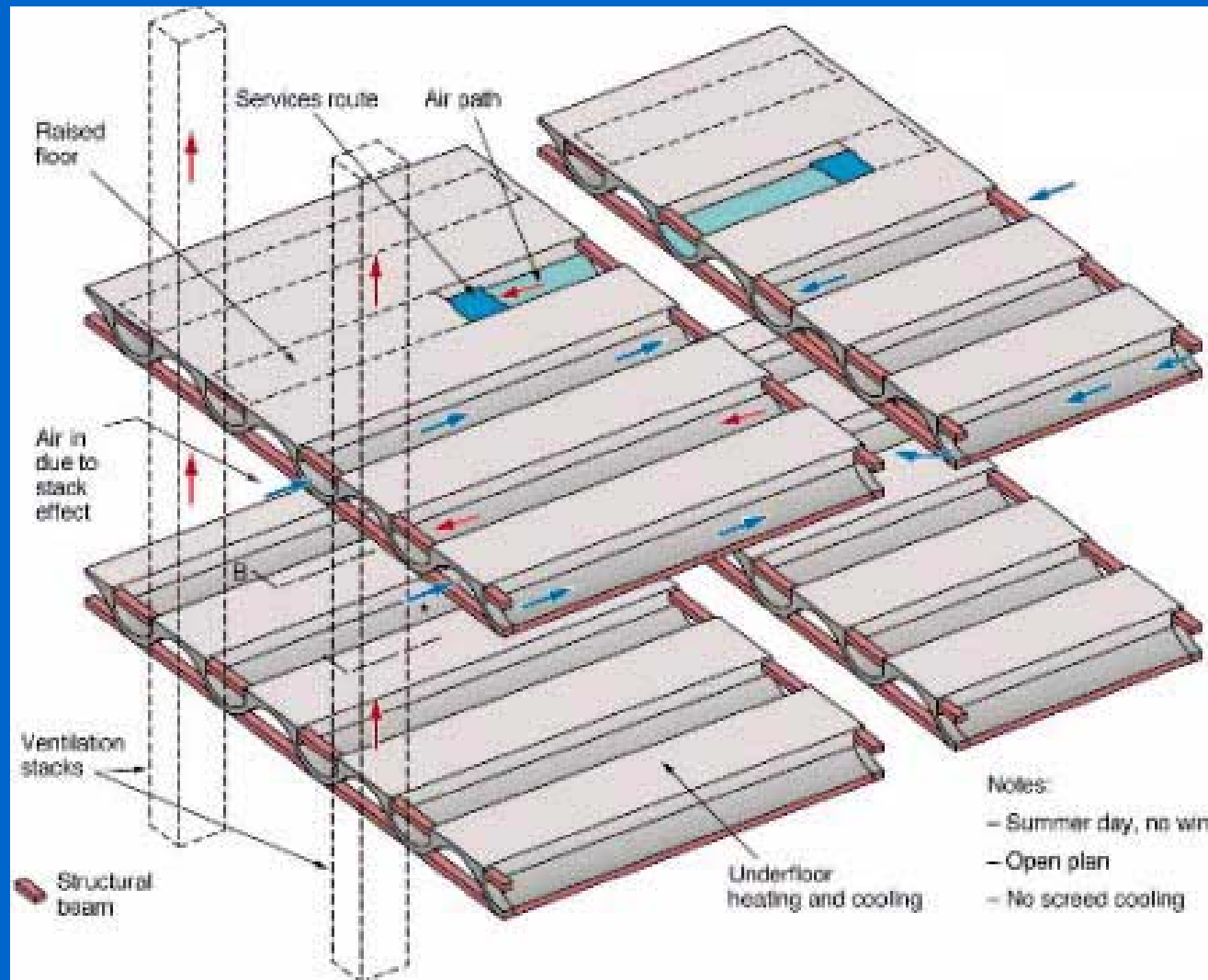


Collaboration: Driving Force or Spent Force?

Roger Courtney

Changing Roles 09, Noordwijk aan Zee
Industry Day
8th October 2009





Examples of collaboration initiatives

- CRINE [Cost Reduction Initiative for the New Era] (international, off-shore)
- Rethinking Construction ['Egan' report and follow-up initiatives] (UK)
- Achieving Excellence (UK)
- Projekt Hus (Denmark)
- PSIBouw (Netherlands)
- etc

Examples of collaboration initiatives

- CRINE [Cost Reduction Initiative for the New Era] (international, off-shore)
- Rethinking Construction [‘Egan’ report and follow-up initiatives] (UK)
- Achieving Excellence (UK)
- Projekt Hus (Denmark)
- PSIBouw (Netherlands)
- etc

Are these the product of an era that has passed?

DG ENTR Study - Aims

1. Review experience with 'voluntary collaborative arrangements' in selected Member States and assess their benefits.
2. Consider their compatibility with EC policies
3. Develop a Guide to best practice
4. Recommend how they might be promoted

Study team

Lead partner

Manchester Business School, UK

Members of study consortium

Belgian Building Research Institute

Danish Building Research Institute

State Technical Research Centre (VTT), Finland

Delft University of Technology, Netherlands

SINTEF, Norway

Swedish Construction Clients Forum

Characteristics of 'voluntary arrangements'

- Not defined by the contract structure – eg 'design-build' is an integrated contract structure that may have no voluntary collaborative elements.
- Not related to funding – eg public/private partnerships are not necessarily collaborative.
- Entered into by the parties because they think it is in their best interest to do so, as a matter initially of belief and trust rather than with any guarantee of benefit.

Types of 'voluntary arrangement'

The study covered five types of collaborative arrangement:

- Project partnering
- Strategic partnering
- Alliances
- Framework arrangements
- Construction consortia

Types of 'voluntary arrangement'

Project partnering

- Arrangements entered into for a single project where the parties also have contractual obligations

Strategic partnering

- Arrangements covering a number of projects, but initially without contractual obligations covering the projects

Alliances

- A form of collaboration where the client and supply parties create a joint organisation to carry out the project. At its strongest, this takes the form of a jointly-owned company

Types of 'voluntary arrangement'

Framework arrangements

- Similar to strategic partnering, but usually for a defined period of time

Construction consortia

- A grouping of firms who bid for contracts with either a case-by-case or overall agreement on responsibilities and rewards

Partnering – a definition

The term ‘partnering’ is used about a type of collaboration in a construction project based on dialogue, trust, openness and with early participation from all actors. The project is carried out under a mutual agreement expressed by mutual activities and based on mutual economic interests’[1]

[1] Guidelines for partnering. National Agency for Enterprise and Construction, Copenhagen (2004)

Work programme

1. Establish information database and project consultation arrangements
2. Develop 'country studies' of voluntary collaborative arrangements
3. Prepare 'Synthesis and Assessment' report, drawing conclusions on success factors, good practice and compatibility with EU policies
4. Develop Good Practice guidance document including case Studies, with wide consultation
5. Prepare reports to DG ENTR and Management Group

Use of voluntary arrangements

Country	Type of voluntary arrangement				
	PP	SP	All	FA	CC
BE	X		X	X	
DK	XXX			X	
FI	X			X	X
NL	X		X	X	X
NO	X			X	
SE	XX	X		X	
UK	XXX	XX	X	XXX	X

Guide: sources of Case Studies

Belgium	2
Denmark	3
Finland	2
Netherlands	2
Norway	2
Sweden	4
United Kingdom	4
France	1
Italy	1

Guide : Coverage of Case Studies

Construction Context	Type of voluntary arrangement for collaboration					
	PP	SP	FA	AL	CC	O
New housing	1	9			16 17	20
New building	2, 3		11 12		18 19	
Infrastructure works	4, 5			14 15		21
Renovation/ maintenance	6, 7, 8	10	13			

Benefits of collaboration

- Better fulfilment of client requirements - higher client satisfaction
- Greater assurance on costs and delivery
- Fewer (or zero) disputes and overall a more satisfying working environment
- Opportunity for mutual learning, development of understanding of client requirements and transfer of experience from previous projects
- Cost savings (in some cases)
- Increased market opportunities (for consortia)

Success factors in collaboration

- Clarity and consistency of client expectations and behaviours ('client leadership')
- Early involvement of key parties
- Good communications, starting with workshops to align objectives
- Payment systems that promote collaboration and reward project success
- Dispute resolution procedures that avoid litigation
- Regular monitoring against agreed performance measures

Website for study reports

Currently

<http://www.mbs.ac.uk/research/innovation/voluntary-arrangements-steering-group.aspx>

Will soon be available on DG ENTR
Website

Recent developments in UK

- BAA reverts to competitive tendering



Recent developments in UK

- BAA reverts to competitive tendering
- Re-tendering of frameworks (Network Rail, prison building etc)

Recent developments in UK

- BAA reverts to competitive tendering
- Re-tendering of frameworks (Network Rail, prison building etc)
- Tesco imposes a cut on consultants' fees

Recent developments in UK

- BAA reverts to competitive tendering
- Re-tendering of frameworks (Network Rail, prison building etc)
- Tesco imposes a cut on consultants' fees
- Widespread questioning of value of frameworks

Recent developments in UK

- BAA reverts to competitive tendering
- Re-tendering of frameworks (Network Rail, prison building etc)
- Tesco imposes a cut on consultants' fees
- Widespread questioning of value of frameworks
- Debate in construction press about 'return to bad old days'

“It’s sad but true that trust in
construction remains an elusive
virtue.”

From editorial ‘Is Partnering dead?’
‘Building’ 26 June 2009

Driving force or spent force?

Recognition of dangers of reverting to traditional practices, but pressure for immediate savings.

Driving force or spent force?

Recognition of dangers of reverting to traditional practices, but pressure for immediate savings.

Outcome? Experience of past 20 years and established policies will leave a legacy, but contract conditions will be tougher.

Role of research community

- Document performance of collaborative projects and firms
- Identify success factors
- Research 'trust' [1]
- Build social models of projects
- Influence construction education and formation
- Devise training to enable participants to be comfortable with changed roles

[1] Collaborative relationships in construction. Wiley Blackwell, 2008

The basis of future construction?

0% carbon requires 100%
collaboration