

Does Collaborative Working (Partnering) Enable the More Effective Integration of Surveying Services?

John M.D.BACON, United Kingdom

Key words: Partnering construction contracts, non-legally-binding relationship, trust, commitment, mutual objectives, collaboration, integrated services provision.

SUMMARY

Employers and Contractors who work closely together will, sooner or later, reach a stage in their relationship when they want to move even closer together, just like couples. This process is carried out in the business world, in exactly the same way as with human beings.

If two companies want to merge so much that they become inseparable and, in effect, one party, we call it a **merger**. The two companies become one and the same company. With humans, we call it **marriage**. However, if the companies want to get very close together, but still retain their own independent natures, then, in business, we call this **partnering**.

This Paper reviews how Partnering and collaboration, as has been implemented in the UK, can enable the more effective integration of Surveying Services, by briefly exploring:

- What is Partnering and what does it aim to achieve?
- The benefits of Partnering
- What is needed for partnering to work
 - commitment to mutual objectives,
 - the potential for, and, realisation of proven improvement
 - an issue resolution process
 - the Project Charter
- In practical terms, how does Partnering come about?
- What does “Strategic Integration of Surveying Services” actually mean?
- Does Partnering enable effective Strategic Integration of Services?
- What are “Surveying Services”?
- Can Partnering deliver effective Strategic Integration of services on projects better than alternative contractual relationships?
- So, does Partnering enable the more effective integration of Surveying Services?

But, the whole of the construction team must be educated in, must know, and most importantly of all, must be committed to the success of a non-adversarial style of contract. There is no place for traditional prejudices with non-confrontational collaborative contracting.

Does Collaborative Working (Partnering) Enable the More Effective Integration of Surveying Services?

John M.D.BACON, United Kingdom

1. INTRODUCTION

Late 20th century and early 21st century experience shows that Employers and Contractors who work closely together will, sooner or later, reach a stage in their relationship when they **want** to move even closer together, just like couples. This process is carried out in the business world, in exactly the same way as with people.

If two companies want to merge so much that they become inseparable and, in effect, one party, we call it a **merger**. The two companies become one and the same company. With humans, we call it **marriage**.

However, if the companies want to get very close together, but still retain their own independent natures, then, in business, we call this **partnering**. With people, we call it **living together**.

In business, just like with people, there are however, different degrees of honesty, faithfulness and commitment between partners !! There are many different types of “partnering”. You must always look at the details of a partnering deal to see what it means. The word ‘partnering’ means different things to different people. It is a carelessly used word.

In business, again just like with people, sometimes, a close relationship turns sour, and then there is a bust up and this is usually accompanied by a huge fall-out. With humans, we call this **divorce**; in business, we usually call this a **really expensive legal problem !**

This Paper explores whether Collaborative Working (Partnering) enables the more effective Integration of Surveying Services on the World stage to the same degree as Partnering and collaboration have been implemented in the UK, and indeed whether it can be said to have worked successfully in the UK.

But first, what exactly is Partnering?

2. WHAT IS PARTNERING AND WHAT DOES IT AIM TO ACHIEVE?

Partnering is a pro-active, co-operative approach to business between two or more separate companies, developing a long-term commitment between the parties involved in a project(s) in order to achieve specific business and project objectives.

Partnering maximises the effectiveness of every participants’ resources through creating a

relationship based on trust, mutual respect, integrity of action and common goals. Each of those attributes are vital. The concept recognises that the other party can do **their** job and make **their** contribution to the project, more effectively and efficiently **than you could do their job** ! Partnering focuses the party's respective energies and expertise into achieving the required objectives in an optimum manner, instead of diverting resource into fighting each other in order to gain superiority.



Partnering is not an excuse for finding a fall-guy to experience the problems for you !!



Partnering is often **not** even a legal relationship, but an informal, non-legally-binding working relationship which emphasises and encourages and incentivises:-

- team building and personnel commitment
- the clear definition of common project values and objectives
- synchronised systems for rapid problem-recognition **and** resolution
- frequent joint evaluation of partnership effectiveness.

Partnering does not rely on the small print in the Contract to keep the partnering alive and well; it relies on the continued will of the participants who want to make the partnering relationship work. As soon as the partnering spirit no longer burns in the belly of the participants, then the partnering relationship is over. The spirit of partnering, of the co-operative effort, is captured on a one-page Charter signed by all key stakeholders. In fact, in many cases, a Partnering arrangement is, as stated above, a non-legally binding arrangement which contains no penalties for failures, because it relies totally on the spirit and willingness of the parties to keep wanting to make the arrangement succeed.

Partnering may be applied strategically on a series or programme of projects (strategic partnering) or tactically on specific individual projects (project partnering). While the potential benefits of long-term strategic applications are greater, so also are the risks. Therefore organisations often trial the approach using project partnering on a single project, and then move on to strategic partnering for a series of projects or periods once satisfied of the benefits.

The aims of project partnering include:

1. Setting mutual project objectives by co-ordination, team building, open communication and trust, rather than confrontation.
2. Achieving better project buildability through earlier contractor involvement, mutual recognition and development of opportunities to improve.
3. Lowering the overall project cost by identifying unnecessary work, scope, cost and time escalation's, delays, or unresolved issues or problems.
4. Reducing the project time and improving quality.
5. Establishing a more dynamic project organisational structure and clear lines of communication.
6. Measuring achievements against reset targets and industry benchmarks
7. Achieving mutual benefits to be derived from longer term considerations, including introducing a culture of continuous improvement and regular value-engineering scrutiny.

But these aims are similar to what all contracting parties seek in their contracts ! What benefits make Partnering any different to conventional contract mechanisms in order to achieve any of these objectives?

3. THE BENEFITS OF PARTNERING

The benefits of partnering vary according to the specific nature of individual organisations.

Typical benefits that are most commonly experienced are:-

Customer focus: customer objectives are given high priority through the explicit identification **by both parties** of mutual objectives.

Less claims and litigation: commitment to mutual objectives and a well-constructed problem-resolution process greatly reduces the extent of claims and litigation experienced.

Enhanced quality: evidence suggests significant improvements in quality control and reductions in remedial work through applying partnering techniques.

Relationships clear: all efforts by all personnel by all parties committed to the Partnering process are focused on achieving optimum results.

Improved efficiency: from rationalising administrative functions and focusing correspondence on direct project issues, rather than defensive posturing. Where strategic partnering is used, staff time is reduced by avoidance of going through repetitive learning curves.

Faster projects: selection processes and design and construction times can be reduced.

Greater certainty: the concentration of the whole team on customer objectives makes the programming of construction work more effective and thus improves certainty. Both cost and time creep can be kept in check more efficiently. Contractors and consultants can benefit from a known workload.

Responsiveness: partnering breeds greater co-operation and thus responsiveness to short-term emergencies or changing project and business needs.

Synergistic teams: by focusing on mutual objectives the stakeholders to the project meld into a true 'team', rather than merely a group of stakeholders with disparate goals.

Improved design: through the involvement of contractors at early stages in a project. In strategic partnering the improved understanding gained through repetitive projects enhances the entire team's input.

Innovation: partnering creates an environment and culture which is conducive to Value Management and the identification of innovative solutions which can greatly improve project performance.

Better safety records: as partners get to understand joint systems and procedures more thoroughly.

For each project or situation the potential benefits of partnering must be weighed carefully against its risks and costs. Ultimate rewards are generally worth the investment with

significant claimed potential project cost reductions over five years of strategic partnering.

OK – this sounds great! So what is needed for partnering to work?

4. WHAT IS NEEDED FOR PARTNERING TO WORK?

Fundamentally, there are three key aspects of partnering:

- the corporate and human commitment to mutual objectives,
- the potential for, and, realisation of proven improvement,
- a quick, simple, painless, problem-resolution process.

These elements are resolved by the parties involved during a workshop at the very commencement of the process and embodied in a written Charter, which is signed by all key stakeholders.

4.1 Mutual Objectives

The team must establish that individual stakeholder-needs are best served through the pursuit of mutual goals. Pre-requisites to identifying these goals are; organisational compatibility (between the cultures and values of the different organisations entering the agreement) and the displacement of traditional adversarial attitudes and stereotypes.

It is crucial to understand that there are two level at which mutuality **MUST** be achieved

- at the corporate level; the respective companies have to commit to each other in a very clear and evidenced manner so that each other truly believes the integrity and the honesty of the other's commitment. This means that each company will have to manage their staff and personnel in such a manner that they encourage appropriate Partnering behaviour.
- and similarly, all the respective companies personnel have to commit at a personal level to the Partnering ethos. If individual persons embody old-fashioned confrontational practices, then they have to be removed or re-educated.

After overcoming potential obstacles, mutual goals may include:

- reduced costs
- workload continuity
- guaranteed profits
- transferred and shared risks
- reliable quality
- reduced legal and arbitration costs
- quick construction
- smooth flow of design information
- much more certain completion on time

- greater efficiency

4.2 Proven Improvement

One of the fundamental benefits sought through partnering is the improvement of various aspects of project delivery. This improvement can occur in design processes and administration by challenging inefficient activities and streamlining procedures.

Partnering is the ideal climate for Value Management. All stakeholders become fully committed to value management and value engineering workshops and the pursuit of client objectives to deliver the project(s) in the most capital efficient manner.

However, these benefits must be proven in order for partnering to gain the top management support necessary for its survival. It is therefore essential to establish firm targets (through benchmarking or other means) and transparent mechanisms of performance measurement.

The potential for improvement is even greater when financial incentives and bonuses are attached to the achievement of these targets through the reinforcement of mutual objectives.

4.3 A quick, simple, painless Problem Resolution Process

While Partnering alleviates the extent and severity of disputes or differences of opinion that may arise on a project, there are inevitably times when disputes will arise. It is essential that an effective issue resolution procedure is established so that disruption to the project and the partnering climate is minimised or eliminated altogether. This is often no more than the agreed speedy escalation up the respective chains of command to a sufficiently high level of management that this issues in disagreement, can be speedily addressed to a mutually satisfactory level. If in fact, an issue escalates up to the respective CEO level and is still not capable of satisfactory mutual resolution, then the Partnering has broken down and that is the end of it.

~~~~~

We've mentioned the Project Charter a few times already. What is that?

## 5. THE PROJECT CHARTER

During an initiation workshop the project Charter will be developed to establish and set down the mutual objectives and values to be followed by all the parties throughout the course of the Partnering. The Charter should be inspirational and be displayed publicly and widely throughout the project, in order to motivate and maintain the partnering initiative to all personnel and to all visitors throughout the life of the project.

## 6. IN PRACTICAL TERMS, HOW DOES PARTNERING COME ABOUT?

If two or more parties have corporately committed to each other to pool their expertise in order to achieve an objective in a Partnering manner, then once that decision is taken, the way

is open for the Partnering process to commence in detail by the detailed managing personnel. This process starts with the Commencing Workshop, which may be a day/week/month long Workshop in which all the detailed strategies are established by agreement.

Experience shows that it is very important to place a strong emphasis on the selection of participants to that workshop. To ensure the greatest commitment to, and benefit from, workshop decisions, it is essential that the choice of participants is made by the parties strategically: to include all decision makers key to the delivery of the service, product or project. It is vital that the key stakeholders participate in the workshop. Through participation in problem solving, individuals gain ownership and commitment to the solutions adopted and to the goals represented.

This means that at the very early initiating Workshops, it is very important that the key senior managers and stakeholders of the respective parties attend. There can be no going back or subsequent overturning of decisions and commitments made at Workshops because, whilst as we have said before, such agreements and commitments are not legally binding, if they are not corporately adhered to, then the Partnering fails and the partnering ethos simply does not exist. Partnering is a continuously voluntary participation philosophy.

Typically, the parties will use a process of "political cascading" to expand the group of stakeholders from the client briefing onward, to include those who have the greatest stakes (either for or against) in the subject matter of the workshop and in its resultant decisions and actions. This cascading process also means that as the project develops, the participants at the Workshops tend to creep lower down the food chain so as to include the personnel who are actually developing the detailed products of the respective parties objectives.

## **7. WHAT DOES “STRATEGIC INTEGRATION OF SURVEYING SERVICES” ACTUALLY MEAN?**

At the risk of stating the obvious, (but that seems a good place to start !), the expression “surveying services” these days can mean the provision and management of part, or even all of, the complete cycle of activities necessary for the execution of a construction activity throughout its whole life, from its inception, through its planning and construction and through its whole life management, including its decommissioning and demolition and subsequent replacement, and off goes the cycle again.

On the international scene, there are an increasing number of major named companies that specialise in carrying out the above described total activity service for clients all over the World. Such companies even have architectural and civil, mechanical, electrical, acoustic, environmental, and sanitary engineering divisions that enable them to conduct even those aspects of a project, in-house, in addition to the construction itself and the facilities management. Such companies sometimes still describe themselves as “surveyors” or “construction managers” or “commercial and construction management” despite that their service provision extends to cover the whole of the management process concerned with bringing a construction into being, and managing it throughout its life.

However, even if one regards the expression “surveying” in a lesser, and arguably a more conventional manner, as embracing only the geospatial and land and engineering survey side of a project together with the commercial, quantity surveying, cost planning, cost management and contractual aspects of a project, then even at this more limited level, it is clear that if these services are conducted in a wholly integrated manner, especially at a strategic level, then the benefits to be gained are clearly very significant.

But if the expression “surveying” is regarded as embracing the whole of the complete cycle of activities necessary for the execution of a construction activity throughout its whole life as described above, then the strategic integration of this complete management service means nothing more or less, than the execution of the complete function in a coherent, integrated (seamless) manner.

This must clearly be in the best interest of the client, and the service-provider is going to be able to provide a highly streamlined and efficient service if it is wholly co-ordinated and integrated. This will enable the service to be slicker, and therefore at the same time, both cheaper (for the client), and yet also more profitable for the service deliverer.

## **8. DOES PARTNERING ENABLE EFFECTIVE STRATEGIC INTEGRATION OF SERVICES?**

The answer here is very simple – Yes ! Experience in the UK shows that the majority of large, mega-projects are currently being delivered by variants of Partnering mechanisms involving highly integrated service delivery teams.

It would be wrong to declare however that this is the only successful method of delivering mega-projects; or that where Partnering is used, it has always worked. Both these remarks can be shown to be incorrect. However, where Partnering failures have occurred, it has always been because of a failure by one or more of the parties involved, to embrace the fundamental essentials to partnering, in a sufficiently committed manner to survive the problem-solving mechanisms of the partnering arrangement.

However, it must also be noted that not only does partnering encourage service integration, but it is arguably a fact that effective and coherent integration can **only** be achieved by partnering, notwithstanding that other, more conventional contractual mechanisms might be the primary choice of the arrangement between the parties.

## **9. CAN PARTNERING DELIVER EFFECTIVE STRATEGIC INTEGRATION OF SERVICES ON PROJECTS BETTER THAN ALTERNATIVE CONTRACTUAL RELATIONSHIPS?**

At the risk of leaving something out, and for the benefit of those who will only read the last two sections of this Paper (!), the following represents the crystallisation of the benefits of collaborative working on construction contracts:-

- Alternative methods of construction can be evaluated by the purchaser in conjunction with the contractor in an open-book accounting environment
- Greater emphasis on sharing risks properly i.e. The party who is best able to mitigate the risk, takes the liability for the consequences of that risk
- “us and them” situation is not allowed on collaborative partnering contracts
- Substantially reduced incidence of claims and time and cost over-runs
- Non-adversarial forms of contract allow all the expertise of the respective parties to be devoted to the successful and timely outcome of the project. This is especially important on high risk mega-projects
- Enables faster starts to be made to projects
- The early involvement of the contractor in the design stage (even if the contractor is not responsible for the design) enables improved “buildability” to be incorporated into the design and thereby create savings in time and cost
- Ability to more harmoniously incorporate modifications into the project without generating claims consequences
- **But**, the whole of the partnering team must be educated in, must know, and most importantly of all, must be **committed to** the success of a non-adversarial style of contract. There is no place in non-confrontational contracting for traditional prejudices.

Given that the above represents the crystallised benefits of partnering, and given further that these benefits are benefits of the partnering ethos as measured against the attributes of conventional contractual mechanisms, then the answer is clearly ‘Yes !’ Partnering can deliver effective Strategic Integration of services on projects better than alternative conventional contractual relationships. That does not of course, mean that they will automatically; only that when partnering is properly used and committed to, it is a fact that it is much more likely to successfully deliver the strategic integration of services.

## **10. SO, DOES PARTNERING ENABLE THE MORE EFFECTIVE INTEGRATION OF SURVEYING SERVICES?**

This Paper therefore summarises how Partnering typically operates in the UK. Collaboration or Partnering or Alliancing, as it is variously known, has been around in the UK as a principal contractual methodology for some 20 years or so, although some would say that it

had been utilised, by a small number of companies well before the mid 1980's.<sup>1</sup>

It is not a style of contracting that sits comfortably with the traditional adversarial contracting methods (“us and them”), and, as a fact, it has had mixed success in use in the UK. An increasing number of major players on the UK construction scene, have used Partnering with outstanding success, and those successes have led to the establishment of major term agreements between different parties that have withstood the test of time, by achievement. It is indeed now so successful that a number of standard forms of Contract are now available for use on Alliancing contracts.

In other cases, former Alliancing partners have fallen out on construction contracts and complained bitterly that the process was a complete shambles and that they should never have been lulled away from the conventional adversarial practices within construction which have been seared in the fires of centuries of precedent !



These cases are generally, very few, but they do exist, and where they do, the falling out has invariably occurred because one of the parties (very often the Employer, rather than the Contractor) has **NOT** corporately accepted the trusting and committed philosophy which the method necessitates. This situation typically occurs when the direction of a Board changes with a change of Board, or of Board personnel, and what had previously been a committed and trusting commercial relationship between parties when the contract was negotiated and

---

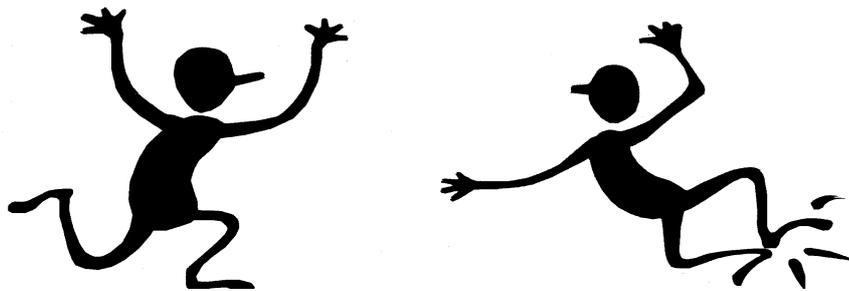
<sup>1</sup> The Bovis Group has successfully operated a Management Contracting (or a Construction Management) style of company Contract methodology in the UK (both of which constitute an elemental form of collaborative contract) ever since the late 1960's, but in these styles of contract, the Partnering ethos does/did not typically extend down to the actual executing subcontractors of the work. Also in the UK, the centralised state-owned electricity generating Board of the time (The CEGB) did famously (perhaps infamously might be more appropriate !) let an ambitious and exceedingly complex and large collaborative Target Cost contract at Dinorwig in Wales in the 1970's, which was not a success and which set back collaborative contracting in the UK by at least 10 years, if not longer. The mid 1980's represents the effective first time that major mega projects began to be tendered for, and let on a collaborative or Alliancing basis.

established, changes.

However, adherents to the philosophy of collaboration and Alliancing, and those who have taken part in successful non-confrontational construction contracting, invariably become passionate about Alliancing and its use as a highly successful way of dealing with difficult, complex and large construction projects.

As one who has had the privilege of being the Commercial Director of a number of such collaborative and otherwise exceedingly difficult projects which turned out to be a major success, it is clear to me, that Alliancing and collaboration within the construction and heavy engineering industries, is the correct and proper way forward for the industry.

It is therefore my unhesitating conclusion, based on my own first-hand experience, that Partnering does enable the more effective integration of Surveying, and indeed, the whole panoply of construction management, Services, and furthermore, when partnering is properly, and committedly entered into between the parties, that it does so better than alternative conventional contractual relationships.



## **BIOGRAPHICAL NOTES**

John M.D.Bacon. FRICS FCIArb FInstCES FICE  
Chartered Arbitrator. Chartered Quantity Surveyor  
Immediate Past President. The Institution of Civil Engineering Surveyors.  
Partner EC Harris LLP.

Fellow Royal Institution of Chartered Surveyors  
Fellow Chartered Institute of Arbitrators  
Fellow Institution of Civil Engineering Surveyors  
Fellow Institution of Civil Engineers.  
Member of Council of Institution of Civil Engineering Surveyors since 1982  
Chairman of Institution of Civil Engineering Surveyors 1991 - 1994  
Specialised for past 30 years in Civil Engineering commercial management, procurement and the resolution of contractual differences on major national and international projects. Former full-time international civil engineering commercial and arbitral trouble-shooter. Member of the UK Government's Trade Delegation to Egypt (September 1998). Lecturer, writer, occasional broadcaster and contractual and arbitral civil engineering commercial consultant.

## **CONTACT**

John M.D Bacon.  
EC Harris LLP, ECHQ  
Regent Quarter  
34 York Way  
London, N1 9AB  
UNITED KINGDOM  
Tel. +44 777 580 8006  
Fax +44 151 488 0919  
E-mail john.bacon@echarris.com

Institution of Civil Engineering Surveyors.  
Dominion House  
Sibson Road, Sale,  
Cheshire M33 7PP  
UNITED KINGDOM  
Tel. +44 161 972 3100  
Fax. +44 161 972 3118