



# NAC Executive Insights

## Partnering and the Need for Speed

### Key Points

This insight will share the benefits of partnering on construction projects. Key points include:

- Benefits of partnering: speed, cost, quality, safety, and future work
- Hallmarks of partnering: trust, cooperation, initiative, and project focus

### Introduction

Do you take a deep breath before entering the job site to take on your adversaries? There is a better way.

One way to accomplish construction projects with better quality, speed, cost, and efficiency is to adopt the concept of partnering. Doing so will result in greater job satisfaction as well.

Construction projects often have a huge number of players involved in innumerable interactions and reliance on others to complete tasks properly as predecessors to many follow-on activities. These projects require the timely presence, coordination, and proper utilization of skilled personnel, materials, and equipment. How does one person effectively supervise all of that? With great difficulty and often unsuccessfully.

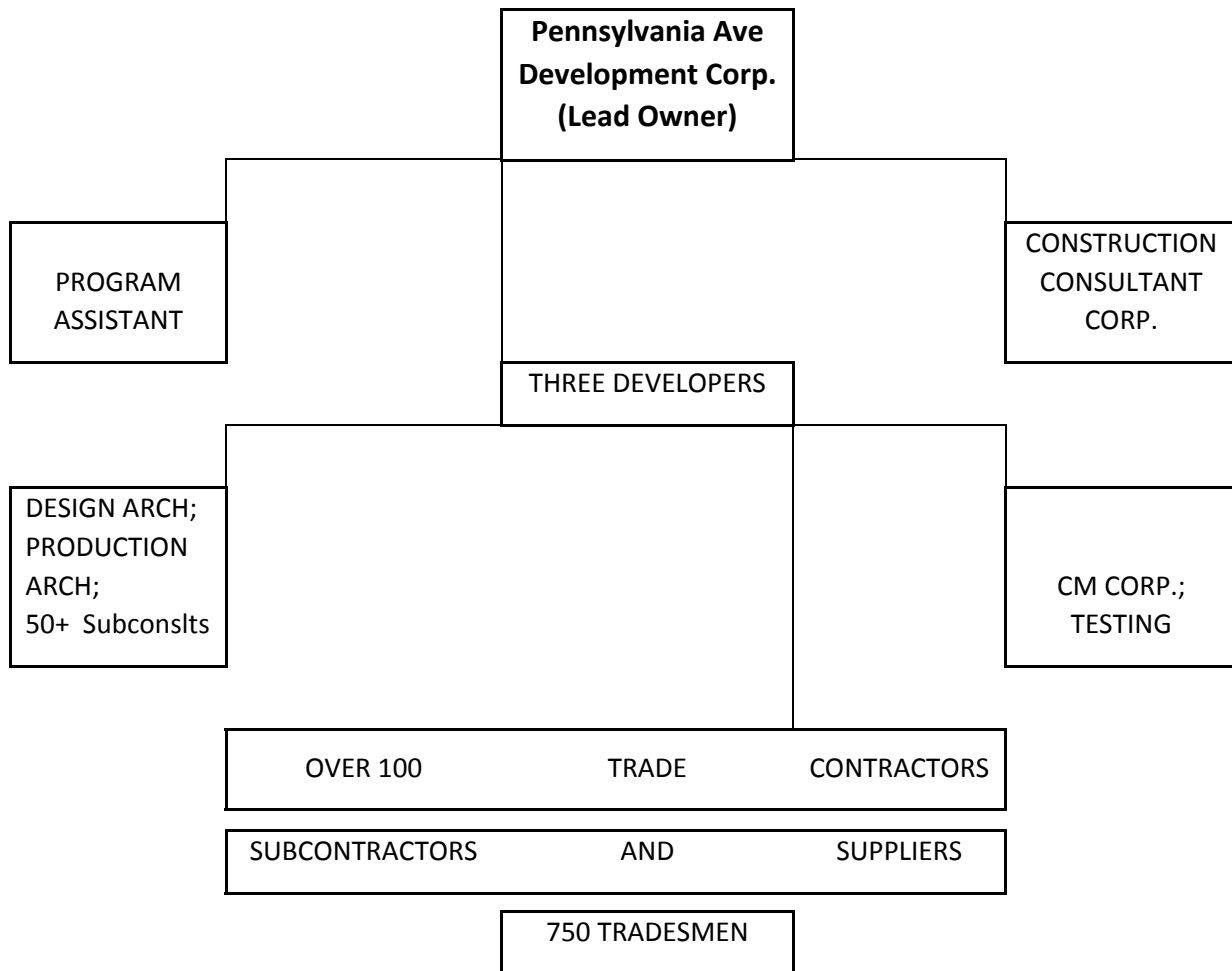
Obviously one person cannot be everywhere at one time, nor know all facets of work. It takes a team. Better, it takes a team of partners, all who are vested in the success of the project and who know project success also means individual company success. Such partners often can see something that will result in a problem and then can resolve it immediately so the project again is headed toward success.

### Partnering

How do you go about setting up partnering and what are its hallmarks? In 1993, the Ronald Reagan Building and International Trade Center in Washington, D.C., a four million square foot project, was four years behind schedule and had stalled, leaving an open excavation that was 100 feet deep. The collective attitude on site was adversarial and quality was abysmal. The debris at the project was an indicator of the mental attitudes evident with many of the 750 workers and the companies involved. So much debris was left in the concrete forms during concrete placement, for example, that upon stripping

the forms below a slab and removing the debris, an entire forearm could be placed into some of the voids. This was costing money and time (where “time is money”), threatening the structural integrity of the building as well as safety. Managing this project was *not* fun.

## RONALD REAGAN BUILDING PROJECT ORGANIZATION



Other stakeholders: General Services Admin.; Fed. Financing Bank; U.S. Congress; the press

Everyone’s attitude needed to change or the project would not, could not, be a success. Because most financial levers were missing in the complex project management and ownership arrangement, only partnering was readily available to attempt a turnaround. And turn around it did.

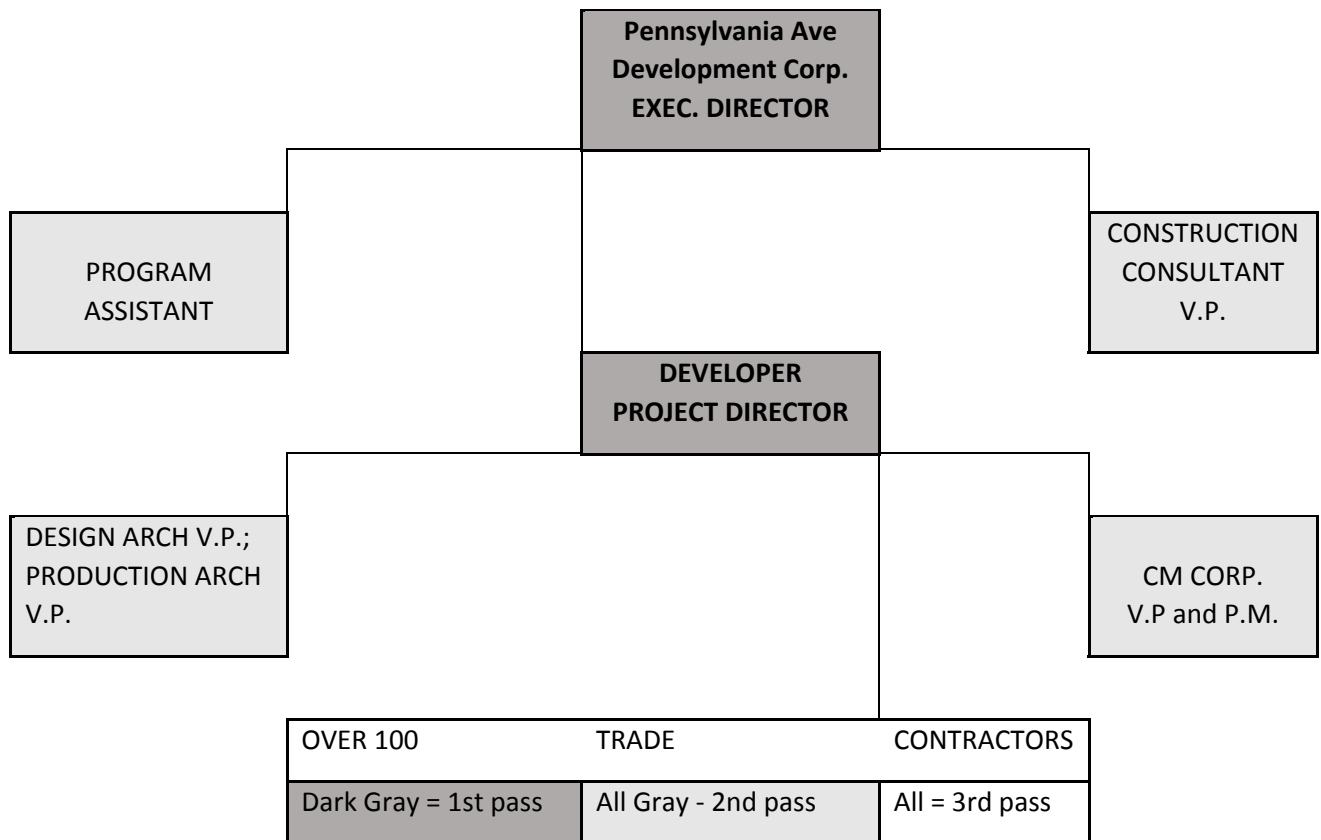
It took a concerted effort, starting at the top, between the government’s executive director and the developer consortium’s project director. These two individuals agreed to act as one in public, with the

project as the focus. They might disagree in private, but not in public. The owner side and the contractor side were now on the same page—at least at the top.

Next came formal partnering sessions that included six leaders at the next lower level on the project, again representing the owner and contractors. That was followed by additional larger sessions to get all of the project management (owner and contractors) to formally agree to:

- Focus on the project.
- Cooperate as partners.
- Settle issues at the lowest level.
- Raise issues to the next higher level (pre-agreed upon) if settlement could not be achieved quickly at the lower level.
- Agree to mediation as a last resort.
- Trust others to do their jobs.
- Look out for the interests of others.

### RONALD REAGAN BUILDING PARTNER ORGANIZATION



Certainly, there were nonbelievers at the start, but positive results won over most and success begot success.

## Characteristics of Partnering

So, what are the underlying characteristics of partnering?

1. **Trust** — First is *trust*. Partners need to trust (believe) that other partners are doing what they said they would (*integrity*). Further, partners need to be *accountable* for their actions and follow through.

On the Reagan Building project, large project meetings were held weekly, chaired by the new executive director and the developer at his side. At one meeting, the executive director came to an item that he had tasked himself to complete the previous week. He had been overwhelmed and failed to complete that item. He acknowledged that failure to the group and said it would be done by the next week. You could have heard a pin drop. Later the executive director asked the developer why the silence. The reply was that the previous government project manager had never acknowledged accountability, but instead had always blamed someone else. That simple act of accepting accountability reverberated throughout the project. Speed increased and animus decreased. Many problems still had to be solved, but solutions were arrived at more easily and effectively once people trusted each other.

Integrated project delivery or IPD, for example, cannot function without trust. Trust can lead to strategic relationships and those relationships can further trust. Stephen Covey's book, *The Speed of Trust*, has many examples in which trust leads to faster, successful outcomes. Trust is a hallmark of partnering.

2. **Cooperation** — A second hallmark of partnering is *cooperation*. Cooperation starts by listening to and understanding your partners. The atmosphere is collegial, where a team has a common goal so all can win. It is relationship-oriented, not win-lose (transactional) oriented. These relationships can lead to strategic alliances between contractors and repeat business with clients in the future, as well as immediate success. Cooperation between the executive director and the developer made the Reagan Building project turnaround possible.

Two other examples where large projects with a partnering attitude and cooperation led to success were the Korean Relocation Program and the Pentagon Renovation Program. The Korean Relocation was an \$11 billion program, and each country wanted its own contract with the contracted program manager. Successfully completing one program with two different contracts and two different bosses, however, would be nearly impossible.

In a demonstration of cooperation, one contract was fashioned for a program manager, albeit translated into both languages, and the two owners agreed to meet, cooperate, and then direct the program manager as one entity.

In the Pentagon Renovation Project, which was a six million square foot, \$4.5 billion building program, the entire management staff was an integration of government and contractor employees—they all

wore the same shirt, literally. The best person for the job was appointed leader of each project team, irrespective of government or contractor status. That arrangement led to far faster and better decisions.

**3. Initiative** — is a third hallmark of partnering. Construction projects have necessary sequences of events, work built upon work. Planning is essential for success—anticipation is required, building the project on paper or in your head first. Often, actions can be taken immediately to save problems later. With partners having a common focus, they can take the initiative to identify problems, anticipate needs, and work on solutions before they become crises, which result in delays.

At the Reagan Building project, a structural engineer walked the formwork and rebar every day. Instead of waiting for a problem to be discovered, he continuously reviewed shop drawings and saw actual conditions on site. He used a sketch pad to solve issues immediately and called the home office from the site for more complicated calculations. He earned the nickname, “the answer man.” Workers began to appreciate his oversight, not fight it.

Construction is like sailing a boat: once the “pointy end” and keel are on a sand bar, you are in trouble and poorly situated to resolve this quickly. Taking initiative to pay attention to charts, current, wind, and so forth saves time and trouble. Yet when one has many partners to work with, the likelihood increases that someone can anticipate or observe a problem and formulate a timely solution or bring it to someone who can solve it.

**4. Project focus** — Finally, *project focus* (which was detailed in the Reagan Building example above) is a hallmark of successful partnering. Project focus does not mean ignoring your company’s bottom line or being “Pollyanna” about serious issues. It springs from the reality that without project success, there is little success to pass around and everyone’s reputation may be harmed, so project success comes first. Real project success means that all companies involved have done well in performance, relationships, and finances.

On another large project for a new government office building, the general contractor could not decide whether to build reinforced concrete or steel at a time when steel prices had increased sharply and he had failed to submit a mill order when awarded the contract. Instead of deciding, he hesitated. The government had many leases that would have to be extended at a premium cost if the contractor delivered the building late or not at all. While the contractor was seeking some relief for the steel cost increase, the government was in no mind to help unless it had a building that would ameliorate their lease cost. Thus, project focus is a commitment, not just nice words.

Partners have to “walk the talk” to earn credibility and have other partners look out for others’ interests. This incident also violated the partnering principle of initiative. Military leaders, for example, learn that should a unit be caught in an ambush, the decision then is either to attack if near the ambushers or withdraw if far from the ambushers. In no case does a unit stay in place or it will lose—badly. Construction projects require timely decisions.

## **Conclusion**

Partnering is a project approach that addresses human interactions. Companies do not build buildings; people build buildings. Larger projects often have complicated, frustrating problems. When these occur, it is important to remember to be hard on the problems and easy on the people. By taking care of the people on the project, the people will take care of the project. Partners can be very helpful.

One cautionary note: while partnering has been and continues to be a successful approach to completing construction projects, not everyone will agree to partnering. Partnering can be offered, but cannot be contractually dictated.

## **About the Author**

Les Hunkele has been an NAC member since 2015. He is owner of Hunkele Consulting, a construction and program management practice in Mililani, HI. He holds a masters in civil engineering construction management from Purdue University and a bachelor's from the United States Military Academy at West Point. His varied career in construction includes military service (lieutenant colonel) with the Army Corps of Engineers, civil service (deputy assistant secretary) with the U.S. Department of Defense and the U.S. Department of Veterans Affairs, as well as with the Pennsylvania Avenue Development Corporation, and private practice (senior vice president) with AECOM and Clark Construction.