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I. What is Partnering?

Partnering is an attitude where both the owner and contractor agree to harmoniously work together on a project as a cooperative team. This relationship should also expand to include all other interested parties (stakeholders). A formal agreement is collectively prepared based on mutual respect, trust and integrity. The Partnering Process will provide an opportunity for timely problem resolutions while also accomplishing common goals. Adversative relationships are to be avoided. Partnering is a Win-Win Process for everyone.

II. Background on Partnering

A. Nation

The Partnering Process is not new. It is a concept that has been around for a long time and it is a just smart way of doing business. I first heard about Partnering when Norm Anderson, Construction Engineer from the State of Washington, made a presentation on Partnering - "Managing Conflicts in Construction Contracts" at the AASHTO Subcommittee on Construction in 1991 in Biloxi, Mississippi. This was something that the State of Washington and their contractors started in the fall of 1990. They designed a program for partnering highway construction projects. It was very, very successful and they implemented this in January of 1991 on 5 projects. It has been expanded to other projects.

Tom Warne also talked about Partnering and what they were doing in Arizona, - "A Strategy for Excellence." Tom Warne indicated that their Director, Charles Cowan got them involved in Partnering. Charles E. Cowan, in 1985, when he was Commander of the Portland, Oregon, District of the Army Corps of Engineers significantly advanced the Partnering Process.

Both the State of Washington and the State of Arizona are leaders in embracing the Partnering Process. Norm Anderson and Tom Warne both are very excited about this way of doing a construction project. You hear them talking about claims going down and profits going up.

Other states are also getting involved in partnering. Alaska, Florida, Ohio, Kansas, Utah, Colorado, and Minnesota are just a few. When you hear people from these states talking about Partnering, they have only good words to say. State forces and Contractor forces, which I will call partners, want to have another Partnering job after they have had the first partnering job.

B. Indiana

After the 1991 AASHTO Construction Conference, Partnering was discussed with INDOT top management. This was also discussed at a Joint ICI/State Co-Op Meeting. People started talking and both contractors and state people began to get excited about this new Partnering Process.

At the Purdue Road School last year, Tom Warne was brought in from Arizona to talk on Partnering. After the Purdue Road School, it was decided that Indiana needed to get started on Pilot jobs in order to get our feet wet. Currently we have six pilot projects going where we use Partnering. They are as follows:

1. R-19386	S	SR 3	Dave O'Mara	Dennis Mills
2. R-19972	FW	I-69	E&B Paving	Don Stucky
3. R-20128	L	US 31	Kankakee Valley	Dennis Berg
4. R-20307	G	I-465/US 31	Berns Const. Co.	Dan Rogers
5. B-20211	C	SR 38	Contractors United, Inc.	Dallis Caudill
6. R-20511	G	I-70	Contractors United, Inc.	Romeo Joson

These projects are not finished. All had a one day workshop where a Partnering Agreement was jointly agreed to by all stakeholders.

III. Key Parts of Partnering

A. Commitment

Top management from both the state and contractor have to be committed to partnering. The Department, INDOT, has made this commitment. The Contractor Organizations, Indiana Constructors, Inc., Asphalt Pavement Association of Indiana, Consulting Engineers of Indiana, Indiana Mineral Aggregates Association, and the American Concrete Pavement Association have also made a commitment to partnering. It is very important on each job to be partnered that top management from the Contractor and INDOT have total commitment to Partnering. It is also very important that all stakeholders also buy into the Partnering process. When that happens it is a Win-Win situation for the state, contractors and the general public.

B. Input from all Stakeholders

Stakeholder is a person that has an interest in the successful completion of a quality project. Anybody that has a part in the project. Some examples of stakeholders are as follows:

Contractor - VIP	INDOT Central Office
Project Manager	INDOT District
Foreman	Project Engineers
Suppliers	Inspectors
Subcontractors	Testing Personnel
Utility Companies	Designers
Local Officials	Consultants
DNR	FHWA
IDEM	

The list of stakeholders will vary from job to job. Some will be the same. It is very important to involve people who may have an effect on the timely completion of a quality project. It is very important to listen to everyone's concerns and find a way with all stakeholders communicating and working together as a team in order to construct a quality project on or ahead of time.

C. Open Communications

Open communications is a key part of Partnering which is based on mutual respect, trust, and integrity. It is important that all stakeholders learn to listen and work together to accomplish the common goals on a project. It is very important that both the contractor and state find ways to manage a project that are fair to all involved and to keep communication open during construction. Most Partnering Agreements include daily communication between Project Engineer and the Contractor's Job Superintendent, with formal, weekly meetings. It is very important to have a good dialogue with Utility Companies, Sub Contractors, Suppliers, Testing Personnel, Consultants, and Designers. The Contractor and the Project Engineer and all stakeholders need to work as a team.

D. Teamwork

Teamwork is built on mutual trust, respect and integrity. It is very important that both State and Contractor work together as a team. It is also very important that all other stakeholders be brought into the process and made an integral part of the team so that they can understand the common goals and objectives of the project. The common goals can be achieved when everyone is working together as a team.

E. Like Goals and Objectives

What you will find out on a project when you sit down and talk about it is that both the Contractor and State forces have a lot of the same goals on a project. Some of these Goals and Objectives may be as follows:

1. Timely Project Completion
Everybody wants the project to be completed on time... or ahead of time.
2. Safety
Job completion without injury to contractor's work force, state work force and traveling public.
3. No Claims
Complete the Job without claims. Work together, communicate so that problems get solved early and quickly. The Contractor and the State both need to agree as to how issues will be resolved.
4. Quality Job
It is important that proper materials, construction procedures, and workmanship all point to constructing a quality job. Everybody wants smooth riding pavement and a good looking quality job constructed. Quality jobs just don't happen. It takes teamwork and everybody doing their part.

5. Paperwork
All parties agree to meet deadlines, submit required paperwork at the proper time. Both state and contractor need to be concerned and understand what each other needs and why. Example would be Material Records and Progress Pay Estimates.

6. Value Engineering
Both state and contractor agree to evaluate new proposals with an open mind because when Value Engineering is accomplished on a job, it is a Win! - Win!! - Win!!! for the contractor, state and general public. It is to everyone's advantage.

7. Good Public Relations
Need to keep the public advised and listen to their concerns. Need to include the property owners and local officials making them partners. Everyone needs to promote positive public relations.

8. Enjoyable Working Relationship
By open, honest communications and working together to solve problems as a team, enjoyable working relationships can happen. Partners need to avoid adversative relationship. No more one up on the other person. Mr. Jim Lairscey, Construction Engineer from the State of Florida , indicated that their project engineers are actually having fun again on Partnering Jobs. He said it was like when the Interstates were being constructed in the early 1960's.

IV. Partnering Agreement

This is a formal agreement that is collectively prepared based on common goals of the stakeholders. It is not a legal document. In my mind, it is more important than any legal document because it is built on mutual respect, trust and integrity. It is signed by all stakeholders at the project workshop. Then everyone works to make it happen. The people on the job spend time solving problems, not documenting and building a case for possible legal action.

V. Evaluation

Both Contractor's Job Superintendent and State's Project Engineer/Supervisor have to follow-up to keep the job on course. It is also important that all Stakeholders follow up to see that their part gets accomplished timely for each Partnering Agreement. Generally, the Partnering Agreement states when formal follow up meetings will happen and who will take the lead. "WHAT GETS FOLLOWED UP....GETS DONE"

VI. Future of Partnering

Indiana currently has six (6) Pilot Jobs that are under construction. The last of this month and the first of next month, 6 ICI/State Training Meetings will be held...one in each district. These meetings are as follows:

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| 1. Seymour District | Thursday, March 18, 1993
(At Bloomington) |
| 2. Fort Wayne District | Tuesday, March 23, 1993
(At Fort Wayne) |
| 3. LaPorte District | Thursday, March 25, 1993
(At South Bend) |
| 4. Greenfield District | Tuesday, March 30, 1993
(At Indianapolis) |
| 5. Crawfordsville District | Thursday, April 1, 1993
(At Lebanon) |
| 6. Vincennes District | Tuesday, April 6, 1993
(At Vincennes) |

Contractors, State Forces, and Consultants will also be involved in these Training Meetings. Lloyd Jones, from Purdue, will be facilitating these meetings.

More Partnering Jobs will be started this year. By next year, all jobs that a contractor wants Partnering, he will be able to partner.

It is our goal that by the 1995 Construction Season, we will be Partnering on all projects.

The Partnering Process is the most exciting thing to come along in years. It is "Business as Usual" for a lot of you; however, it just helps formalize it. Keep in mind that everyone is a winner. Jobs get built in a quality fashion and jobs get finished on or ahead of schedule. The handshake says it all. Keep in mind that Partnering is built on mutual respect, trust, and integrity.

Everyone should have more fun on a Partnering Job.