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AGC Student/Contractor Awareness Program (SCAN)

Wednesday October 11, 2000

(Approximate reading time - 15 minutes)

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Example of core ethic and mission statement - ho 509

I. Definitions

A. Core ethic

The fundamental value statement upon which the company is built, managed and does business.

B. Mission

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

II. TRCS core ethic example

TRCS is committed to provide exemplary consulting services to those who own, build, operate and maintain facilities, all through innovation, competence, mutual respect, integrity & cooperation.

TRCS will focus on maintaining excellent client and community relationships. Through these efforts we will endeavor to be receptive & responsive, encouraging profitability for our clients and ourselves.

III. TRCS mission statement example

TRCS's mission for the 12 months from October 13, 2000 is to secure and successfully execute sufficient volume of work as an advisor, consultant and translator in construction, administration and planning all in compliance with our core ethic while securing future opportunities consistent with our market plan.

Ethics in the Planning, Design and Construction Industry

Definitions

- Ethics - A discipline dealing with good, evil, moral duty, and standards of conduct.
- Teleology - The use of ultimate purpose or design as a means of explaining natural phenomena.
- Formal - Belonging to, or being the essential form, or constitution, or structure. Done in proper form.
- Categorical imperative - A moral obligation or command that is unconditionally and universally binding.
- Leadership - The art of getting someone else to do something you want done because he wants to do it. - Dwight D. Eisenhower
- Morals - Of or concerned with the judgment principles of right and wrong in relation to human action and character.
- Behavior - The actions or reactions of persons or things under specified circumstances.

Two basic forms of ethics

- Those dealing with the results (teleological) and those dealing with the means to get the results (formal).

Terms related to ethics

- Morals of a person or group
- Behavior of a person or group
- Standards of conduct
- Codes of practice

How do you view your ethical responsibilities on the job?

Case Studies to test outlooks you and others have about ethics.

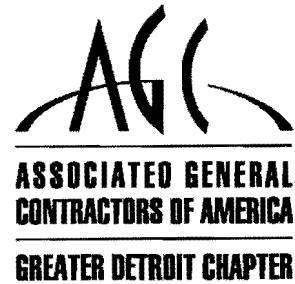
1. The case of the OSHA handrails

You are the project manager and superintendent for Minneola Construction, the concrete contractor on a new power house project. Minneola is a prime contractor to the owner and is adding a new turbine floor in an existing building. The project delivery system selected is one in which the owner is acting as the general contractor and is managing the work of several prime contractors including Minneola's.

Safety requirements are clearly spelled out in the contract of the various prime contractors. One of

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these is that a prime must temporarily barricade major floor and roof openings while they are working in or on the area. When the prime contractor moves from the area, the succeeding contractor or if none the owner is responsible for temporary barricades.



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Ethics

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3. The low bidder award

You are on the school board in your small community of Elmwood. Money has become available to design and build a modest addition to the existing school. A short list of contractors to be invited to bid was prepared by the school board. Requests for proposals was sent to those on the list by the architect of record.

During the bidding period, you and other members of the school board have expressed collective opinions that the award must be to the low bidder. The reason is that, although not required by local law, the short listed contractors have been selected to bid after prequalification. The school board is not obligated by law to award to the low bidder.

Your work as a project manager for Angus Construction, general contractors. Angus is on the bidder's list and has submitted a proposal.

Bids are now being opened. The board is listening to the prices being read. The low quote to this point is \$985,692 from Holstein Construction. Angus' bid is opened and read last. It is \$986,002. You were not involved in preparing or submitting the proposal from your company.

In accordance with long custom, the board is now asked to vote by secret paper ballot. The contractor with the most votes wins the job. There are five people on the board, so a tie vote is not possible, since abstentions are not allowed on capital improvement voting.

1. Who do you vote for?
2. Why?

Working Well With People

Working well with people is the key to multiplying your effectiveness. The good manager reaches his objectives through the work of those in whom he has confidence.

Some pointers to keep in mind as you work with others are:

- 1. Learn about and understand the behavioral sciences
 - A. Basic sciences are
 - 1.) Anthropology (origin, development and behavior of humanity)
 - 2.) Psychology (attitudes and feelings)
 - 3.) Physiology (body characteristics)
 - 4.) Sociology (environmental & group influences & relations)
 - B. The manager should start with the assumption that most people want to do a good job
 - C. Most people want to share in the success of a common effort
 - D. The good manager learns to avoid people manipulation
 - 1.) Manipulation is excessive management of other's feelings and emotions
 - 2.) Manipulation is often rooted in fear
 - 3.) Genuine interest and willingness to trust people is an effective thought pattern that will help avoid manipulation
 - 4.) Don't play behavioral games with employees or subordinates
 - E.) Motivation and maintenance
 - 1.) Maslow's basic motivational priorities
 - a.) People want to be alive and stay alive
 - b.) People want to feel safe and secure
 - c.) People want to socialize with other people
 - d.) People want to feel worthy and respected
 - e.) People need to do the work he likes
 - 2.) Motivational elements
 - a.) Nature of work
 - b.) Recognition of achievement
 - c.) Utilized abilities
 - d.) Challenging assignments
 - e.) Extended involvement and responsibility
 - f.) Production of something of worth
 - 3.) Motivation is introduced into the work place by providing genuinely satisfying conditions that reflect the hierarchy of human values
 - 4.) Maintenance - those job elements that do not in themselves motivate, but when missing, reduce the incentive to produce
 - a.) Pay and benefits
 - b.) Security

- c.) Working environment
 - (1.) Status
 - (2.) Social activity
- 5.) Use motivation and maintenance to help avoid managing by force
 - (a.) Force is primitive rather than scientific
 - (b.) Force kills the qualities a good manager must encourage in his employees. These qualities are
 - (1.) Confidence
 - (2.) Spirit
 - (3.) Self reliance
 - (4.) Assurance
 - (5.) Self sufficiency
- 2. Know and understand the people you work with
 - A. Elements of importance are:
 - 1.) Name, age, address
 - 2.) Employment record
 - 3.) Education
 - 4.) Military service record
 - 5.) Family and dependents
 - 6.) Medical characteristics
 - 7.) Off job interests
 - a.) Job related characteristics
 - b.) Recreation, hobbies
 - c.) Community
 - 8.) Personal beliefs
 - 9.) Personal habits
 - 10.) Life goals
 - B. A good manager does not
 - 1.) Pry for facts people don't want to reveal
 - 2.) Gossip about people
 - 3.) Reveal confidences
 - 4.) Break trusts
 - C. Knowing a person well can allow you to more properly place confidence in him
- 3. Express your respect and confidence to people when actually deserved
 - A. Should be expressed publicly and privately
 - B. Respect and confidence are reciprocal in a good working relation
 - C. Don't confuse being liked with being respected
 - D. The minds of people perceive both what management says and what they do
 - E. The respected employee wants to be treated well and used well
- 4. Communicate freely
 - A. Within allowable boundaries keep people informed about
 - 1.) What is going on in the larger picture around them
 - 2.) What changes are planned

- 3.) What objectives are set for their functional activities
- B. Listen carefully to what your people are saying. Try to understand
 - 1.) The outward message
 - 2.) Feelings they are attempting to express but don't or can't
- C. To watch out for in communications
 - 1.) Use discretion as to what should and should not be conveyed to your people. Don't show off superior access to information.
 - 2.) Generally, base your actions with people on what you actually know about the situation, rather than on what you think others may be thinking.
 - 3.) Your suggestions as a peer are considered conversation: your suggestions as a boss are generally regarded as an order.
- 5. Provide people with challenging assignments
 - A. To expect a lot from your staff or crew is to show respect for their abilities, initiative and perseverance
 - B. Be firm but fair in assignment and in follow up. A boss doesn't have to be liked to be effective
 - C. Usually challenging work is accompanied by a possibility of failure
 - D. A challenging assignment should be doable
- 6. Delegate important tasks frequently
 - A. Don't try to make all decisions about every job by yourself
 - B. Let your people accept new responsibilities and to make occasional mistakes; that's the way they will learn and improve
 - C. Make it known that the more important jobs that you delegate are training assignments. You then retain control of the activity and can make comparative critiques of performance without offense
 - D. Don't be frightened of losing your influence through delegation. Constructive delegation is the path to greater influence and power
 - E. The delegation sequence
 - 1.) Use guided actions. Be available to help the subordinate do the new work
 - 2.) Show the learners how to do the job, and encourage them to further delegate, where appropriate, by having them train or coach their subordinates in the activity
 - 3.) Delegate the whole job and involve subordinates in the early planning as well as the activity itself
- 7. Study and understand the benefits and shortcomings of each subordinate's participation

38 Elements of importance to success in design and construction - ho 341

- **Summary**

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

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

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

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

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

1. The facility program and the facility design have met their needs, desires and wishes.
2. The planning, design and construction work on the project has been accomplished within the time and cost structure required and desired.
3. All relationships on the project have been maintained at a high technical and professional level, and have proven rewarding for those involved and affected.
4. The people involved at all levels of work on the job have realized a financial, professional and technical profit for themselves and their associates by being on the project.
5. The project has been closed out with little or no residual potential for major problems of maintenance or operation.
6. The entire process has been free of unresolved contested claims for additional money, additional time, damage payments, and of the potential for future financial demands after the job has been closed out.

- **Seven types of profit**

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

• **Nine major elements in the design & construction sequence & how they are done**

1. **Conceive the basic project**

Visualize and state the fundamental nature of the proposed project, what purpose it is to serve, and its base characteristics.

2. **Prepare the program**

Set down the physical characteristics of the total project in written and graphic form so as to be able to translate these characteristics into approval documents from which the full design can proceed.

3. **Articulate the program for approval**

Merge the concept, and the written and graphic program into written and graphic construction language which can be reviewed and released by the ultimate decision makers for full design.

4. **Approve the basic project**

Approve the concept, the program, and the merging of the two. This approval by those in authority initiates the full design and construction process

5. **Design the project**

Prepare full contract documents for construction use.

6. **Construct the project**

Build the project and make it ready for turnover to the owner or user.

7. **Turn over the project**

Release the constructed project to the owner or user with full documentation needed to operated and maintain the completed environment.

8. **Operate the project**

Take over, run in, and make the new environment fully operational.

9. **Maintain the project**

Keep the new environment in proper operating condition by a well conceived and effectively managed maintenance effort.

• **Six major participants in the design & construction process**

1. **Conceiver** - The ultimate decision making force behind the entire program

2. **Translators** - The parties that translate the project concept into construction documents

3. **Constructors** - Those who build the facility

4. **Operators** - Those who operate the completed facility

5. **Regulators** - Those who help assure project adherence to the cause of public good

6. **Users** - Those who occupy and use the facility for the purpose for which it is intended

• **Ten major types of design & construction problems**

1. **Constructive acceleration**

An action by a party to the contract that forces more work to be done with no time extension, or the same amount of work and a shorter period of time in which to do it.

2. **Constructive change**

A construction action or inaction by a party to the contract that has the same effect as a written order.

3. **Defective or deficient contract documents**

Contract documents which do not adequately portray the true contract scope.

4. **Delay**

A situation, beyond the control and not the fault of a contract party, that causes a delay to the project

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

Question #1

What are the major differences between codes of practice, moral codes, and codes of ethics?

Question #2

A balanced decision is one which avoids sum zero games. What is a sum zero game?

Question #3

Being financially profitable is often equated to unethical behavior. What do you and your table group think about relating financial profitability to unethical behavior?

Question #4

Given that the definitions given below are true, which item should be defined first in setting an operational mode for an organization?

Mission

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

Objectives

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

Goals

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

Core ethic

The fundamental value statement upon which an organization is built, managed, and does business.

Question #5

Profit - the return in resources obtained by investing other resources in a business or an enterprise. Usually the returned resource has a greater value to the investor than does the invested resource.

What types of profit can be realized from good construction operations?

Examples are financial, educational, technical -- what are some of the others?

Question #6

If an action is legal is it necessarily ethical? Why?

Question #7

What are some of the actions taken in construction operations and management that might encourage unethical actions?

Question #8

How can you tell when you are being unethical in your construction business and operational practices?