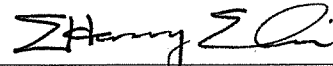


**SAN FRANCISCO PUBLIC UTILITIES COMMISSION
WATER SYSTEM IMPROVEMENT PROGRAM
CONSTRUCTION MANAGEMENT PROCEDURES**

**SECTION: WSIP CONSTRUCTION
MANAGEMENT**

APPROVED:



**PROCEDURE NO.: 024
TITLE: FORMAL PARTNERING**

DATE: 02/16/09

REVISION NO.: 0

1.0 Policy

Partnering is required for each WSIP construction contract with a value equal to or greater than \$10 million dollars. For contract values equal to or greater than \$2 million, but less than \$10 million, the WSIP Regional Project Manager may require either Formal or Informal Partnering based on project complexity, schedule duration, irregular construction time, project's neighborhood or other factors. The Formal or Informal Partnering process is not intended to have any legal significance or to be construed as denoting a legal relationship of agency, partnership, or joint venture between the SFPUC and Contractor.

Informal Partnering will be adopted for WSIP projects of under \$2 million at the request of either party and for projects up to \$20 million if Formal Partnering is not included in the Contract Specifications by the Regional Project Manager, or requested after award.

This procedure applies to all personnel working on the Water System Improvement Program (WSIP) to the extent that their work is affected by this WSIP Construction Management (CM) Procedure and does not conflict with specific San Francisco Public Utilities Commission (SFPUC) policies or the Contract under which the Work is executed.

2.0 Description

This procedure establishes the requirements for instituting and conducting a Formal Project Partnering process. It does not apply to Informal Partnering, covered in CM Procedure No. 041 and Division 0 Specification Section 00824.

3.0 Definitions

3.1 Partnering Agreement

The Partnering Agreement is an agreement, appended to Document 00823/Partnering Specification of the Contract Documents, to which the Partnering Facilitator, the City, and the Contractor are parties; and, which establishes the Formal Partnering process for this Project, consistent with the requirements of the Specification.

3.2 Partnering

Partnering is the process which allows people working together to find and build on a common understanding and co-create solutions to problems, seeking mutual benefit. The partnering process assists the parties to maintain communication and to mutually resolve conflicts at the lowest responsible management level.

3.3 Formal Partnering

Formal Partnering is conducted by an independent Facilitator, mutually selected by the Project CM and the Contractor. The Formal Partnering process brings all major stakeholders for the project together in a retreat setting ("Partnering Workshop"). Participants concentrate on building the project team, developing collaborative problem solving skills, and setting project goals, which are translated into a signed "Partnering Charter." Follow-up sessions to assess progress and adherence to project goals, along with periodic scorecards, may be components of the process.

3.4 Partnering Facilitator

The Partnering Facilitator is the mutually agreed upon professional selected to initiate the partnering process and to conduct at least one Partnering Workshop.

4.0 Responsibilities

4.1 Project Construction Manager (Project CM)

The Project CM manages and administers the project construction contract and serves as the prime point of contact between the Contractor, the City, and external stakeholders comprised of community residents, local government officials and agencies, schools, churches, businesses and local community organizations, among others. The Project CM mutually selects with the Contractor the Partnering Facilitator and participates in the Formal Partnering process.

4.2 Contractor

The Contractor is the entity awarded the contract to perform the Work. The Contractor mutually selects with the Project CM the Partnering Facilitator and participates in the Formal Partnering process.

4.3 Partnering Facilitator

The Partnering Facilitator is the professional selected by both parties responsible for initiating the partnering effort and conducting the Partnering Workshop. The Facilitator assesses the needs of the Project Team, designs and implements a tailored Partnering Workshop, provides training, and guides the team-building, problem-solving, and goal setting efforts in that process; and, in accordance with the Three-Party Agreement, may hold periodic Partnering Workshops during the duration of the project.

5.0 Implementation (reference Section 7.0 Document 00823, Section 8.0 Attachment 024-1)

- 5.1** Within 30 calendar days of Contract award, the Project CM and Contractor meet to discuss establishment of a Formal Partnering process, which includes identification of Partnering Facilitation candidates (reference Section 8.0 Attachment 024-1 CMB Partnering Facilitator Roster), schedule, location, workshop participants, and compensation. The discussion may be part of or following the Pre-Construction Conference.
- 5.2** Each party proposes up to three (3) Facilitator nominees, exchanging their respective nominees' full name and contact information and relevant background information. The Project CM and Contractor mutually select one of the potential six (6) nominees to be the Facilitator.
 - 5.2.1** If they cannot agree on one nominee, each chooses one of the three (3) nominees nominated by the other and respectively interview that nominee. A selection decision is mutually agreed to by both parties.
- 5.3** Within 30 calendar days of Notice to Proceed (NTP), the Project CM, the Contractor and the selected Partnering Facilitator execute a Three-Party Agreement (reference Section 7.0 Division 0 Document 00823/TPA). All parties must sign the Agreement prior to initiation of formal partnering meetings or workshops.
- 5.4** Prior to the Formal Partnering Workshop the Facilitator meets with the Project CM, Contractor and primary stakeholders to mutually develop the strategy and content for a successful partnering process. Interviews of principal staff and questionnaires of attendees provide content for framing the session (reference Section 8.0 Attachment 024-2).

5.5 The Facilitator develops the Agenda and conducts the Formal Partnering Workshop (reference Section 8.0 Attachment 024-3 Sample Agenda).

5.5.1 Content areas to be covered are, but not limited to:

- Partnering Workshop Overview
- Brief Project Description
- Primary Project Goals and Objectives
- Key Team Members' Roles and Responsibilities (include Organization Chart)
- Potential Project Risks, Issues, Concerns and Problems; examples may include, though not limited to:
 - Risk Assessment Report (identify priorities)
 - Schedule: milestones, outages, and shutdowns
 - Long Lead Items
 - Quality Control
 - Coordination (e.g., WS&T, HH, CDD; HRC/PLA, DPT)
 - Communication (e.g., Public Outreach/neighbors)
 - Testing, Startup, O & M Plan, and Training
- Managing Risks, Solving Problems and Making Commitments: risk / problem elaboration discussion, recommended actions and schedule
- Dispute Resolution Process / Ladder (reference Section 8.0 Attachment 024-4)
- Performance Monitoring and Measurements
- Partnering Agreement;
- Potential Agenda Items for follow-up Partnering Workshop.

5.5.2 The Formal Partnering Workshop may be held at the site of either party or a neutral location within or away from San Francisco. It is preferable to hold the session within the region of the project.

5.6 The Project CM and the Contractor, after the Workshop, maintain open communication on critical issues by conducting periodic meetings with key personnel from both parties.

5.7 The Project CM and the Contractor ensure periodic evaluations of mutual performance are conducted throughout the Project.

5.8 Over the Contract duration, the Project CM and the Contractor may hold further facilitated Formal Partnering Workshops, as required or agreed upon, as part of the initial partnering strategy.

6.0 Other Procedural Requirements

6.1 Unresolved Issues

Issues that are not resolved through Formal Partnering may be referred by the Project CM or Contractor to the Dispute Review Board or Dispute Resolution Advisor, whichever process is part of the Contract.

6.2 Compensation for Formal Partnering

The Contractor's costs associated with Formal Partnering are deemed to be included in the contract bid prices. No additional compensation will be allowed to the Contractor. The SFPUC will pay for it's half of the cost through a change order.

6.2.1 Standard hourly rates have been established. Discuss with the responsible Regional Construction Manager (RCM).

6.3 Surveys and Reporting

Upon completion of the initial Formal Partnering Workshop, the Project CM and the Contractor may mutually determine that follow-up surveys and periodic evaluations would strength the partnering commitments and overall success of the Project. The Facilitator and/or an internal team member may be requested to initiate these efforts.

7.0 References

7.1 Division 0 Specification Section 00823/Formal Partnering and Document 00823/TPA

7.2 CM Procedure No. 019 Dispute Review Board

7.3 CM Procedure No. 031 Dispute Resolution Advisor

7.4 CM Procedure No. 041 Informal Partnering

7.5 Partnering References / Resources (covers all formats):

Partnering: Field Guide to Caltrans Partnering. CA Department of Transportation, April 2000.

Partnering Program and Authorities 101. U.S. Army Corps of Engineers. <http://corpslakes.usace.army.mil/partners/pdfs/appl04/appl04-partner101.pdf>

Godfrey, Kneeland A. Partnering in Design and Construction. New York: McGraw-Hill, 1996.

Dyer, Sue. Partner Your Project. Livermore, CA: Pendulum Publishing, 1997.

8.0 Attachments

- 024-1 CMB Formal Partnering Facilitator Roster (partial list)**
- 024-2 Pre-Construction Conference / Partnering Questionnaire**
- 024-3 Sample Formal Partnering Agendas**
- 024-4 Decision Ladder**

CMB Formal Partnering Facilitator Roster (partial list)

Robert W. Dorn, President AMSI

ADVANCED MANAGEMENT SYSTEMS INTERACTIVE ----

Construction Partnering and Teambuilding

723 East Victoria Street, Suite A

Santa Barbara, CA

Phone: (805) 564-2432 Fax: (805) 564-2171

Bdorn82282@aol.com

SFPUC Projects: none

Sue Dyre, MBA

ORG•METRICS

291 McLeod Street

Livermore, CA 94550-3211

Phone: (925) 449-8300; Fax: (925) 449-0945

<mailto:SueDyer@orgmet.com>; www.orgmet.com

SFPUC Projects: Sunset Reservoir Seismic Rehabilitation Project

Sam Hassoun, P.E.

Global Leadership Alliance

3095 Beacon Boulevard

West Sacramento, CA 95691

Phone: (916) 374-0455; Fax: (916) 371-2352

Sam@Hassoun.com

SFPUC Projects: O'Shaughnessy Dam Modification Project

Rebee L. Hoekstra, President

RH & Associates

6677 W. Thunderbird Road, Suite K183

Glendale, AZ 85306

Phone: 623) 266-3943 / (800) 480-1401; Fax: (623) 266-3611

rhpartnering@earthlink.net

SFPUC Projects (proposed): Tesla Treatment Facility - Design-Build

Neil Flesner

Ventura Consulting Group

P.O. Box 81223

Atlanta, GA 31106

Phone: (404) 496-5910; Fax: (404) 581-5904

<http://www.venturaconsulting.com>

SFPUC Projects: Priest Reservoir Bypass Pipeline

Pre-Construction Conference / Formal Partnering Questionnaire

Project Name and Contract No.:

In preparation for the Pre-Construction Conference and Formal Partnering Workshop, please respond to the following questions. Use additional sheets as needed.

1. List utility companies, railroads, municipalities and any other agencies that you feel coordination with is important:

2. Scheduling concerns:

3. Construction phasing and/or construction staging concerns:

-
4. Construction methodologies and / or construction procedures that you intend to use that you feel warrant up-front discussion and/or consideration:

5. Traffic control concerns:

6. QC/QA:

7. Potential CRIPs/value engineering:

8. Other issues:

Contractor's Signature

Date

Full Day Partnering Workshop Agenda

	8:00 a.m.	Continental Breakfast
	8:30 a.m.	Introductions – Roles & Responsibilities Partnering Overview Rules & Expectations Project Overview Project Objectives (may also cover Vision/Mission) Project Success Factors
	9:30 a.m.	Team Building Exercise
	10:15 a.m.	<i>Break</i>
Issues,	10:30 a.m.	Risk Management: Potential Project Risks, Concerns and Problems
and	11:15 am	Address Barriers to Success, Recommend Actions Timeframes (Work Groups)
continue working	12:00 p.m.	<i>Lunch Served / Groups may</i>
	1:00 p.m.	Groups Present Findings
	2:00 p.m.	Discussion: Interrelationships of Findings & Recommendations
	3:00 p.m.	Dispute Resolution Process / Ladder
Monitoring &	3:30 p.m.	Evaluation Process: Performance Measurements
	4:00 p.m.	Next Steps
	4:15 p.m.	Partnering Agreement Signing
	4:30 p.m.	Conclude

Decision Ladder

Rev. 0 (02/04/09)

ISSUE / CHANGE ORDER REQUEST RESOLUTION LADDER *

PROJECT NAME: _____

Big & Medium Contractor

Level	Contractor	SFPUC	Time Goal **
I.	General Foreman / Foreman	Inspector	3 working days
II.	PM / Superintendent	PCM / Asst RPM (WSIP) / PM	30 calendar days
III.	Regional Manager	RCM / RPM (WSIP) / PM	15 calendar days
IV.	VP or President	AGM / WSIP Director / Deputy Director – CMB Bur Mgr	30 calendar days
DRA or DRB ***			

Notes:

* This is a general guideline. Authorities defined at each level will depend on the program and project. Appropriate authority, or authorities if consensus required, will be confirmed at each level by each project by name.

** Time Goal:
 Level I: Issues defined
 Level II: Issue identified and/or cost or time proposal is received.

*** Dispute Hearing and Finding

ISSUE / CHANGE ORDER REQUEST RESOLUTION LADDER *

PROJECT NAME: _____

Small Contractor

Level	Contractor	SFPUC	Time Goal **
I.	General Foreman / Foreman	Inspector	3 working days
II.	PM / Superintendent	PCM / Asst RPM (WSIP) / PM	30 calendar days
III.	Owner	RCM / RPM (WSIP) / PM	15 calendar days
IV.	Owner	AGM / WSIP Director / Deputy Director – CMB Bur Mgr	15 calendar days
DRA or DRB ***			

Notes:

* This is a general guideline. Authorities defined at each level will depend on the program and project. Appropriate authority, or authorities if consensus required, will be confirmed at each level by each project by name.

** Time Goal:
 Level I: Issues defined
 Level II: Issue identified and/or cost or time proposal is received.

*** Dispute Hearing and Finding