



# Joining Forces

Construction partnering may offer a solution to help ease the problems in Alberta's frenzied construction industry

BY ALLAN LOWE

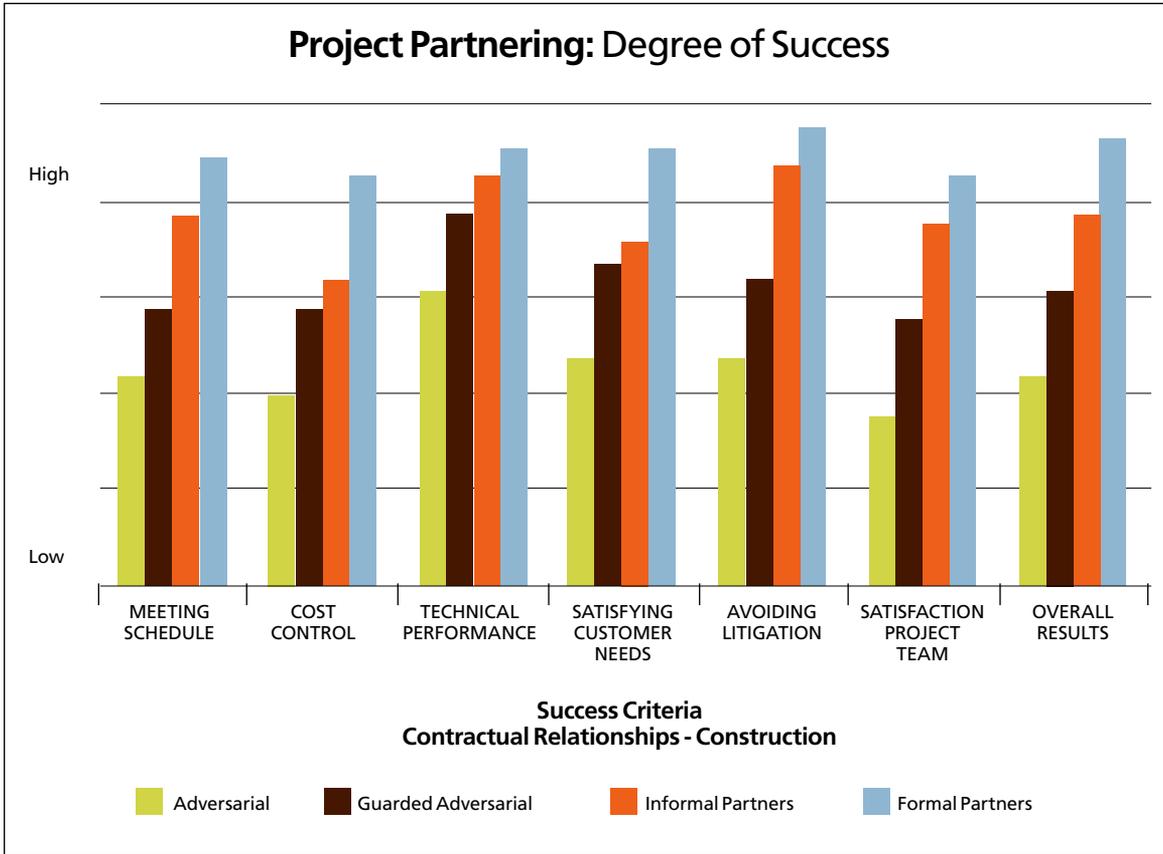
**Can anything be done to address increasing costs, staff shortages, and escalating concerns about safety and the environment without breaking the bank? In a word, yes. Construction partnering can provide all of these benefits and more – and it's not difficult to do.**

Construction partnering is a commitment amongst the owner, consulting engineer and/or architect, and the contractor to improve communication and avoid disputes by working together toward common goals and objectives, generally on a project-specific basis.

Partnering builds goodwill and trust, encourages open communication, and helps the parties eliminate surprises and adversarial relationships. It enables the parties to anticipate and resolve problems, and avoid or minimize disputes through informal conflict management procedures. Partnering is often referred to as dispute prevention.

Construction partnering is not intended to be an extension of the legal relationship between the parties that is formed by the contract and specifications for a project. However, the partnering process and philosophies establish working and communication relationships.

In 1996, the Construction Industry Institute (CII), based at the University of Texas in Austin, researched nearly 300 projects that were completed



using the partnering approach and found significant benefits. Total project costs were reduced by 10 per cent, overall project completion time was reduced by 20 per cent, and lost-time accidents were 1/83rd of industry standard. Schedule changes were 48 per cent less, and the number of claims was reduced by 83 per cent. Change orders were also reduced by 80 per cent due to the use of a partnering approach. At the same time, profitability increased by 25 per cent, and job satisfaction was up by 30 per cent.

Erik Larson, professor of project management at Oregon State University, conducted a 1994 study on the effects of construction partnering on 280 construction projects (see above). The study compared the effectiveness of controlling costs, schedule, technical performance, customer satisfaction, avoiding litigation, and project team satisfaction rates under four different approaches to managing the owner-contractor relationship: adversarial, guarded adversarial, informal partnering, and formal partnering. The results showed formal partnering on projects produced superior results to all of the other approaches in

every researched category. In addition, the relationship between partnering and project success was not affected by whether the contract was awarded on a low-bid or non-low-bid (i.e., negotiated) basis.

Closer to home, the southeast leg of the Anthony Henday Drive Ring Road in Edmonton, a \$493-million project, was recently completed using formal partnering for PCL Construction Management Inc.'s internal construction team and an informal partnering approach with PCL's client and other external stakeholders.

Steve King, project manager for PCL, says, "This project came in on time and on budget, and there is no doubt in my mind that this would not have happened without using the partnering approach. It really works, if people work at it."

Almost any construction project can benefit from using the partnering process. However, the benefits of formally partnering on a construction project increase with the project's increased risk. The risk can be evaluated in terms of design and construction complexity, the numbers of major stakeholders involved, budget constraints,

and many other factors. Evaluation tools are available to evaluate the potential benefits of partnering on any construction project.

Partnering can be effective on projects

## What is Partnering?

### Partnering *is*:

- Working together instead of against each other
- A process for relationship building
- A philosophy of teamwork and understanding the other parties' needs
- A commitment to cooperate and communicate
- An attitude of goodwill and trust
- Sharing risks with a "win-win-win" attitude

### Partnering *isn't*:

- Relaxing contract terms
- Circumventing the processes
- Expecting extra work for free
- An excuse for poor performance
- A cure-all
- Easy to achieve

of any size – while smaller developments may involve smaller numbers, there may be increased risk because there is also less margin for costs caused by low efficiency and other problems.

The northwest extension of the Calgary Light Rail Transit system is also using a partnering approach. “Our firm is responsible for the construction of the Crowfoot Station, a \$14-million project,” says Greg Beck, a principal of The LeBlond Partnership - Architects and Planners. “We’ve used the partnering approach on this project, as we have on previous projects with this contractor, and there is no doubt that it is a very effective approach to construction.”

There are several different types of construction partnering. Collaboration can occur prior to the project start-up, or within the first few weeks of development. With internal partnering, individual organizations can address their own issues, concerns and also the identification of roles within their own organizations. A further form of collaboration, described as design partnering, occurs among the owner, designer, and contractor representatives.

Partnering can also occur for projects

that are underway but still experiencing difficulties. Depending upon the stage of the project and the needs of the team, construction partnering can be utilized at different stages of a project and may not even be project-specific.

**Once a decision has been made to partner on a construction project, a partnering facilitator typically starts by conducting interviews with key stakeholders from all main parties. A partnering program specific to the project is then designed, followed by a partnering workshop. Partnering philosophies and tools are used throughout the project, and the partnership is maintained using follow-up processes and tools. Additional partnering workshops may be held at key project stages, depending on the complexity and length of the project.**

These workshops provide an opportunity for the teams to get together, away from the jobsite, very early in the project.



**The northern extension of the Calgary LRT is being constructed using a partnership approach**



**ROAD TO SUCCESS:** Thanks to a partnering approach, the \$493-million Anthony Henday Drive Ring Road was completed on time and on budget

## Online surveys provide feedback to keep partnership goals on track throughout the project.

All project personnel with decision-making authority should attend. Learning the issues and concerns of all parties early on pays dividends throughout the project. Consideration should be given to inviting owner representatives, consulting engineer/architect/design firm representatives, contractors, key sub-contractors and suppliers, municipal representatives, and environment and safety officials.

The items covered in a workshop are key to the success of partnering on each project. The sessions are very interactive, and the items covered and the processes involved, while not complicated, greatly enhance

the project's chances for success.

Typical items covered in the workshop include: an overview of partnering, the project organization and lines of communication, a vision for success, goals, key expectations and the needs of each stakeholder group and potential project challenges. Attendees learn to identify celebrations throughout the life of the project and select partnering champions from each major stakeholder group. Also the developments of the following items are covered: strategies and action plans to address key challenges, an issue resolution process, partnering follow-up tools and methods, and the partnering charter.

Holding a partnering workshop for a project does not automatically guarantee success. Research shows that

several factors improve the effectiveness of partnering on a project.

Commitment to the partnering principles and processes by all parties, including senior management, is essential. The earlier partnering is instituted on a project, the greater the success rate. Diligent use of the

### Partnership Projects

#### Infrastructure

- Deerfoot Trail Extension
- Stoney Trail NW
- Anthony Henday Drive Ring Road – southeast leg
- Highway 63: 10 & 11 Twinning Project (near Fort McMurray)
- James MacDonald Bridge Rehabilitation
- Macleod Trail/Shawnessy Boulevard Interchange

#### Buildings

- Crowfoot Library
- Valley Square Recreation Center
- Signal Hill Fire/EMS Station
- Bearspaw/Glenmore Water Treatment Plant Upgrades

### 2007 Alberta WCB Construction Claims Cost

**\*\$57.3 Million**

**\*199,709 WCB Time Loss Days**

**\*19,923 Total Claims**



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tools developed in the workshop, including the issue resolution process and follow-up processes and tools, contribute greatly to success. Frequent measurement and follow-up is key to partnering success. And, finally, partnering is hard work – the work must be done, and the team must celebrate successes, often.

The initial partnering workshop gives the project an excellent kick-start. However, once the workshop is done and the project is underway, it is easy to lose the benefits gained from the partnering workshop. A monthly online partnering team survey is an effective way to avoid this. Participant feedback is gathered on the achievement of the goals and strategies identified in the workshop for the project's success. The team is then provided with a summary report of the feedback to use in making adjustments to ensure the partnership goals from the workshop continue throughout the life of the project.

“We’ve found that these online surveys



**Brian Pearse, vice-president,  
Stewart, Weir & Co. Ltd.**

really keep the partnership at the forefront,” says Nino De Laurentiis, southern region construction manager for Alberta Infrastructure and Transportation. “We review them every month, and the anonymous feedback really helps to keep the partnering commitments on track. It is

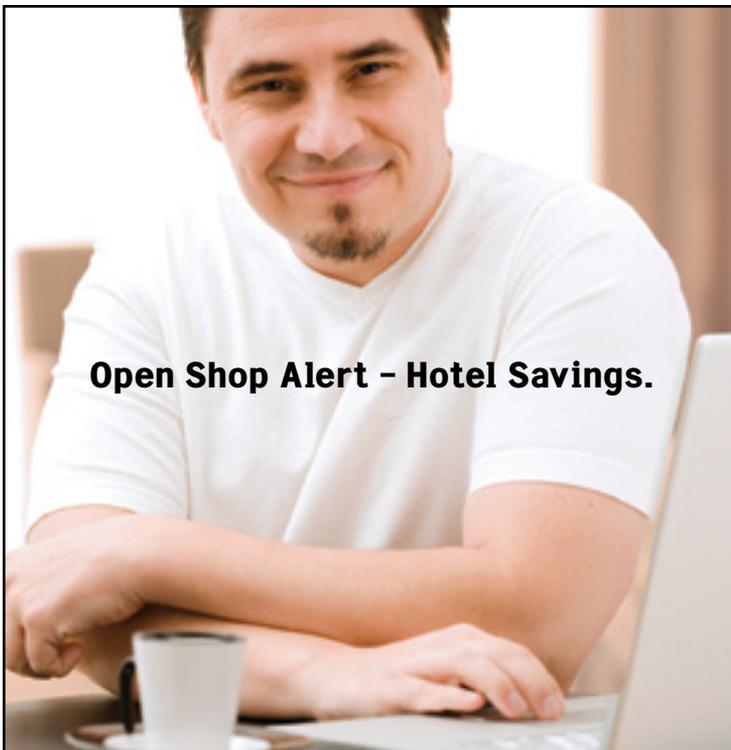
an excellent tool.”

At the completion of a project, a review of partnering and the project's success is conducted, as well as identifying potential improvements for future projects.

As Brian Pearse, vice-president of Stewart, Weir & Co. Ltd. and president of the Consulting Engineers of Alberta, says, “Construction partnering really isn't new – it is just using a process to get us back to where we used to be with a good handshake and the commitment to work together. Partnering isn't easy, but if the parties put in the effort, it works.”

**About Allan Lowe & Associates Inc.**

Allan Lowe, MBA, B.Comm., C.E.T., is president of Allan Lowe & Associates Inc., and offers complete construction partnering and follow-up services. In addition to construction partnering, Allan Lowe & Associates services include facilitated planning, meeting facilitation, and organizational improvements. For more information, visit [www.allanlowe.com](http://www.allanlowe.com).



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