



How To Use A Partnering Approach For A Construction Project: A Client Guide

*By Sarah Peace and
John Bennett*





In recent times, there has been a growing awareness that accepting the lowest priced bid does not always provide the best value for money. Successive UK construction industry review reports (namely the Latham Report, 1994; the Egan Report, 1998; NAO Report, 2001) rightly emphasised the importance of the partnering arrangements in order to facilitate team working across contractual boundaries.

Partnering is an important part of the project management process. It incorporates a set of actions that project teams take, working in cooperation, to improve their joint performance. Generally, these actions are: agreeing mutual objectives, working to agreed decision making processes, and actively searching for improvements in performance. In my view, partnering on any given project provides the best balance of *cost, time, risk, quality and performance*, for the parties involved in attaining the best value for money.

This CIOB guide, in my opinion, provides accurate, authoritative, brief, and forceful guidance for adoption of a partnering arrangement, for both a short or long term relationship, and in the provision of goods and services alike. I strongly commend this valuable CIOB publication, which promotes the practice and development of partnering to all who can benefit.

*Foreword by
Zara Lamont*

Dr Sarah Peace (formerly Sarah Jayes) and Professor John Bennett have established reputations based on research into contemporary practice in the construction industry and publication of the results in widely used guides to best practice. Their joint work includes the influential *Trusting the Team* and *The Seven Pillars of Partnering*.

About the Authors



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Key Points



Deciding Whether to Use Partnering

Part 1

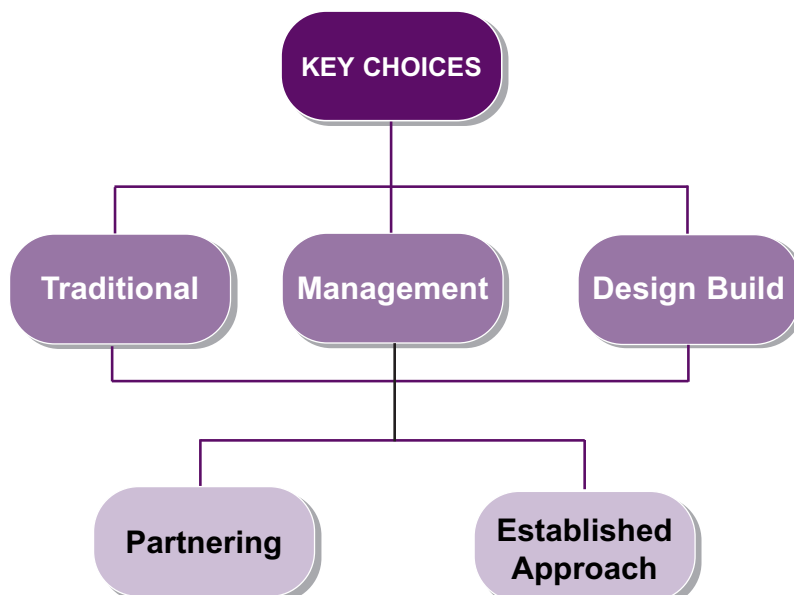
The Partnering Guide is based on current best practice to help you as a client decide whether to use partnering. It draws on extensive research, including several hundred case studies of project teams successfully putting partnering into practice. They show that partnering can provide substantial benefits for everyone involved with construction projects. Achieving these takes time and effort but the benefits far outweigh the costs.

This guide assumes that you have read the introductory guide: *How to Use the Construction Industry Successfully: A Client Guide* and as a result of acting on its advice, you have appointed a Project Sponsor and Client Advisor. With their help you have decided whether you need a straight forward building or an original design and whether to use a traditional, management or design build approach. This guide further assumes that you have read the CIOB guide that describes the approach you have chosen, and therefore you know the type of construction industry firms you need to employ.

This guide is arranged in two parts. The key points are listed at the end of each part and they can be read first if you want to get a quick overview of the guide. Equally they will provide a quick reminder of the key points after you have read the guide.

Part 1 tells you as the client what you need to know and the actions you need to take to decide whether to use partnering. Part 2 is for clients who have decided to use partnering. It provides detailed information about best practice that will help clients ensure that their project team make best use of partnering.

The following diagram illustrates where this guide fits within the CIOB's overall scheme of client guides.



The Partnering Guide

The Key Choices



1 Partnering Explained

Partnering Explained

Partnering means working in cooperation with the construction industry firms you employ to find ways of working together that best serve the interests of everyone involved, including of course you, the client.

Partnering requires all the individuals and firms involved in a construction project to agree mutual objectives that they are fully committed to achieving. It requires them to agree how they will make decisions, including how they will resolve problems. It requires them to agree specific improvements to their normal performance that they will seek to achieve. It is good practice to produce a written record of the agreed actions in clear punchy statements that form what is often called the Partnering Charter.

The following diagram illustrates the three essential elements of Partnering.



The Need for Experienced Professionals

The discussions leading to the agreement of the Partnering Charter require the full involvement of your Project Sponsor to ensure that what is agreed fully takes account of your organisation's interests. The discussions also require the construction industry firms you employ to be represented by experienced professionals with the authority needed to ensure that their own firm's interests are fully taken into account in reaching firm agreements. These people are sometimes described as Partnering Champions.

Best practice partnering requires the continued involvement of your Project Sponsor and the Partnering Champions throughout the project. This helps ensure that firms brought into the project team at later stages of the project understand and act on the basis of the Partnering Charter.



The Benefits of Partnering

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Partnering can provide large benefits for everyone involved in construction projects. Case studies show that compared to established approaches, projects that use partnering can achieve high levels of efficiency and the resulting savings can be used to provide whatever specific improvements in performance the project team agree.

The Benefits of Partnering

A partnering team selected on the basis of the advice at the end of Part 1 of this guide will produce a good building that gives you the performance and quality you need, meets your time and cost requirements, and does all this safely without exposing you to unexpected risks. However, partnering helps project teams provide more than normal competence and a decision should be made about the specific performance improvement the project team will aim to achieve.

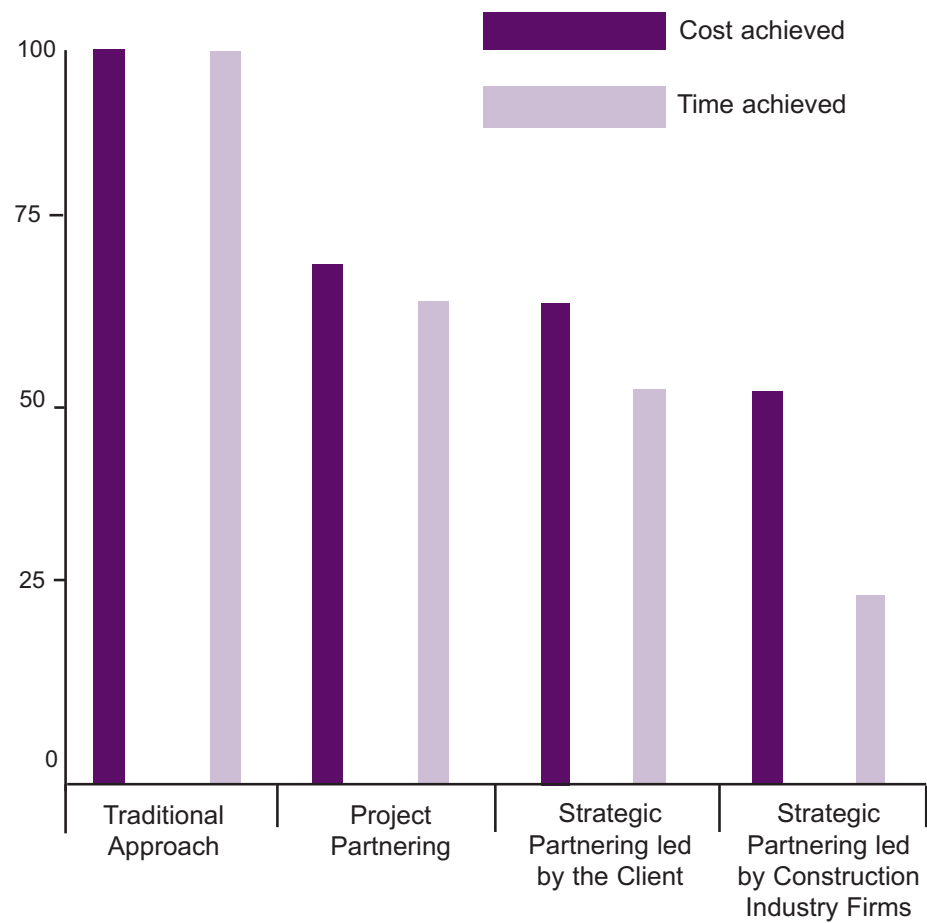
Specific improvements over and above the industry's normal performance can be achieved because partnering, when it is used properly, is more efficient than established approaches. The benefits come from giving the specialist teams who form project teams the opportunity to find better designs, more efficient ways of constructing buildings, and more effective ways to undertake their work, particularly more effective ways of communicating with each other.

Case studies show that the benefits steadily increase as project teams become used to cooperating together over a series of projects. This is often called Strategic Partnering. All the various possible benefits can be most easily measured as reductions in cost and time. This is not to suggest that these are the most important improvements to aim for, although many clients and project teams will seek improvements in cost and time. These just happen to be the most convenient units of measurement to use in comparing the performance of different approaches.



The Scale of the Benefits

The following diagram shows the scale of benefits achieved on projects using best practice partnering compared with the construction industry's traditional approach (the traditional approach is indexed to 100 for both cost and time).



This data is described in *The Seven Pillars of Partnering: A guide to second generation partnering* by John Bennett and Sarah Jayes, published by Thomas Telford in 1998

The Costs of Partnering

There are costs involved in partnering including additional Project Sponsor time on the project, taking extra care in selecting construction industry firms, providing training for the people involved in the project in skills such as cooperative decision making or project management techniques, and holding partnering workshops. These costs are taken into account in the diagram on the previous page which illustrates the net benefits achieved by best practice projects using partnering.



When to Use Partnering

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All construction projects can benefit from best practice partnering. However, achieving these benefits requires the client, or more likely the Project Sponsor, to work in cooperation with the project team. As a client with little or no experience of using the building industry, you should use partnering only if you employ construction industry firms that are already well experienced in cooperative ways of working.

Before looking for such firms, the following questions will help you decide whether you should continue considering partnering.

Do you accept that working in cooperation with your project team can provide more benefits for you than if everyone concentrates on looking after their own interests?

Do you want the construction industry firms you employ to make a fair profit?

These first two questions need to be answered with a confident 'Yes'. The whole point of partnering is to make everyone involved better off, so if you feel uncomfortable with either of these questions, partnering may not be for you.

Are you prepared for your Project Sponsor to be entirely open about your organisation's interests in discussions with the construction industry firms you employ?

Are you prepared to accept your Project Sponsor being questioned by construction industry firms that justifiably expect full and open answers?

Are you willing for your Project Sponsor to join a cooperative search for solutions to problems as and when they arise during the project without trying to allocate blame to individuals or firms?

Are you willing for your organisation to make decisions quickly if that is needed for the good of the project?

Are you willing to replace your Project Sponsor if the rest of the project team decide they are not acting in a manner consistent with partnering?

You should answer 'Yes' to at least some of these questions because they define the benefits you want from partnering. If you do not want any of these benefits, there is no point in partnering.

When to Use Partnering

Questions for Clients to Establish if Partnering is Appropriate



Do you want your Project Sponsor to work with the project team to find designs that will increase the benefits that your new building provides?

Do you want your Project Sponsor to work with the project team to find ways of making sure your project meets its budget and completion date?

Do you want your Project Sponsor to work with the project team to find ways of making sure your new building is fully complete with zero defects when it is handed over to you?

Do you want your Project Sponsor to work with the project team to find ways of producing your building more quickly than normal?

Do you want your Project Sponsor to work with the project team to find ways of producing your building at less than the normal cost?

Do you want your Project Sponsor to work with the project team to find ways of providing other benefits for your organisation?

You should be able to answer 'Yes' to all these questions. They go to the heart of partnering and if you have doubts about any of these actions, partnering may not be for you.

Selecting Construction Industry Firms

If you want to continue considering the use of partnering for your construction project, you should ask your Project Sponsor to identify construction industry firms competent to undertake the required work and willing to undertake the actions partnering requires.

The first step in selecting construction industry firms is to decide what they are required to do. This means you have made the key choices and so know whether you will use a design build, management or traditional approach. The CIOB guides to these main approaches describe the kind of construction industry firms you need to put each of them into practice. These guides also provide advice on the best ways of selecting these firms.

The CIOB guides to each of the main approaches suggest questions that the Project Sponsor and Client Advisor should ask during the overall process of selecting consultants and contractors. The following additional questions are designed to ensure that the selected consultant or contractor has the right attitude and experience for partnering.

Questions for Construction Industry Firms about Partnering

Are you willing to use partnering?

How do you suggest partnering is put into practice on this project?

Why have you suggested this particular approach to partnering?



What is your firm's experience of partnering?

What has your firm done to ensure you will make an effective contribution to partnering?

What improvements in performance has your firm achieved over the last five years?

What actions are being taking to achieve those improvements?

How satisfied are your clients?

How do you know how satisfied they are?

What experience does your firm have of partnering with other members of the project team?

Do you have reservations about partnering with any of the other members?

Do you have ideas for making sure the performance and quality of the client's building are better than the construction industry's norms?

Do you have ideas for making sure my building provides the maximum possible value within my budget?

Do you have ideas for reducing the cost of my building?

Do you have ideas that will help ensure my building is completed as quickly as possible?

Do you have ideas for ensuring that the construction stage is carried out safely?

Do you have ideas for making sure that my building is handed over with zero defects?

What unique contribution to the project do you believe your firm will make?

Do you think it is a good idea to base cost control on an open book approach to the financial accounts that relate to my project and if so, why?

Do you think it is important for all the firms involved in my project to make a fair profit?

Are you prepared to enter into a contract that includes no excuses for failing to deliver what you agree to provide for the money we agree by the agreed completion date?

What circumstances do you think justify not delivering exactly what you have agreed?



Making the Choice

Answers should give you confidence that the people who will form your project team understand partnering, are experienced in using it and have clear ideas about how they plan to apply partnering to your project. Answers should also make it clear that the firms you employ fully support their people in your project team in using partnering.

You should look for people who are competent in their own specialism as evidenced by their track record. They should be good communicators and particularly able to describe their ideas in terms understandable to people outside their own specialism. They should show that they can defend their professional judgments and be open to question and challenge by people from other specialisms. They should show that they respect, and can take account of, different points of view including being prepared to change their mind when someone suggests a better idea.

The people and firms you select should be open about their own business. They should be happy for you to examine their accounts insofar as they relate to your project. They should be willing to allow people they work with to experiment, try new ideas and not need to allocate blame if things go wrong. They should have a culture that searches relentlessly for success, sees problems as opportunities to find better answers, and constantly wants to do better.

An important characteristic of firms experienced in partnering is that they develop efficient and cooperative relationships with their main suppliers. Leading firms in the construction industry have adopted supply chain management and their key suppliers contribute to project decisions as full members of a partnering team. You should look for evidence that the firms you select have such well developed supply chains.

Above all you should feel that you can trust the people and firms you select. That is you can trust them to be competent, not to promise more than they can deliver, and stick to what they have agreed.

If you find firms that meet all these criteria, you can be confident that using partnering is sensible for you.

However, if you cannot find firms that give you this confidence, you should not use partnering on your project. Doing so would be to invite problems and may lead to a worse outcome than using one of the industry's established approaches.



Key Points

This guide is for clients who have decided on a standard building or an original design. They have also decided on either a traditional, management or design build approach and want to consider using partnering for their construction project.

Partnering means clients and construction firms working in cooperation to find more efficient ways of producing new buildings.

The essential elements of partnering are agreed mutual objectives, decision making systems, and specific improvements to the industry's normal performance.

Partnering requires clients and construction firms to be represented by experienced professionals.

Partnering teams achieve good performance in respect of quality, time, cost and safety, and specific improvements over this normal performance.

Partnering teams that cooperate together over a series of projects achieve improvements in performance equivalent to reductions of 50% in cost and 80% in time.

Partnering involves costs in the client representatives being more involved, including training and partnering workshops.

Inexperienced clients should employ construction firms already well experienced in using partnering.

Construction firms should be selected using the advice in the CIOB client guide to the traditional, management or design build approach modified to ensure the firms have good partnering experience.

Construction firms should understand partnering, be experienced in using it, and have clear ideas about how it applies to the client's project.

The people who form the project team should be competent in their own specialism, good communicators, open to new ideas, and trustworthy.

Construction firms should be open, willing to allow their people to try new ways of working and not try to allocate blame if things go wrong.

Construction firms should have efficient supply chains.

Clients should use partnering only if they can select construction firms that meet all these criteria.

Part 1: Deciding Whether to use Partnering



Part 2

Putting Partnering into Practice

Key Members of the Project Team

Part 2 of this guide is intended for clients who have decided to use partnering. It provides detailed information about best practice that will help clients ensure that their project team is making best use of partnering.

Partnering is put into effect at workshops attended by all the key members of the project team. When you have decided to use partnering and whether you will use a traditional, design build or management approach, your first action is to make sure all the key project team members have been appointed. The key members are everyone who can make a significant difference to the success of your project. These should include your Project Sponsor. At this point it is sensible to ensure that the Project Sponsor, who may well be a task force rather than just one individual, represents all the important interests in your organisation. These may include your finance department, those who will use the new building, those who will be responsible for running and maintaining the building once you occupy it, unions, influential neighbours, shareholders, and perhaps others. The type of construction industry firms who make up the project team depend on whether you use a design build, management or traditional approach. The CIOB guides to each of these approaches identify the key project team members.

Case studies show that effective partnering workshops on large, complex projects take two complete days. However on smaller projects this can be reduced to one full day. On a small construction project that requires just a few firms that already work well together, an effective first workshop will take less time, maybe as little as half a day.

Partnering workshops are a substantial investment in time and resources for the people involved. It is justified because partnering is not easy to use well and it takes something as substantial as the first workshop to get a project team off on the right basis. It is justified because the potential benefits considerably exceed the costs. It is further justified because a well run workshop can give you a great deal of confidence that the project team will use your money well.



The First Partnering Workshop

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The first workshop is a crucial step in ensuring that partnering delivers the potential benefits. All the key members of the project team should meet at a neutral venue as soon as they have had time to understand your project and make sure it is feasible and will go ahead. The people who attend must be those who will work day-to-day on your project. It is not acceptable for firms to send a senior representative, a salesman or anyone other than a person who will be a full team member during the project. They must have the authority to enter into agreements on behalf of their firm. It is not acceptable for anyone at a workshop to delay decisions by having to refer back to their boss.

Those attending should be isolated from other work so they can concentrate totally on ensuring that your project has the best possible chance of success. The workshop should be run by an experienced partnering facilitator drawn from outside the project team so they are clearly seen to be independent. An important part of the facilitator's role is prior to the workshop. This is to interview those who will attend to explain the purposes of the workshop, how it will be conducted and identify their interests and concerns.

The aims of the workshop are to establish a firm basis for the project team to develop into a really effective team, to agree mutual objectives, decision making procedures, and specific measurable improvements over normal performance.

A typical agenda for a first workshop where the project team members have little previous experience of working together is shown below. Where you are able to appoint a team already used to partnering together, the initial teambuilding aspects take less time and the project specific decisions can be taken much further. In particular experienced partnering teams are likely to concentrate on one or two potential big improvements in performance. Even though using an experienced partnering team has distinct advantages, many construction projects bring together firms and people who have not worked together on projects that use partnering. In such situations, the typical agenda provides a good starting point.

The First Partnering Workshop

Aims of the First Partnering Workshop

Agenda for the First Partnering Workshop

Day One	Day Two
Introductions	Review of day one
Concept of Partnering	Communication exercise
Teambuilding exercise to explore the benefits and costs of Partnering	Discussion of mutual objectives, decision making and performance improvement
Individual aims for the project	Action planning and presentations in teams based on the discussion
Preliminary discussion of: Mutual objectives Decision Making Performance Improvement	Agreement of Partnering Charter based on team presentations and agreement of mutual objectives, decision making and performance improvement
Summary of day one	Summary of agreed actions



Task Forces

On large or complicated projects it may be necessary for the first workshop to set up one or more task forces to tackle difficult issues, assemble more information about the project, make proposals for a specific improvement in performance, or deal with some other matter that cannot be dealt with at the first workshop. The workshop then reconvenes three or four weeks later for one day with exactly the same membership to receive task force reports and complete the work of the first workshop. It is worth taking whatever time is necessary to get the best possible decisions from the first workshop because it has a decisive effect on your project's success. It is usually best for the client to pay the costs of partnering workshops. The costs have to be covered somewhere in the total project costs and by paying directly for workshops you avoid wasting time and resources negotiating over how to share the costs and debates about whether these should be seen as part of construction industry firms' overheads or recovered in some other way. It also clearly demonstrates your commitment to making sure that partnering delivers its potential benefits on your project.

Teambuilding

The first task in the first workshop is to build a basis for real teamworking. There are well established techniques for helping people to cooperate. Partnering facilitators use these to encourage people to be open about their own interests in ways that build up trust and team-spirit.

Project Sponsor's Role

The Project Sponsor should fully join in the facilitator's use of teambuilding techniques to demonstrate your organisation's commitment to partnering. They should be positive and creative in suggesting ways of ensuring the project is a success. They should encourage open, critical discussion of their ideas. They should encourage everyone to make suggestions and say what they really think about all the issues discussed. They must encourage others to take the lead as their specialism becomes central to ideas being considered at the workshop.

Essential Team Roles

It is sensible to check that all the essential team roles are likely to be filled by at least one member of your project team. Effective teams respect diversity and understand that different points of view and ways of working are valuable and should be welcomed, provided of course they are aiming at the same mutual objectives. There are well established lists of the essential roles in successful teams and the facilitator may well use one of these lists to check that your project team is likely to develop effective teamwork.

Dealing with Problem Individuals

One very important matter at the first workshop is to deal with anyone who clearly does not want to use partnering. If they are unwilling to discuss their interests openly and honestly, if they are unable or unwilling to discuss other peoples' interests in a cooperative way, if they do not want to look for mutual objectives, cooperative decision making systems, or improvements in performance, their position as part of the team must be questioned. If you are not convinced they will change their approach, they must be replaced.



Mutual Objectives

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The central strength of partnering is motivating the project team to cooperate in achieving mutual objectives that give all of them more than they would get from using the construction industry's established approach. Agreeing really effective mutual objectives requires everyone to be totally open about their own interests. It is acceptable for the client to say they must have the building finished by a specific date and the budget is fixed and cannot be increased. It is acceptable for the contractor to say they need to earn a specified level of profit and cover all their costs including a fair allocation of overheads. It is acceptable for designers to say they need time and resources to produce the best designs. It is acceptable for managers to say they need everyone to use specific management tools to control quality, time and cost.

Once all the interests have been stated, they should be openly discussed in terms of which interests are essential and which would be good to have and the priorities people attach to them. Then the workshop should brainstorm possible ways of achieving everyone's essential needs. It can stimulate a creative search if the workshop considers what innovations would be needed to give everyone everything they want.

The workshop should then have a free ranging discussion based on a consideration of needs, wants and priorities. This should continue until there is a consensus on realistic mutual objectives. The workshop must ensure that no one has serious reservations about successfully achieving the mutual objectives. It must be clear that everyone fully believes the mutual objectives take account of their own interests more completely than relying on the construction industry's traditional approach. In other words it is crucial to successful partnering that everyone is committed to achieving the mutual objectives because they believe doing so is in their own best interests.

Any team member reluctant to cooperate may need more evidence that partnering will benefit everyone, including themselves and their firm. They may need training in cooperative decision making. They may need more reassurance that their firm supports the use of partnering. These things can take time which may well not be available given the project objectives and so it is often best to ask their firm to replace an uncooperative person with someone who wants to use partnering.

Another possibility is that the uncooperative person is a talented individual who will make a significant contribution to the success of the project but will not be a team player. If you want them to remain in the project team and use partnering, their work must be ring fenced with defined inputs and outputs so the rest of the team can use partnering around those constraints. This is not ideal but if you want a talented maverick in the project team, it is best to create a space for them in a way that does not prevent the rest of the team partnering effectively.

Mutual Objectives

Prioritise Interests

Uncooperative Team Members



6 Decision Making

Decision Making

The workshop next agrees how the project team will make decisions. The key choice between a standard building and an original design is central to the choice of decision system. In both cases the aim is to encourage cooperative decision making directed to achieving the mutual objectives.

Standard Buildings

In the case of a standard or straight forward building the decision making system will rely primarily on the construction industry firms' established answers and communication systems. These are likely to be information technology plus a clear pattern of meetings. A typical pattern of meetings for a standard construction project is given below.

Meeting	Who Attends and What happens
Project Meeting	All key members of the project team meet once a week to discuss progress, cost, procurement, information flow and external influences.
Design Meetings	All key members of the project team meet once a week to discuss the design, any feedback from the customer and explore alternative solutions.
Work Package Design and Procurement Meetings	All key members of the project team and any relevant partners involved in the work package meet whenever necessary to agree the details of the package, discuss and finalise the contract strategy. Detailed checks of the contract documentation are also carried out.
Work Package Meetings	Construction managers, contract managers from each of the specialist contractors involved and the site supervisor meet weekly to discuss progress, detail design, construction plans and construction.
Work Package Interface Meetings	All key members of the project team and the specialist contractors involved in the work packages meet weekly to ensure all information is in place for design coordination and efficient construction, to look for better ways of working and resolve problems.
Site Meeting	All key members of the project team and site supervisors currently based on site meet daily to review the previous day's progress, solve any problems affecting progress and plan the next day's work.
Partnering Workshops	All partners attend partnering workshops. They last for up to two days depending on the size and complexity of the project, are held at a neutral venue and are facilitated by an independent partnering facilitator.



A work package is the work involved in a main element or system of the building. These include substructure, structure, external cladding, internal divisions, main services (lighting, heating, cooling, water supply, waste disposal, communication, security, etc.), internal finishes and fittings, and external works. Separate work package meetings are needed for each main element and system.

Decision making on projects using an original design needs to be more flexible. It will rely more on face-to-face meetings especially in the early stages of design. The intensive interaction between project team members needed for real creativity can be helped by establishing a project office for all the key people to work together. This can result in exciting designs, good communications, fast and efficient working and an altogether more successful project. There are however costs associated with a project office, not least taking people out of their normal office and away from the support this provides. All these issues need to be considered at the workshop and may need to be investigated by a task force before a final decision is made.

Original Design

Original designs often require many different firms and people to be brought into the project team for relatively short periods of time to allow ideas and possibilities to be explored. It is also difficult to predict exactly which firms and people will be needed at the outset. As design decisions are made, this all becomes clearer. Working in this evolving, flexible way means that project teams work through a series of stages marked by key decision points. They plan ahead only as far as the next key decision point which is marked by a workshop at which the project is reviewed and the next stage planned.

The overall planning of projects using original designs is of necessity flexible and uncertain in the early stages. Your own commitment to a firm completion date and a fixed budget will determine the degree of flexibility the project team are allowed. These are absolutely crucial decisions for you to make and you must ensure the project team fully understands how much flexibility they have. It is possible to have an original design, good quality, and a fixed completion date and budget. If the workshop decides this is what the project team will set out to achieve, the descriptions of best practice quality, time and cost control in Chapters 10, 11 and 12 of this guide will help them decide the best way of working. In making their decisions, the project team should bear in mind that no matter how challenging the mutual objectives, projects using original designs work through stages marked by key decision points. The diagram on the next page shows a typical pattern of key decision points and main stages on a project using an original design.



Key Decision Points

Main Stage	Key Decisions
Getting started	Confirm the business case Appoint the Project Sponsor Appoint the Client Advisor
Defining the project	Agree the project is feasible Review client representation Agree composition of project team
Assembling the team	Appoint the project team
Designing and constructing	Agree the project brief Agree outline design Agree detail design for each work package Authorise start of construction Accept each key stage of construction as complete Agree building is complete
Completion and evaluation	Accept hand over of building Move client's organisation into building Evaluate feedback

Project Meetings

Meetings take place between the key decision points as they are needed. It is common for there to be separate meetings to deal with design, time and cost. They are coordinated by a core team of the small number of senior decision makers. This normally includes one, or at the most two, people who represent the client. The lead designer and most senior construction manager should be members of the core team. The core team normally meets every week to ensure the project is making good progress towards the next key decision and deals with any problems that have not been resolved at a technical or managerial level.

In addition to the core team, day-to-day coordination is needed. This is provided automatically when a project office has been set up. In the absence of a project office, specific arrangements for the communication of design, time and cost decisions need to be agreed at the first workshop so that everyone involved in the project always has access to the up-to-date design and decisions about time and costs.

Much of the day-to-day coordination can be provided by information technology that allows separate firms to share common computer systems so information is available and up-to-date wherever it is needed. At its best, information technology gets close to providing a virtual project office. Even when a project team has the best information technology, there will still be a need for face-to-face meetings to find the best designs and construction methods. The pattern of these meetings should be agreed at the first workshop.



The list given on Page 16 may help suggest what is needed but the emphasis and balance of meetings may well be different to reflect your project's specific priorities. The Project Sponsor should ensure that all these matters are considered and that the answers agreed make sense.

A particular issue that should be decided at the first workshop is how problems will be resolved quickly before they grow into disruptive disputes. Best practice is to have a formal structure for dealing with problems where they arise, at the level where the issues involved are understood in practical terms. The problem resolution procedure should set a predetermined and short timescale for finding a solution. Two days is a sensible limit. If a solution acceptable to everyone affected cannot be found, the procedure should require the problem to be referred to a group with wider responsibilities within the project to resolve within a further two days. If this management level cannot solve the problem it is referred to the core team to resolve within three days. These three levels of dispute resolution are often called technical, managerial and political. It is intended that at the political level the long term interests of the parties involved are taken into account so there is every reason to expect a solution to be found.

Problem Resolution

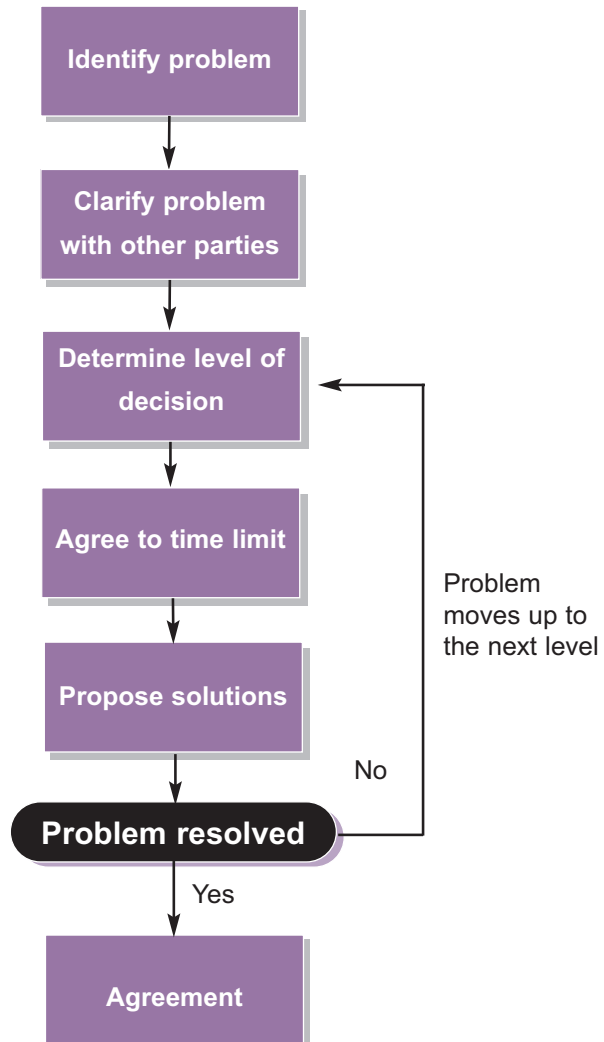
The problem resolution procedure illustrated on the next page is not contractual but is a serious attempt to resolve problems without recourse to contractual remedies. These can sour relationships and make partnering less likely to be successful. Every effort should be made to solve problems quickly and not resort to formal contractual positions.

It is unhelpful in resolving problems to try to allocate blame for the problem. First of all it is extremely difficult to be certain where blame actually lies. The vast majority of problems result from weaknesses in the project systems which on projects using partnering have been jointly agreed. Second if you have picked the best team, they remain the best team even if a problem arises. They need to be encouraged to concentrate on finding the best answer not forced into defending their own interests. Best practice partnering is to concentrate on solving problems and pay everyone the costs they have incurred in undertaking the project so that no firms are relatively disadvantaged. The description of cost control on page 26 of this guide explains how this can be achieved in ways consistent with a fixed budget.

An integral part of agreeing the decision making procedures is to decide how quality, time and cost will be controlled. Pages 23 to 25 provide descriptions of interesting and effective control systems that have been used to support successful partnering. Your project team may prefer other approaches, in which case the systems described may provide a useful starting point for the discussion of what is best for your project.



Problem Resolution Procedure





Performance Improvements

7

The point of partnering is to provide improvements over and above the construction industry's normal performance. The improvements allow everyone involved to benefit. In other words improvements in performance underpin the agreed mutual objectives.

Performance Improvements

Improvements do not happen by chance; they have to be planned and worked at relentlessly. The first workshop agrees exactly what measured improvements will be achieved and sets in train the actions needed to achieve them. The list below shows some improvements over normal established performance identified during research into successful partnering projects.

Improvements to aim for
Lower capital costs Lower running costs
Certainty of time Faster completion
Better quality More reliable quality Zero defects
Zero accidents
Higher profits More reliable profits

It is sensible to aim for one substantial improvement. It is possible to achieve two distinct improvements on one project but aiming at more will raise a real risk of failing on all of them. It is of course important to ensure that the improvement is not achieved at the expense of other aspects of performance. This means ensuring the project team have a clear picture of established normal performance and are committed to not falling below it.

There are well established techniques that help improve performance. The table on the next page lists some of the most widely used techniques.



*Techniques For
Achieving Performance
Improvements*

Techniques
Staff development and training
Team continuity
Investing in modern technology
Value Management
Risk Management
Right first time
Total Quality Management
Eliminating waste
Lean production
Benchmarking
Brainstorming
Continuous incremental improvement
Simultaneous engineering
Measuring Key Performance Indicators



Partnering Charter

8

At the end of the first workshop, it is best practice to produce an agreed record of the mutual objectives, decision making procedures and planned improvements in performance in the form of a Partnering Charter. This is a brief, clear statement of how partnering will be put into effect to ensure the success of the project from everyone's point of view. The Partnering Charter is often signed by everyone present at the first workshop to signal their commitment to what has been agreed.

It helps to have the Partnering Charter prominently displayed in offices, factories and construction sites where project work is underway. The Project Charter is sometimes turned into a plastic card that project team members can carry in their wallet as a frequent reminder of what they are working to achieve.

The following illustration is based on ideas from case studies of successful partnering projects to show the kind of statements included in Partnering Charters.

Partnering Charter

We will cooperate to produce new offices that represent outstanding value for the client.

We will cooperate to ensure that all members of the project team make their agreed profits.

The total cost to the client of the new offices will not exceed £15m.

The running and maintenance costs will be no more than 50% of those in the client's existing offices.

The new offices will be handed over at 12.00 noon on 31 March 2004, fully complete, with zero defects.

We will cooperate to ensure that no reportable accidents occur during construction.

We will solve problems at the level in the project team where they occur in less than 48 hours.

We will use a common project office to ensure fast and accurate communication throughout the project team.



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Follow-up Workshops

Actions Clients Should Take During a Project Using Partnering

The first workshop establishes the basis for partnering. It is best practice to hold follow up workshops regularly to ensure that the mutual objectives and the planned improvements in performance are being achieved, and the decision making procedures are working well. The first of the follow up workshops should be about one month after the first workshop. The level of project success should determine how frequently it is necessary to hold further workshops. It is unwise for partnering workshops to occur more than six months apart even on very large projects. It is sensible to hold a workshop when significant stages in the project are reached or when significant new members join the project team.

The follow up workshops should be organised in much the same way as the first workshop. However, on projects that are going well they may need only one day. Where the facilitator, in interviewing project team members prior to the workshop, identifies concerns, unresolved problems or major opportunities to make big improvements to the way the project is being run, two days may well be justified. As described earlier, on small projects, partnering workshops may need no more than half a day. The follow up workshops review the mutual objectives, decision making procedures and planned improvements in performance. The aim is to agree that what was originally agreed remains the best basis for the project, or that specific changes are needed. Having confirmed or changed the Partnering Charter, the workshop decides whether specific actions are needed to ensure the project is successful.

Case studies show that follow up workshops often make improvements to the project management systems used to control quality, time and cost. The following descriptions bring together the best features of current practice on successful partnering projects to give you ideas that can be discussed by your project team at follow up workshops.

Standard Forms of Contract

Some clients incorporate the Partnering Charter in the formal contracts with the project team members and some standard forms of contract in use in the industry provide for this. You should discuss this issue with your project team. The aim should be to ensure that the Partnering Charter is taken seriously and acted upon by everyone involved. If it helps to incorporate it in formal contracts, it makes sense to do this. Whether or not it is incorporated in formal contracts, once the Partnering Charter is signed, your project is on its way towards using partnering successfully. Standard forms of contract that support partnering include the New Engineering Contract Partnering Option from the Institute of Civil Engineers and the Standard Form of Contract for Project Partnering (PPC 2000) from the Association of Consulting Architects.

Project Insurance

Case studies show that the requirements of insurance companies can inhibit cooperative teamworking. The best way of avoiding this is for you as client to take out insurance for the project as a whole in place of the individual policies taken out by all the individual firms involved.



Controlling Quality

10

Best practice quality control is based on everyone involved taking responsibility for quality. This is consistent with the teamworking approach of partnering. It is vital that effort is put in right from the start of the project to ensure that everyone takes quality seriously. The client and all the other senior members of the project team should emphasise the importance of quality at every opportunity, ask questions about it, and explicitly discuss it at all project meetings.

Good quality depends on involving the contractor in design and the designer in construction. They both have specialist knowledge which is needed to produce practical design information in the right sequence and to ensure that it is correctly interpreted on site. It also needs clients to play a key role in employing only consultants and contractors who invest in quality.

Quality begins with the design consultants own quality assurance systems. They define what is required for design quality and provide an essential framework for defining what contractors' quality assurance systems should provide.

During the design stages, the project team should undertake careful risk analysis of the design quality of the end product, and of the implications for health and safety issues during construction on site.

Contractors' quality assurance systems must provide an overall quality plan for construction, general quality control procedures and specific procedures for each element and system. The project team should check the contractors' procedures to ensure that they include everything needed. As long as contractors have good quality control systems it is best to rely on self certification by the contractors. However, this should be backed up by physical audits of the quality control systems on site.

Physical audits by design consultants check that the contractor is carrying out work in compliance with the procedures, and check that the procedures are effective by making random checks of the finished work.

Any quality problems identified must be investigated to identify whether the causes are deficiencies in the procedures or in their application. This can lead to changes to the procedures or further training for the contractor's staff in quality procedures.

All site staff must attend a health and safety course, including quality control procedures before being allowed on site. Quality should be linked to contract payment mechanisms by defining completion of work as inclusive of completing the relevant quality procedures. This reinforces the importance of contractors taking quality seriously and in particular of giving early warning of quality problems.

Controlling Quality



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Controlling Time

Controlling Time

Best practice time control systems use an overall programme that begins with the completion date required by the client and works back to establish the fixed milestones that must be achieved to ensure the completion date is achieved. It is normally sensible for the milestones to be at monthly intervals.

In the early stages of projects the definition of the work required to meet a milestone needs to be flexible so that design decisions can be absorbed. Then as firmer decisions are made, the work required to meet the milestones can be defined more precisely. The aims are to achieve the completion date, and to find the best possible answers.

Time control is the responsibility of the whole project team. Each consultant and contractor undertakes the detailed planning of their own work within the overall programme of milestones. Any flexibility in their detailed programme of work needed by the next milestone is managed by the consultant or contractor undertaking the work.

Checking and coordinating the detailed programmes is undertaken by a senior construction manager on behalf of the project team. Prior to the start of the work leading to each milestone, the senior construction manager produces a detailed overall programme of the work required to meet the next milestone. This identifies the key deadlines for information from the client, the production of design information and any other information that has to be provided by one consultant or contractor for another to work on. This detailed overall programme of the work required to meet the next milestone is reviewed and agreed by the project team at a formal meeting at the start of the stage leading to that milestone.

The current detailed overall programme of work required to meet the next milestone is updated every week by the senior construction manager. It provides the basis for weekly progress meetings at which each consultant and contractor is required to confirm that their work is on programme, that any problems they have can be dealt with themselves, or whether they need help from the project team. It is fundamental that this reporting is absolutely honest and none of the project team members ever try to hide problems. In return for this honest reporting, time is not wasted trying to allocate blame for problems; rather there is an absolute concentration on finding the best possible solution that will ensure the project meets the next milestone.

The progress meetings flag up any conflicting priorities or other problems that need project team decisions. Problems are solved, they are not allowed to fester. When the project is approaching a milestone, the programme becomes a key driving force.

This approach is robust enough to enable project teams to search widely for the best possible solutions, to absorb substantial changes and design development, and complete their projects exactly on time.



Controlling Cost

12

Best practice cost control begins with the budget justified by the client's business case for the new building. This is turned into an overall cost plan by a senior quantity surveyor consultant on behalf of the project team. The cost plan provides a cost target for the work required to design, manufacture and construct each of the elements and systems of the new building. The total of the cost targets equals the client's budget so there is no unallocated contingency allowance. The only contingencies should result from explicit decisions by the project team at a risk management meeting. Experience shows that unallocated contingency allowances make it too easy for project teams to relax their search for best value.

The overall cost plan should be reviewed and agreed at a meeting of the project team early in the project. Some experienced clients ask their project teams to sign the agreed cost plan as an indication that everyone is committed to producing the best possible building within the budget.

A rigorous cost control system backed up by pressure from the client to look for the best possible answers is key to best practice cost control. The aim is for the project team to question every aspect of the project in searching for the best value.

All members of the project team are responsible for the cost control of their own work and for identifying cost threats and opportunities. They produce individual cost reports which are consolidated by the senior quantity surveyor into a cost tracking report for the whole project. This is updated each week and relates current estimates of cost to each cost target. The cost tracking report identifies any threats that cost targets may be exceeded and any opportunities for making savings. The senior quantity surveyor also carries out random checks on the cost control systems produced by the consultants and contractors. The nature of these checks depends on the payment option being used for the individual consultant or contractor. They need to be more detailed when a cost reimbursement option is being used than when a lump sum option is being used.

The project team meet each week to review the cost tracking report and decide on actions needed in response to cost threats and opportunities. Cost over-runs must be matched by savings from elsewhere in the project. Cost control decisions are agreed by the project team. As these decisions are agreed, their impact is incorporated in an up-dated cost plan which becomes the basis for the next cost tracking report.

This approach to cost control will help the project team produce a good building within the budget justified by the client's business case for the new building.

Controlling Cost



13

Maintaining Progress

Questions to Ask Project Team Members During a Project Using Partnering

The Project Sponsor should regularly walk around all the places where project work is underway and ask a selection of these questions to project team members. The answers should confirm that partnering is being effective in delivering a successful project. Any concerns picked up as a result of asking these questions should be raised with the rest of the project team immediately so they can be dealt with at the next project team meeting.

What are the agreed mutual objectives?
What are you doing to help ensure they are achieved?

What is the agreed completion date?
What are you doing to help ensure it is achieved?

What is the agreed budget for the project?
What are you doing to help ensure it is achieved?

What is your role in quality control?
What are you doing to help ensure there will be zero defects on completion?

Are the health and safety provisions good and effective?
Have there been any serious accidents on this project?
If so what action was taken to avoid a similar accident?

Are you and your firm meeting all your quality, time and cost targets?

What are your immediate objectives for this week?
What may prevent you achieving your objectives?

What could be done to make a significant improvement to your performance?

Do you have all the information you need to do your work to the best of your ability?

Are the agreed decision making procedures being fully used?
Are problems being resolved quickly?
Do you have any problems that have not yet been resolved?

What significant improvement to normal performance is being achieved on this project?
What is your contribution to ensuring this is achieved?

Are you being well paid and is your firm making a good profit?



Final Workshop

14

It is good practice to hold a final workshop in the completed building a few weeks after your organisation has occupied it. This provides an opportunity to celebrate a successful project. It also allows everyone to discuss the main lessons from the project and to take them into their firms to benefit future projects. This means discussing the following questions:

- What is the client's view of the project's success?
- What is each project team member's view of the project's success?
- What good ideas were identified during the project?
- What would now be done differently and why?
- What were the main successes?
- What were the main weaknesses and problems?
- What is the most important lesson from the project?

*Actions Clients Should
Take at the End of a
Project Using
Partnering*



Key Points

Part 2: Putting Partnering into Practice

Partnering on construction projects is guided by partnering workshops.

The first partnering workshop brings together the key members of the project team at a neutral venue and uses an experienced facilitator drawn from outside the project team to help ensure the workshop is successful.

The time allocated to the first partnering workshop and the issues dealt with depend on the size and complexity of the project and the project team's partnering experience.

The first partnering workshop establishes the basis for teamworking and makes sure all the key members of the project team will work in cooperation.

The first workshop establishes mutual objectives that give all members of the project team greater benefits than the industry's established approach.

The first workshop establishes the project's decision making system which encourages cooperative decision making aimed at the mutual objectives.

The first workshop establishes how problems will be resolved quickly without attempting to allocate blame at a technical, managerial or political level so they do not fester into disputes.

The first workshop agrees one or two specific improvements over the industry's normal performance and agrees the actions needed to achieve them.

Decision making on projects to produce standard buildings can rely on established communication systems, often using information technology, and predetermined patterns of meetings.

Decision making on projects to produce original designs is guided by a core team of senior decision makers from the client, designers and construction managers.

The core team organises the face-to-face meetings needed to deal with design, time and cost between predetermined key decision points.

The key decision points are marked by workshops that review the stage just completed, and plan the next stage.

Projects to produce original designs use information technology to support the face-to-face meetings and this can provide a virtual project office.

Projects to produce original designs can benefit from a common project office.

All the outcomes of the first partnering workshop should be recorded in a Partnering Charter signed by everyone at the workshop to indicate their commitment to what has been agreed.

Some standard forms of contract used with partnering incorporate the Partnering Charter in formal contracts.



There are benefits in clients taking out project insurance to avoid individual policies inhibiting cooperative teamworking.

Follow up workshops should be held throughout partnering projects to ensure that partnering is being well used to achieved the agreed mutual objectives and performance improvements.

Follow up workshops often agree actions aimed at making the quality, time and cost control systems more effective.

Best practice quality control is based on the principle that everyone is jointly responsible for quality and is backed up by well developed quality control systems and random quality checks.

Best practice time control works back from the agreed completion date, establishes fixed milestones defined as precisely as the current stage allows, and at each milestone reviews the completed stage and plans the next stage.

Best practice cost control is driven by the budget justified by the client's business case, guarantees agreed profits for construction firms and uses cost planning to find the best possible design and construction answers.

The Project Sponsor should regularly walk around all the places where project work is underway to ensure that partnering is being effective in delivering a successful project.

A final workshop should be used to capture the lessons and celebrate a successful project.

