PARTNERING – IS IT TIME TO PUT IT ON THE SHELF?

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It has been almost 20 years since a task force for the Construction Industry Institute (CII) developed the method of construction project team-building called “partnering.”

Vogues in management come and go: since 20 years certainly exceeds their normal lifetime it seems worthwhile to ask the question, “Is it time to put partnering on the shelf?”

When asked that question, Clare Singleton at Caltrans provided the short answer, “Absolutely not!”

That response prompts the next question, “Why not?”

Well, partnering continues to provide a unique structured process for team-building that was designed by construction managers and is tailored to benefit construction projects. It has succeeded as the premier team-building method for construction projects. With that track record of successes, it continues to be called for and applied to construction projects.

The interest, growth, and acceptance of this project team-building method can be appreciated by reviewing a short history of the evolution of partnering. In 1988, for construction of the Oliver Lock and Dam, the U.S. Army Corps of Engineers Mobile District and FRUCON engaged in one of the first partnering relationships. In 1989, CII published their task force’s results Partnering: Meeting the Challenges of the Future.” In 1991, they published their booklet In Search of Partnering Excellence, which defined the basic precepts of partnering. Also in 1991, contractors “bought in” when the Associated General Contractors of America (AGC) released training material for their members, creating their booklet Partnering: A Concept for Success and their video AGC’s Partnering: A Concept for Success.

Agencies such as The Naval Facilities Engineering Command (NAVFAC), the Arizona Department of Transportation (ADOT) and the California Department of Transportation (Caltrans) began using partnering in the early 1990’s. In 1993, the American Institute of Architects (AIA) and the American Council of Engineering Companies (ACEC) brought partnering to the design community by jointly publishing A Project Partnering Guide for Design Professionals. Through the 1990’s, improved methods of partnering were recorded in guides and instructions that were published by the U.S. Army, U.S. Navy, NASA, ADOT, Caltrans, and the AGC.

Near the turn of the century, several organizations and agencies paused to look back at the first ten years of partnering and reassessed its use. A Caltrans Partnering Steering Committee, supported by representatives from the Federal Highway Administration and California’s highway contractors, recommitted to partnering with a revitalized program that included the Field Guide to Partnering on Caltrans Projects (www.dot.ca.gov/hq/construc/Partnering_Fieldguide.pdf) and a training video. A joint reassessment by the AGC and the U.S. Army Corps of Engineers was so positive that those organizations jointly established the Partnering Best Practices website: (www.agc.org/page.ww?section=Partnering&name=AGC+and+Partnering)

OK, so there were many successes with partnering in the 1990’s, but should we still be investing in partnering now in the 21st Century?

Hard data indicates that it isworth the investment: ADOT has kept detailed records through 2006 on 1788 completed contracts. (cont’d on pg 12)
They credit partnering with 24,677 contract days saved, 12.7% average time saved, $20.3 million in CE savings, $9.4 million in VE savings, and only 6 claims with a total value of $1,275,808 required arbitration or mediation on completed construction projects valued at $5.5 billion.

Contractor and owner organizations continued to advocate and improve partnering. The American Subcontractors Association, Associated General Contractors of America, and American Specialty Contractors published Guidelines for a Successful Construction Project, 2003, which includes an excellent guideline on partnering.

NAVFAC updated their Partnering System in 2004, making partnering mandatory on all projects, and formal workshops required for all projects over $3 million. The American Association of State Highway and Transportation Officials (AASHTO) Standing Committee on Quality became a strong advocate when their Partnering Subcommittee produced a partnering video and the AASHTO Partnering Handbook 2005.

Well, what does the future hold? As one example, Caltrans is working today to take partnering to the next level. Clare Singleton has been appointed as their Partnering Program Manager in the Division of Construction. Also, with encouragement from the State’s highway contractors, the Caltrans Construction Partnering Steering Committee was reconvened last October with both departmental and construction industry representation. Clare reported that the Steering Committee met as recently as September 25, 2007, and to-date has approved 13 recommended new initiatives to revitalize their partnering activities and improve their results. Those include making partnering mandatory on all Caltrans construction projects over $10 million and keeping it as an option on projects between $1 million and $10 million.

Caltrans projects will place more emphasis on partnering activities beyond the initial workshop, to include facilitated partnering effectiveness surveys, follow-up sessions, and close-out sessions. Facilitated dispute resolution sessions will be encouraged to help teams resolve issues jointly before requesting verdicts from independent dispute review boards. Caltrans will reflect these changes in updates to their specifications and Field Guide to Partnering on Caltrans Projects. These improvements for facilitated project partnering are only the current actions for project partnering improvement at Caltrans. Future improvement areas to be examined include support for project partnering on small projects (under $1 million), integration of partnering into the claims resolution process, and self-directed project partnering for experienced teams. In addition to project partnering, Caltrans is initiating internal and external strategic partnering to improve project efficiencies from the policy level.

If partnering were shelved, either another process would be needed for project team-building or perhaps we would do without any project team-building. The work that the construction industry has done to develop and refine partnering would be hard to replace. It is a powerful technique that construction managers can apply to develop commitments by the project stakeholders: cooperation; open, honest communication; rapid resolution of issues; and maintaining a set of policies.
PARTNERING (CONT'D)

(cont'd from pg 12)

shared goals for a successful project. To those of us with memories of construction before partnering, dropping project team-building altogether is frightening. Remember the six ADOT claims worth $1,275,808 that went to arbitration or mediation in the fourteen years between 1993 and 2006? Compare that to their results before partnering. During the two years 1991 and 1992, they wrestled with 80 claims worth $68,300,000. That was not fun. We want to spend our energy building, not arguing among ourselves in defensive posturing, case building, claims, and litigation.

Reflecting on these results, we should tip our hats to those construction managers who contributed back in the 1980’s to the CII Partnering Task Force. The team-building structure, precepts, and processes that they developed and titled Partnering have had real staying power and continue to serve us well.

Clare is right; partnering is not ready to be shelved.

In 1990, after 30 years with Litton Industries, and vast multi-million dollar project management experience, Dennis Eriksen, PE founded ATI Systems, a management consulting firm. ATI has facilitated partnering activities around the world for $3 billion worth of projects. Dennis actively contributes to improving the methods of partnering, offering workshops, presentations and articles.

See:
www.ATI-Sys.com

PRESIDENT’S MESSAGE (CONT’D)

(cont’d from pg 3)

President this past year has been a very rewarding experience. Building relationships with industry professionals, having the support of an enthusiastic and dedicated Board of Directors, and watching this Northern California Chapter grow within the National organization, gives me a great sense of achievement, satisfaction and pride.
President's Message
Ron Price, CCM

Through the dedicated efforts of the Chapter Board of Directors and volunteers, participation of the general membership and support from the National Organization, the Northern California Chapter has served its membership well. Our programs, educational workshops, newsletter and Chapter Review Course are second to none. All of our achievements have been accomplished this year, despite a war on talent and a number of members and former Board members changing employers and location in the most talent driven market for engineering and construction professionals ever.

At the beginning of the fiscal year in August 2006, membership in the Chapter stood at 267. As of July 2007 membership is 316. This is an 18% increase for the year. Our Chapter has lost some existing membership due to retirements and relocations to other regions of the country. It is through teamwork, interesting programs, and the Chapter Review Course that our Chapter has served its membership well.

( cont'd on pg 3 )

The Construction Manager: Survival of the Fittest?

by TALAL ABI-KARAM, PE, PMP, CCM Hazen and Sawyer, P.C

As we enter the new millennium, we move into an open global market economy. Innovative project delivery methods such as Build-Operate-Transfer, and Design/Build are becoming common in the construction industry. New alternative project delivery systems offer integration, innovation and a single source of responsibility. Some believe that there is no room for the traditional construction manager (CM) in an integrated process such as design/build, and have declared the CM as “Presumed-Dead-but still alive.”

Despite the popular misconception, construction management is thriving under alternative project delivery systems and conventional construction. National surveys by the Construction Management Association of America (CMAA) indicate an increase in the use in Program Management, Agency Construction Management, Construction Management At-Risk, and Program Management At-Risk. Public and private owners venturing into new project delivery methods often find it necessary to hire a CM to assist them during the planning, selection, design, procurement, and management phases of the project. Here I will address the role of the professional Construction Manager and the challenges facing the construction management under new project delivery systems.

Background
The construction of a project is a collaborative process. No project can come to life by an owner alone, by a contractor alone, or by suppliers alone. It takes the collaboration of many parties, and materials to construct a unique facility. Typically, a project is conceived by an owner, designed by Architect and Engineers, impacted by Building Officials, constructed by Contractors and Subcontractors, managed by Construction Managers, and occupied by end users. Consequently, every step of this process is laden with risk. As parties try to perform their contractual duties they try to reallocate risks to other parties. As a result, the construction of a project is, at best, a “fragmented” process within a “fragmented” environment. This fragmented process created adversarial relationships between owners, engineers, construction managers and contractors concerned with finger-pointing, claims, disputes and litigations. This litigious environment has also degraded the “quality” of the

( cont’d on page 4 )