissions.
 - s) Resistance to solving problems perceived as *contractor problems*.
 - t) Changes issued in incomplete form (sketches & narrative).
 - u) Slow owner response to concurrent reviews & changes.
 - v) Pass through attitude by general contractor.
 - w) Bid shopping.

2. Recommendations to help resolve some of the problems we or others cause. (samples from an actual charter meeting.)
 - a) Better communications.
 - b) Less defensiveness/more openness.
 - c) Fast dispute resolution.
 - d) Don't take issues personally.
 - e) Contractor review requests for information & submittals before processing.
 - f) Be willing to propose/suggest solutions.
 - g) Submittal schedule provided.
 - h) Prioritization of submittals.
 - i) Complete/thorough questions.
 - j) Positive attitude.
 - k) Recognition of owner's need to eventually occupy, operate and maintain facility/systems.
 - l) Recognition of importance of paper work.
 - m) Allowing necessary contract time for training.
- F. Guidelines for the application and use of partnering concepts.
 1. Determine the need for a partnering system.
 2. Set goals and objectives to be gained from a partnering system.
 3. Obtain management commitment for use of a partnering system.
 4. Develop a partnering plan of action (the charter).
 5. Obtain management commitment to a partnering plan.
 6. Train and educate project participants in the partnering concept.
 7. Create and implement an issue resolution system.
 8. Create and implement a partnering review and evaluation process.
 9. Charters - provided by courtesy of project management and staff as noted
 - a) Veteran's Administration Medical Center Replacement Hospital - Detroit, Michigan
 - (1) 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
 - (2) Charter objectives
 - (a) 01. Maintain open lines of communications.
 - i) a. Recognize the need for quality information
 - ii) b. Minimize submittal and response times in all matters
 - (b) 02. Keep paper and administrative work to a minimum.
 - (c) 03. Develop and implement an alternative conflict resolution system.
 - i) a. Prompt resolution of conflicts at lowest possible level
 - ii) b. Eliminate need for Contracting Officer decisions
 - iii) c. Fair interpretation of ambiguities
 - iv) d. Be proactive (not reactive) in problem solving

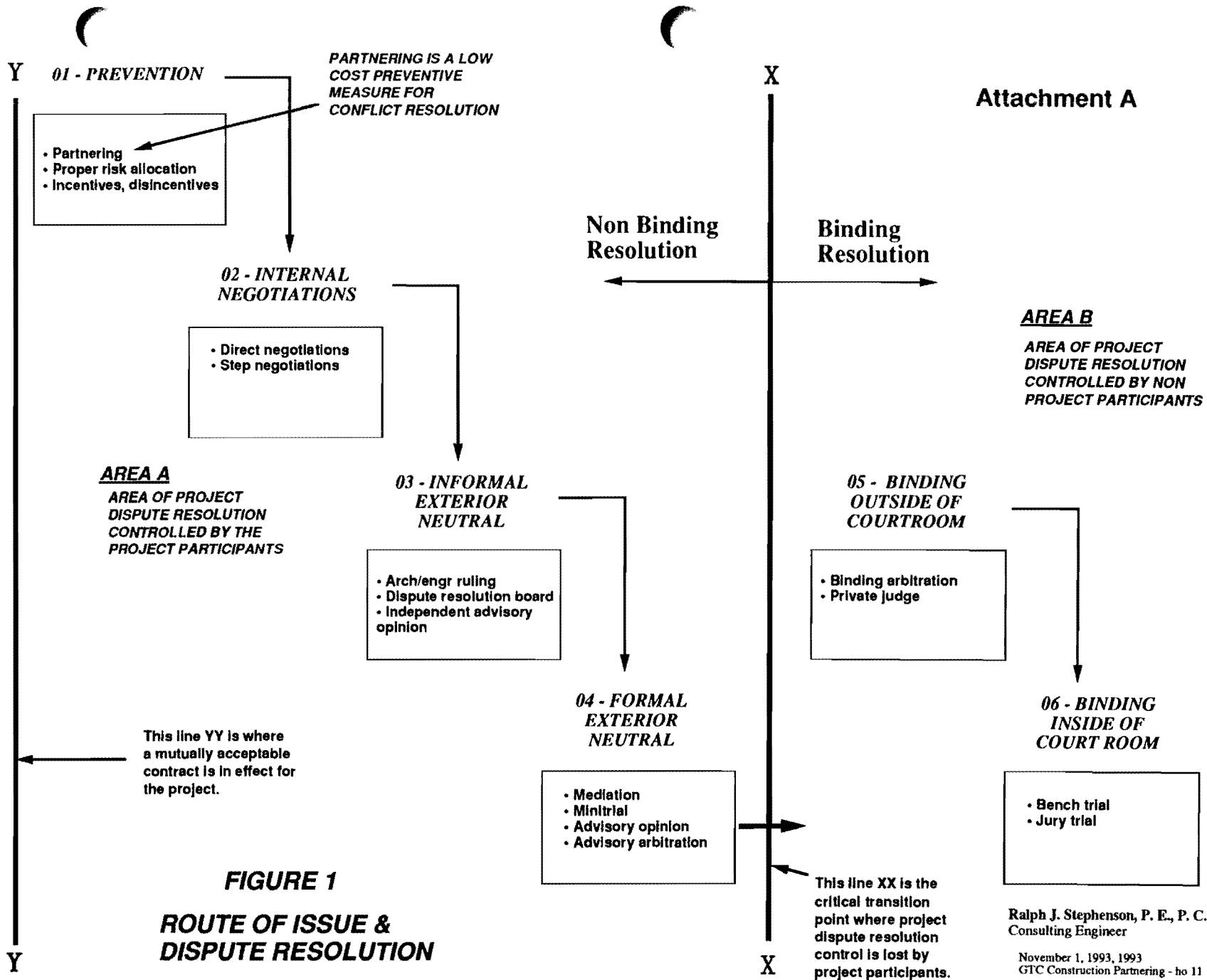
Ralph J. Stephenson, P. E.
Consulting Engineer
November 20, 1993

- v) e. Maintain objective attitude toward constructability and practicality
 - vi) f. Accept responsibility for your actions or inactions
 - vii) g. Have empathy in all matters
 - viii) h. Clearly describe changes to contract work
 - (d) 04. Limit cost growth.
 - i) a. Develop cost effective measures
 - (e) 05. Maintain clean, efficient, secure work site.
 - i) a. No lost time due to accidents
 - ii) b. Properly staff project
 - iii) c. Be a good neighbor
 - (f) 06. Seek to maintain good job morale and attitudes.
 - i) a. Promotion of partnering attitudes at all levels of contract administration
 - ii) b. Have fun
 - iii) c. Have pride in your product
 - (g) 07. Commit to quality control in all project related matters.
 - i) a. Do it right the first time
 - ii) b. Maintain proper work sequence
 - iii) c. Meet design intent
 - iv) d. Recognize owner's needs in occupation and operation of the facility
 - (h) 08. Close out job in proper and timely manner.
 - (i) 09. Maintain and implement a partnering evaluation system.
- b) Michigan Millers Mutual Insurance Addition & Renovation - Lansing, Michigan
- (1) Mission
 - (a) We the Project Team commit to construct a quality facility, on time and within budget, maximizing safety, communication, & cooperation so that all participants can be proud and profitable in their accomplishments.
 - (2) Objectives - to accomplish our mission we recognize a need to work to the following goals and objectives.
 - (a) Submittals
 - i) Clarify objectives and expectations of the submittal process.
 - ii) Minimize submittal and approval times.
 - iii) Provide accurate, prompt, clear, concise approvals.
 - (b) Payments
 - i) Make payments in accordance with the published flow chart process.
 - (c) Information processing & paperwork
 - i) Expedite all information and indicate desired response times .
 - ii) Maintain open lines of communication among Project Team members.
 - iii) Be available.
 - iv) Attempt to offer possible solutions to questions within a proper scope.
 - v) Provide clear responses to requests for information.
 - (d) Legal matters
 - i) No litigation.
 - ii) Settle disputes at originating level .
 - (e) Abatement
 - i) Establish, approve and publish a plan of abatement.
 - ii) Abate promptly.
 - (f) Planning and scheduling
 - i) Provide, obtain, and use accurate activity information.

- ii) Clearly monitor the project against the plan and schedule.
 - iii) Commit to, and fulfill man hour projections.
 - (g) Decision making
 - i) A/E team to regularly inspect work and advise compliance.
 - ii) Define and clearly communicate quality expectations.
 - iii) Properly empower those at all decision making levels.
 - (h) Policies and procedures
 - i) Prepare, review, approve and publish policies and procedures that will serve as guidelines to manage the project.
 - (i) Site layout and management
 - i) Formulate and publish a trash removal & parking plan.
 - ii) Properly establish and maintain bench marks and control lines.
 - (j) Processing revisions
 - i) Provide written authorization prior to work proceeding.
 - ii) Respond to requests for information, bulletins and change orders promptly.
 - iii) Prepare, approve & publish a flow chart for processing revisions.
 - (k) Be a good partnering neighbor
 - i) Commit to protecting your work and the work of others.
 - ii) Show all participants due respect and acknowledgement.
 - iii) Maintain proper work sequences.
 - (l) Total quality management (TQM)
 - i) Prepare, approve, publish, and commit to a TQM program.
- G. Alternative dispute resolution (ADR) systems and their application in construction.
1. What is ADR?
 - a) In broadest terms, ADR is a method of resolving disputed design and construction claims outside the courtroom.
 2. Why are disputes often not resolved promptly and fairly.
 - a) Differences in goals and objectives of parties to the project
 - b) Lack of clear understandings about the design and construction industry needs.
 - c) Lack of value-added for outside interests through prompt and fair settlements.
 - d) Excessive resort to legal based delays and road blocks to resolution.
 - e) Excessive demands on resolution resources (courts, arbitrators, judges and other agencies involved).
 - f) Greed.
 3. The origin of the 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 money can be spent on expensive resolution methods to gamble on a high return on the investment.
 - (2) In periods of low economic activity money must not be wasted on high risk, uncontrollable methods of expensive resolution.
 - 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 acrimonious atmosphere surrounding binding resolution methods has proven demeaning, unpopular, negative, and harmful to how the professional can best do business.

4. ADR guidelines for effective project use
 - a) A basic ADR principle - The earlier in a construction project that the participants employ 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) Jobsite 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.
5. Some resolution methods available
 - a) Non binding
 - (1) *Prevention methods* - produces maximum harmony - usually least cost.
 - (a) Intelligent and proper risk allocation
 - i) Risk should be assigned to the parties that can best manage or control the risk, i.e.
 - (1) The owner, where construction begins before construction documents are complete - the contractor, where full, well prepared, and checked construction documents are available.
 - (2) The architect, if the owner has prepared a well conceived and clearly stated program - the owner, if the a/e is expected to assemble and write the program.
 - ii) 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.
 - (b) Incentives for cooperation
 - i) Incentives or bonus provisions
 - ii) Disincentives or penalty provisions
 - (c) Partnering
 - i) Stresses good faith agreements
 - ii) Emphasizes teamwork
 - iii) Encourages good communications
 - (2) *Internal negotiation methods* - parties involved conduct negotiations - requires consensus - relatively cost free.
 - (a) Direct negotiations (often starts at UDM level)
 - (b) Step negotiations (starts at dispute originating level)
 - (3) *Informal external neutral methods* - preselected external neutral serves as a informal dispute-resolver - relatively low cost.
 - (a) Architect/engineer rulings
 - i) May be respected even though not legally binding.
 - ii) Must be impartial

- (b) Dispute resolution board
 - i) 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.
 - ii) Those selected should be from the design & construction industry.
 - iii) Must have no conflict of interest.
 - iv) Conduct investigations and hearings on disputes and publish prompt opinions re the dispute.
- (4) *Formal external neutral method* - preselected external neutral(s) serves as formal dispute resolver - relatively low cost - usually requires considerable preparation, and may require legal assistance.
 - (a)
 - (b) Mediation - settlement conferences and informal hearings conducted by a neutral third party.
 - (c) Minitrial - private settlement method usually initiated by an agreement between the parties - less formal than mediation.
 - (d) Advisory opinion - neutral expert meets with both parties, obtains information from both, and render prediction as to the ultimate outcome if adjudicated.
 - (e) Advisory arbitration - abbreviated hearing before neutral expert(s). Arbitrator(s) issue advisory award, and render prediction as to ultimate outcome if adjudicated.
- b) Binding
 - (1) *Outside of courtroom* - dispute given to knowledgeable third party - moderate cost - may require legal assistance.
 - (a) Binding arbitration
 - (b) Private judge
 - (2) *Inside of courtroom* - most expensive - usually requires legal assistance.
 - (a) Bench trial - before a judge
 - (b) Jury trial - before a jury
- 6. What is needed for success in resolving disputes?
 - a) A desire for a win - win resolution.
 - b) A desire for a fair resolution.
 - c) People in charge who want a resolution.
 - d) A dispute resolution technique that is acceptable to those involved.
 - e) Knowledge of how to arrive at a resolution system that can produce a decision.
 - f) An understanding of the belief that if you aren't entitled to it don't try to get it!



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

November 1, 1993, 1993
GTC Construction Partnering - ho 11

Michigan Quality Initiative Seminar
Lansing Michigan

Ralph J. Stephenson, P. E.
Consulting Engineer
323 Hiawatha Drive
Mt. Pleasant, Michigan 48858
ph 517 772 2537

THE SEVERAL FACES OF PARTNERING - Michigan Quality Initiative Seminar

Location:

1. Kellogg Center, Michigan State University, East Lansing, Michigan

Date:

1. Monday, December 13, 1993

Times:

1. 1:30 pm to 3:00 pm
2. 3:30 pm to 5:00 pm

Objectives of seminar:

1. To educate participants on the many diverse quality issues that are now facing the highway community.
2. To build a better understanding of the critical need for continuous quality improvements.
3. To improve quality throughout the highway industry with emphasis on:
 - a) Customer/supplier relationship.
 - b) Value added.
 - c) Communication.
 - d) Measurement & feedback.

Those expected to attend

1. Key office & field personnel from highway contracting firms, design and testing consultants, material suppliers, cities, counties, the FHWA, and MDOT who are directly responsible for providing quality goods and services.

Panel members:

1. Gerald McCarthy - Moderator - Michigan Concrete Paving, Lansing, Michigan
2. Steve Earl - Panel - MDOT - Construction Division - Kalamazoo, Michigan
3. Jim Klett - Panel - Klett Construction - Hartford, Michigan
4. Ralph J. Stephenson - Consulting Engineer

Major Topic Outline:

1. What is partnering?
 - a) **Partnering is** a system of conducting business that maximizes the potential for:
 - (1) Achievement of project intent.
 - (2) Obtaining specified quality.
 - (3) Encouraging healthy, ethical customer/supplier relationships.
 - (4) Adding value.
 - (5) Improving communication.
 - (6) Providing methods of project measurement & feedback.
 - (7) Providing methods of quickly resolving conflicts by non destructive means at optimal levels of management.
 - b) **Partnering provides** the basis for preventive methods of dispute resolution.
 - c) **Partnering is** an agreement in principle, and must not supersede or supplant the planning, design, and construction contracts in place or to be written and executed.
2. The several faces of partnering:
 - a) A **preventive action** to reduce destructive conflict.
 - b) A **preconstruction conference** to set the operating ground rules not covered by the contract.

- c) A **pre design conference** to set the operating ground rules not normally covered in the professional services contract.
 - d) A **marketing tool** to assist competent planning, design, and construction firms reduce debilitating competition for services
 - (1) This debilitating competition most often results in lowered quality from that intended and needed.
 - e) A **preprogramming conference** to set concept, ideas, intent and direction for the internal staff of the owner and client (conceiver).
 - f) A **revisiting & updating action** to confirm or revise original operating ground rules that need change due to shifts in emphasis, personnel, operations or other management and technical characteristics of the project.
 - g) A planning, design, construction, and turnover **system to guide the unspecified, non contract conduct** of the project team.
3. The components of a partnering system:
- a) A project **mission statement**.
 - b) A set of specific **goals and objectives** to be achieved within the requirements of the project contract documents.
 - c) An **evaluation system** that encourages and permits regular, well based evaluations of how well the project team is achieving the mission, and specifically, the goals and objectives spelled out in the charter.
 - d) An **issue resolution system** that encourages agreement and the closing out of disputes promptly, at the lowest possible management level, and with little, if any, potential for damage to the parties.
4. Milestones & items of importance in the partnering system
- a) Attitudes at the start of the partnering effort.
 - b) Attitudes at the start of the partnering charter meeting.
 - c) Writing the charter
 - d) Attitudes at the end of the partnering charter meeting.
 - e) Preparing the issue resolution system.
 - f) Preparing the partnering evaluation system.
 - g) Periodic evaluation of project performance.
 - h) Issue tracking and resolution.
 - i) Revisiting the charter.

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

Consulting Engineer

323 Hiawatha Drive

Mt. Pleasant, Michigan 48858

(517) 772-2537

About Ralph J. Stephenson, P.E.

Ralph J. Stephenson, P.E., is an engineering consultant who has a diversified background in land planning, facilities location, building design, and construction.

Mr. Stephenson earned degrees at Lawrence Institute of Technology (Bachelor of Science, Mechanical Engineering), and Michigan State University (Master of Science, Civil Engineering). He has been associated with such firms as Smith, Hinchman, and Grylls, Victor Gruen Associates, Benjamin Schulz Associates, and the H. F. Campbell Company. With the latter three organizations Mr. Stephenson occupied executive positions as vice president. In 1962 he started his own consulting practice, specializing primarily in providing operational and management direction to owners, designers, and contracting firms.

He is a registered professional engineer in Michigan, Wisconsin, Illinois, Indiana, Ohio, Pennsylvania, West Virginia, Virginia, Florida, and Minnesota. He is a member of the Engineering Society of Detroit, the Michigan and National Society of Professional Engineers, the American Planning Association, the Detroit Area Economic Forum, and the Mid-America Economic Development Council.

Since 1952 Mr. Stephenson has been involved at middle and upper management levels in the planning, programming, design, construction, and operation of several billion dollars worth of construction related projects. These include work on industrial, commercial, and institutional programs throughout North America.

Mr. Stephenson has also chaired numerous partnering charter meetings for both public and private sector projects, and has lectured extensively on the subjects of alternative dispute resolution and partnering.

He has also taught hundreds of technical and management seminars in the United States, Canada, and Europe and is the author of several magazine articles and is the co-author of a book on critical path method. His broad experience has given him an understanding of the nature of small, medium, and large size companies, and of the need to solve their management problems through creative, systematic, and workable approaches.