



# The International Partnering Institute

“Transform the construction and design industry to achieve exceptional results through a culture of collaboration.”

501(c)3 nonprofit

150 Members- Owners, Contractors,  
Designers, CM Firms, Facilitators

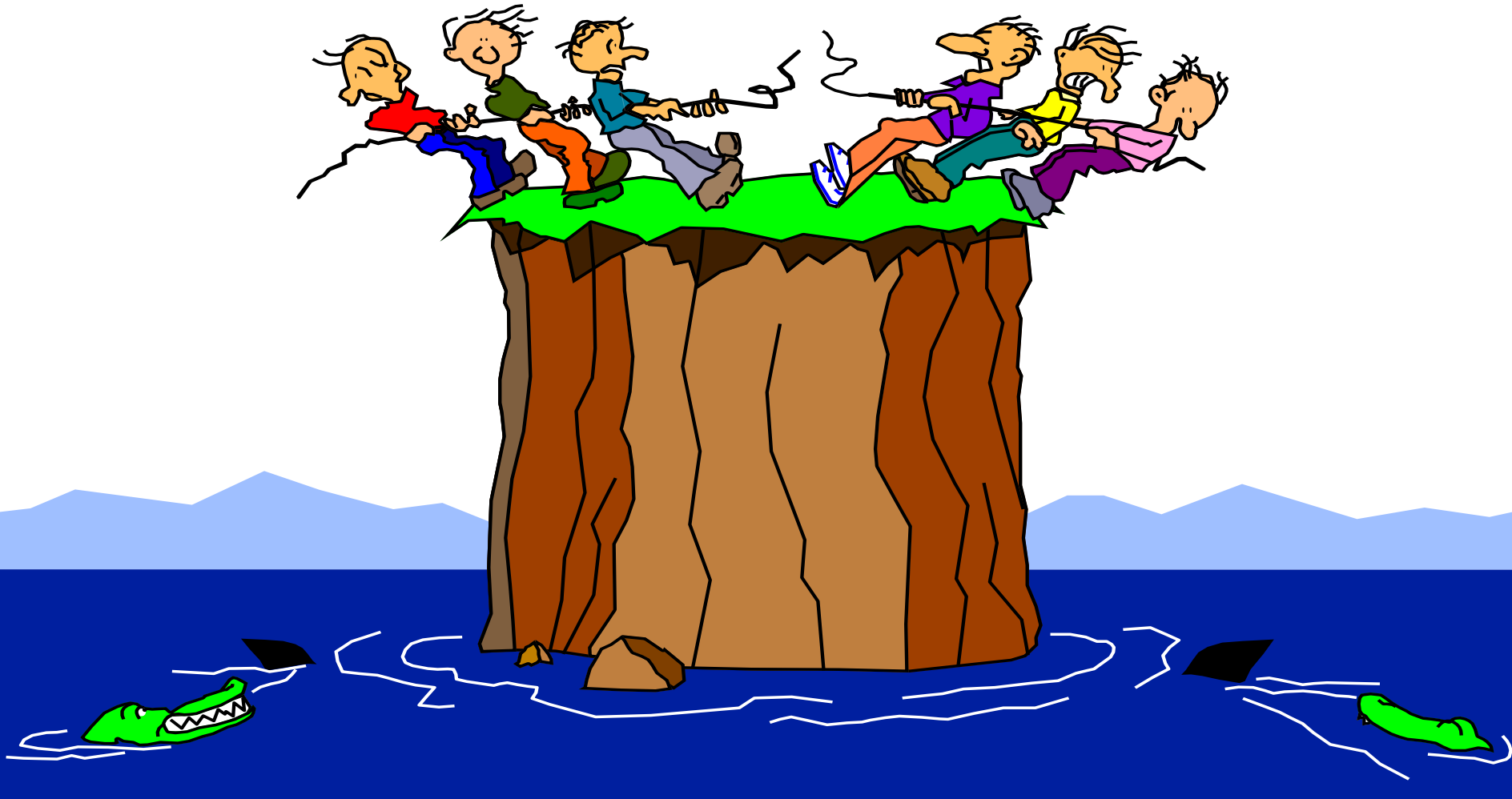
## What we do:

- NetWorkshops
- Virtual Forums
- Partnering Magazine
- Committees
- Research
- Awards
- *Collaboration 2017*:  
Annual Award Ceremony and Conference
- Member-to-Member Mentoring





# THE ADVERSARIAL PARADIGM



# Conflict is Costly

2012 Study by Michigan State University on Conflict in  
the Construction Industry

74 interviews - 86 conflicts

41 analyzed for time and cost

Average conflict cost \$10,948  
and took 161 hours to mediate



# WHAT IS COLLABORATIVE PARTNERING?

## Definition:

“Collaborative Partnering is a structured process that unites various individuals, organizations and companies into a **unified team** to achieve the successful delivery of construction projects and programs.”

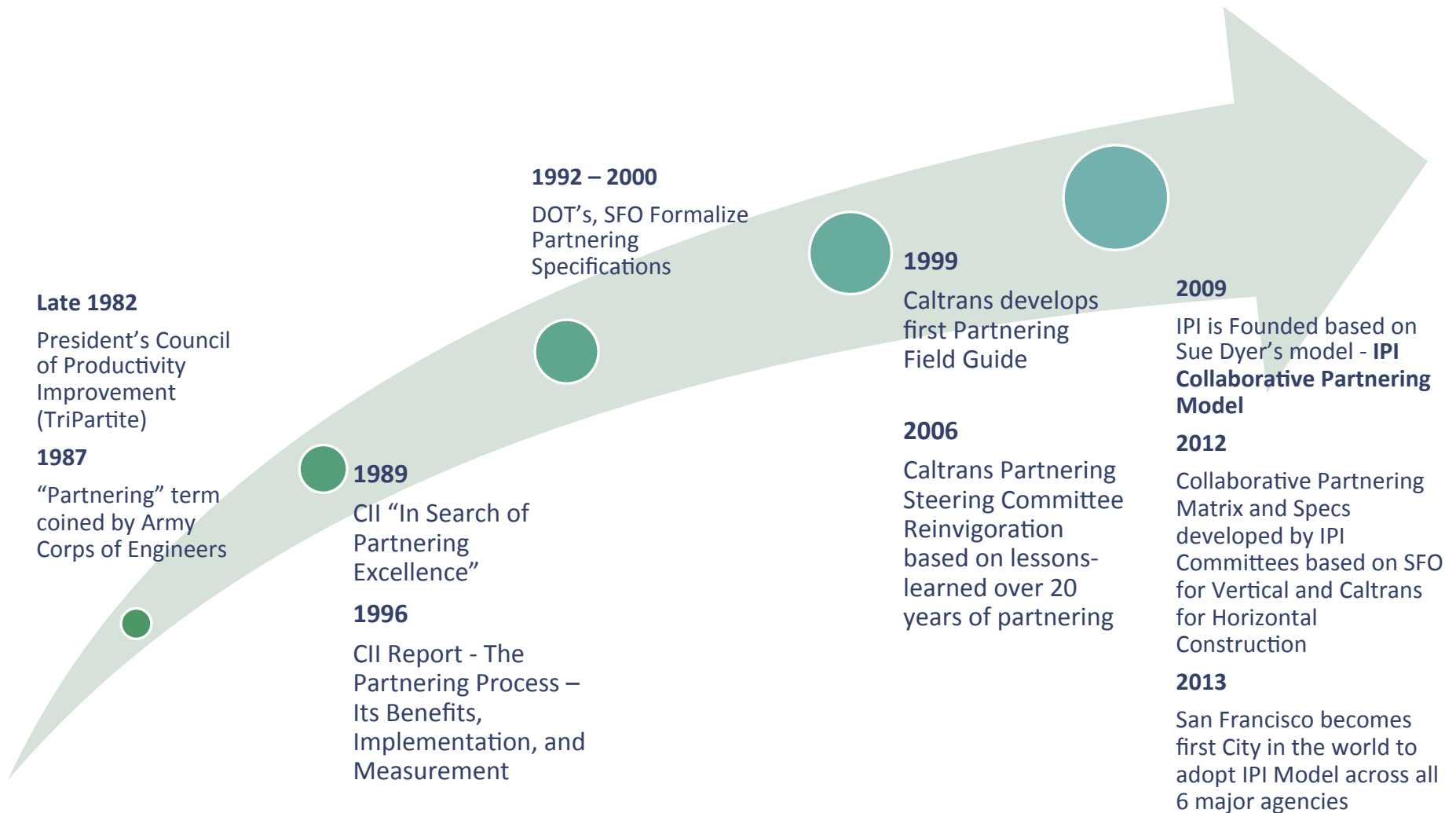
## Objectives:

Co-Create Goals  
Resolve Issues  
Identify Opportunities  
Get the Best Results Possible

## Tools:

Charter  
Issue Resolution Ladder  
Team Meetings  
Measurement  
Neutral Facilitation

# A Brief History of Partnering



# Critical Lessons Learned

1. Owners drive the program
  - Most partner single projects – its better when they implement programs with a GOAL of CULTURE CHANGE
  - Partnering must appear in the Specs
2. Executive Commitment
3. Partnering must be taught
  - Recognition Programs are important
  - Train your teams!
4. Structure and Scorecards Ensure Accountability
5. A NEUTRAL helps balance the power and ensure that teams follow through

# THE BOTTOM LINE RESULTS

## 2013, 2014, 2015, 2016 IPI Awards Winners

- 64 Projects
- \$522.4 Million Savings
  - Up to 30% savings
- 50 Jobs no TL Incidents
- 45 Jobs on time or early
  - Up to 7 months early



Every \$1 spent on Partnering equals \$98 in savings



# Strategic Partnering and Project Partnering

# What's the Difference?

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## STRATEGIC PARTNERING

**Long term** partnership between organizations who routinely work together to achieve consistent success over a **series of projects** or **program-wide**

## PROJECT PARTNERING

A **process** applied from **project** kick-off through closeout for successful project **delivery**



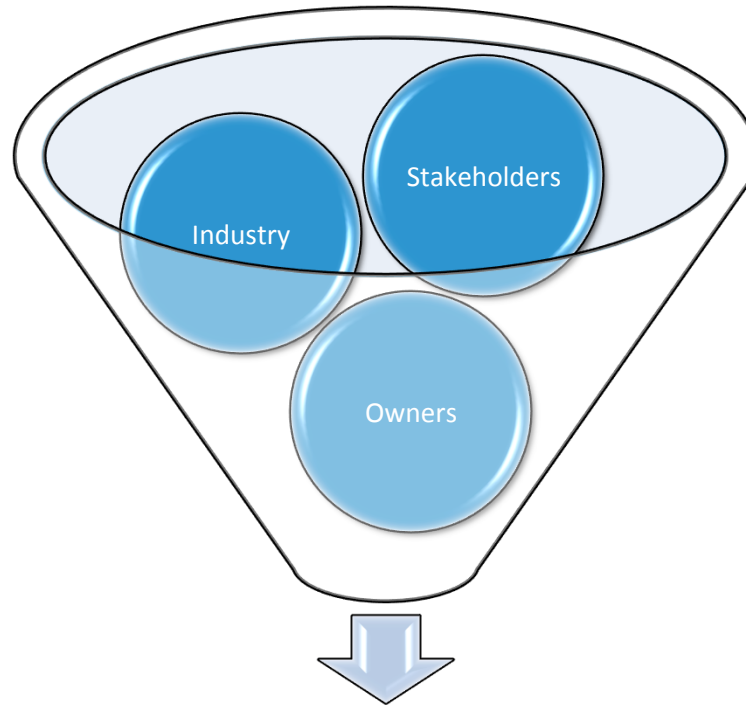
# Internal Strategic Partnering

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# External Strategic Partnering

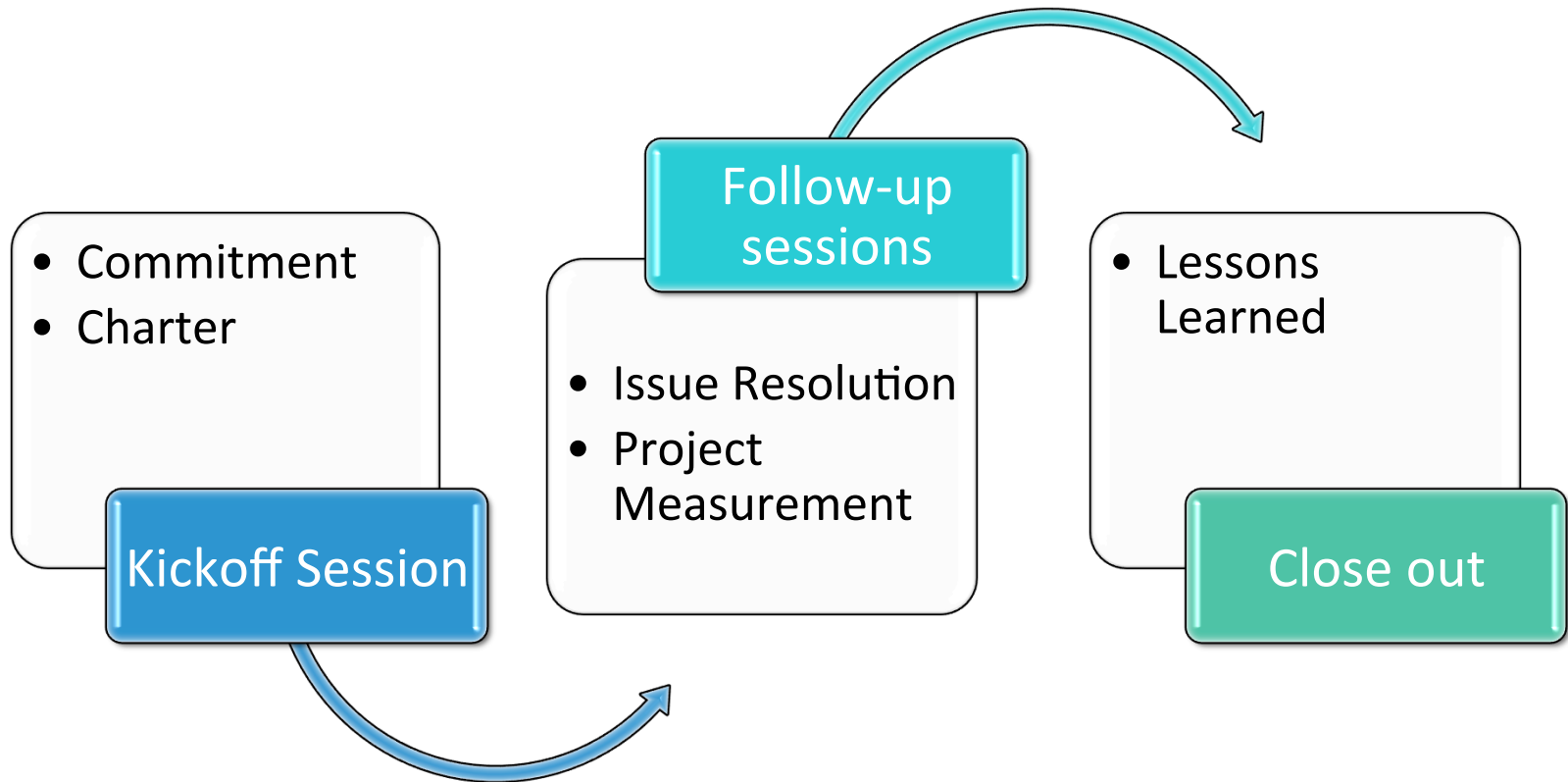
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Streamlined Projects

# Strategic Partnering in Action

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# Program Objectives Drive Success

## Connecticut College:

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Values: Excellence, Equity, Innovation

2005 – Launched the \$53 million  
Asset Reinvestment  
Program  
Launched Strategic  
Partnership with KBE

Annual budget – USD \$2- 6 million

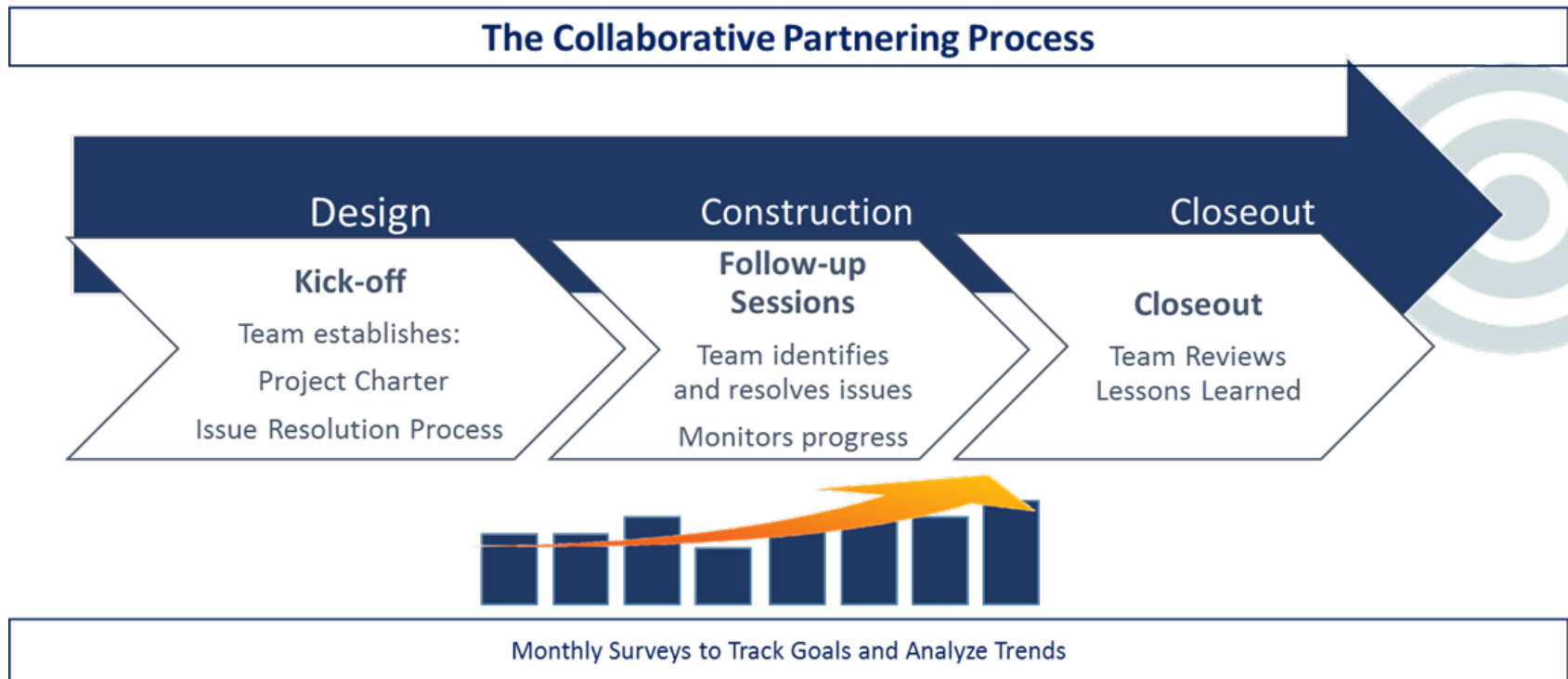
Since 2005 – Every single project ahead  
of schedule and under budget

More than 20 Awards for Collaborative  
Construction



# Elements of Project Partnering

# Partnering in Action



# Project Partnering

- Determine the level of Partnering
- Follow the Spec
- Ensure neutrality and follow-through

IPI Vertical Construction Project Partnering Matrix

Example Potential Risk Factors							
Every Construction project encounters risks. Below is a short list of typical risks that a job may encounter. If your project encounters <b>ANY</b> of these risk factors, consider elevating your Partnering to the next higher level to ensure project success.							
Level	Project Value	Complexity	Political Significance	Relationships	Desired Level of Engagement	Expected Benefits and Approximate Cost to Owner*	
5	Very Large/Mega (Airport Terminal, Hospital, Power Plants, etc.) (\$250M - \$500M+)	Highly Technical and Complex Design and Construction	High visibility/ oversight strategic project	New Project Relationships including New Contractors, Sub, Agencies, Third-parties, CM, High Turnover rate of Subs High Potential for conflict (strained relationship, previous litigation, or high probability of claims)	Very High	Very high accountability, Issues tracked and decisions made timely, Momentum maintained as progress continues in spite of issues that arise Approx. \$20,000/yr	Requirements: All Project Level 4 Requirements and... Quarterly Partnering Meetings (Design Through Construction) Multi-Tiered Partnering (Executive - Core Team - Stakeholder) Special Task Forces for specific issue resolution
4	Large (New design, new contracting method, or challenging Rehabilitation/ Renovation.) (\$25M - \$250M)	High Complexity (short timelines/ schedule constraints, uncommon materials, new supply chain, etc.)	Probable - Organization image at stake	New Contractors or CM, New sub/relationships	High	More timely decision-making in field, Stakeholders phased in and out, Designers involved throughout process Approx. \$10-15,000/yr	Requirements: All Project Level 3 Requirements and... Quarterly Partnering Meetings (Design Through Construction) Multi-Tiered Partnering (Executive - Core Team - Stakeholder) Stakeholder on-boarding/off-boarding Partnering Training required
3	Medium (\$10M - \$25M)	Increased Complexity	Likely, depending on the size of the client and place of importance	Established Relationships New CM, Subs, Agencies, or other key Stakeholders	Moderate/High (seeking risk mitigation and project efficiencies)	Increased Profitability Reduced (zero) Claims Improved Safety Improved Schedule On or under budget Approx. \$5-10,000/yr	Requirements: All Project Level 2 Requirements and... Quarterly Partnering Meetings Facilitated Scorecards Executive and Core Team Partnering Training - when team agrees
2	Small (\$5M - \$10M)	Moderate Complexity	Unlikely, unless in a place of importance	Established Relationships New Subs New Agencies New Stakeholders	Moderate (seeking risk mitigation and project efficiencies)	Increased Profitability Reduced (zero) Claims Improved Safety Improved Schedule On or under budget Approx. \$5-10,000/yr	Requirements: All Project Level 1 Requirements and... Professional Neutral Facilitator (if needed) (minimum) 2 Project Scorecards (minimum) Charter Executive Sponsorship Field-Level Decision Making Including Stakeholders Dispute Resolution Leader and DRB Facilitated Dispute Resolution
1	Micro/Short Duration (\$0 - \$5M)	Standard Complexity	Unlikely, unless in a place of importance	Established Relationships New Subs New Agencies New Stakeholders	Low to Moderate (For small budget and/or short time line projects, Partnering can reduce risk and focus on project efficiencies)	Increased Profitability Reduced (zero) Claims Improved Safety Improved Schedule On or under budget Approx. \$1,000/yr	Requirements: Professional Neutral Facilitator (if needed) Charter Executive Sponsorship Field-Level Decision Making Including Stakeholders Dispute Resolution Leader and DRB/DRB Facilitated Dispute Resolution



\*Costs of Facilitation based on \$5,000/day and \$300 per accountant  
Please note that Daily rates for Facilitators can vary widely

# How to Follow Up

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## Charter Document

- Co-created Goals
- Follow-up Partnering Workshops
- Issue Resolution Ladder and Policies
- Team Signature Page

## Project Measurement

- Collected by a Neutral 3<sup>rd</sup> Party
- Promotes honesty and issue identification
- Routinely Updates the Charter Document (every 90 days)





# The Issue Resolution Ladder

	Architect/Engineer	Suppliers/Subs	
	<b>Owner</b>	<b>Contractor</b>	<b>Time to Elevate</b>
<b>Level I</b>	Assistant Supervisor or Engineer	Foreman	End of shift
<b>Level II</b>	Project Superintendent or Project Engineer	Superintendent, General Foreman, or Project Manager	Up to 8 hours
<b>Level III</b>	Construction Manager	Project Manager Area Manager	Up to 2 days
<b>Level IV</b>	Project Director or Program Manager	Area Manager Owner	Up to 3 days
<b>Level V</b>	Director of Facilities Department or Manager of Capital Programs	Owner	Up to 3 days
<b>Level IV</b>	Board of Supervisors	Owner	<b>Select next form of Alternative Dispute Resolution (Typically FDR followed by the DRA/DRB)</b>

# Can't we all just get along?

With a structured process, you will:

**Rapidly resolve issues**

**Empower your Team**

**Create Accountability**

**Increase communication**

**Reduce Conflict**

In 2017, IPI has more ways to join the conversation on Partnering than ever. **SHARE** your experience with industry leaders, **LEARN** from their collective wisdom and build your **NETWORK!**

**Collaboration 2017 May 17<sup>th</sup> – May 18<sup>th</sup>**  
Awards Ceremony and Conference

*\* Owners Round Table \* Industry Forum \* Breakout Sessions \* Award-Winning Project Panels \*  
8th Annual IPI Awards Ceremony \* Networking*

**IPI NetWorkshops**

*Local events bring owners and industry professionals together for an evening of networking and learning.*

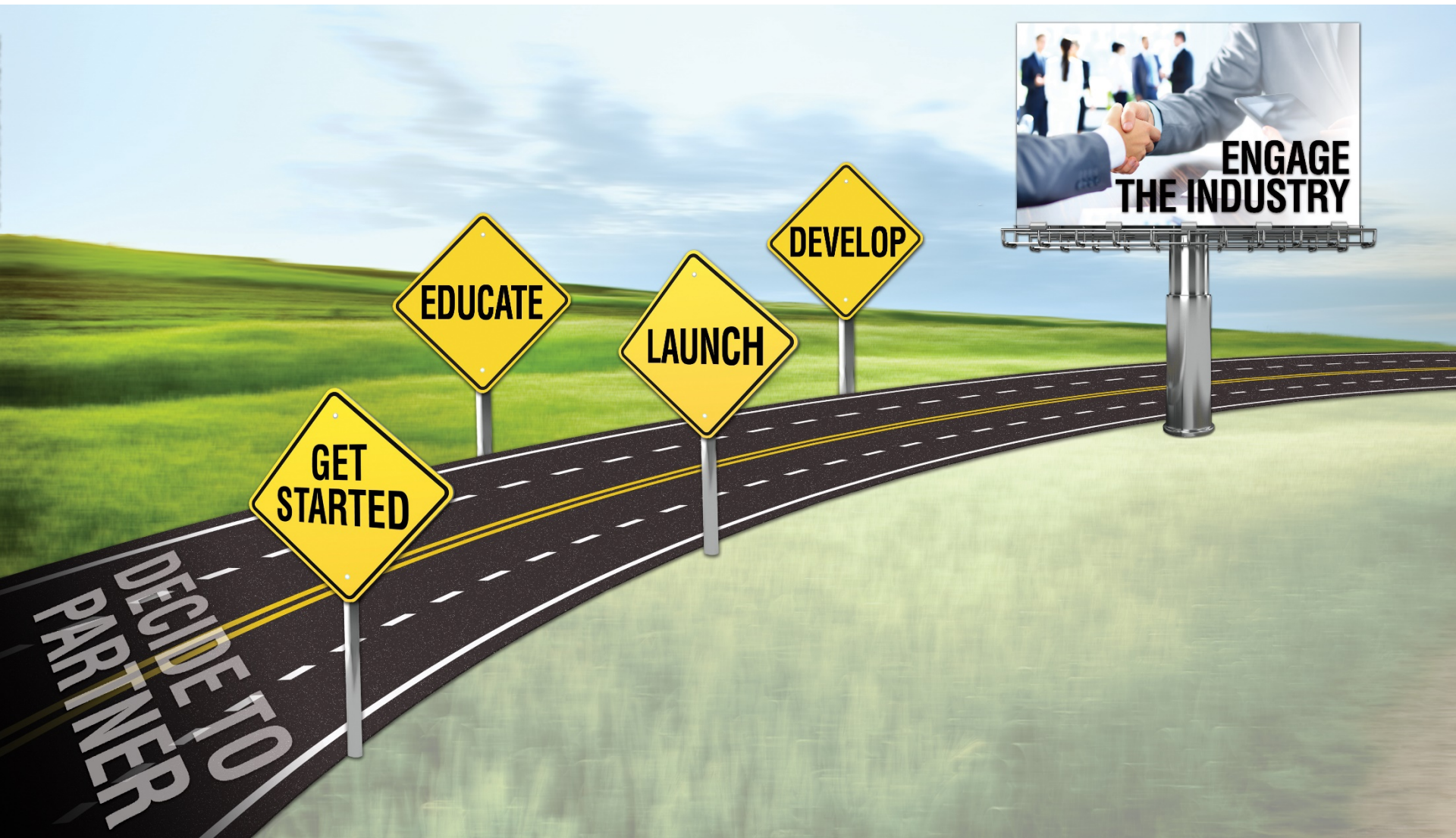
**Virtual Forums**

*Open, online events for anyone who wants to learn more about Partnering. We feature experienced speakers and involve callers in Q&A.*

**Committees**

*A forum for IPI members to share best practices and lessons learned, and develop tools to grow the adoption of Partnering.*

# Questions?



# Your Partnering Resource



[www.partneringinstitute.org](http://www.partneringinstitute.org)

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