

# CAN THIS PROJECT BE SAVED?

JUST AS A SKILLED COUNSELOR CAN SAVE A MARRIAGE  
GONE BAD, PROJECT REALIGNMENT PARTNERING CAN SAVE  
A CONSTRUCTION PROJECT ON THE BRINK.



**From** a construction perspective, there was nothing remarkable about a recent construction project in Eugene, Ore.-a high-rise apartment building with a garage underneath. Project ownership, however, was thoroughly modern: the city would own the public parking garage, a \$9 million project, while the apartments above it were to be owned by a private developer.

**The problem.** In July 1998, the parking garage, well into its second construction season, was only 70 percent complete. The owner was threatening liquidated damages for project delay, while the general contractor was considering substantial claims based upon problems it had encountered with the concrete slabs and block walls.

In hopes of moving the project forward, an executive team consisting of city representatives, the general contractor, subcontractors, the private developer, and the project designers met with partnering facilitators to begin a process of intervention partnering known as project realignment.

The executive team and project management teams identified specific actions to give the project a fresh start, from improving communications between all parties to changes in quality control procedures. The goal was to resolve all outstanding claims and disputes without litigation. All issues were to be addressed through the change order provisions of the existing construction contract.

Project teams performed the specific actions identified in the initial two-day meeting. The teams were built across organizational lines at the field, project-manager, and executive levels, including representatives from the general contractor, the designer, key subcontractors, and the owners, both public and private.

The partnering facilitators began holding regular meetings with project executives, project managers, and field

*The parking garage project underneath these attractive new condominiums was headed for a legal meltdown in 1998. Thanks to a technique known as project realignment partnering, all claims were resolved without litigation.*

personnel regularly. They also put partnering processes in place directly on the jobsite, bypassing the traditional workshop. The facilitators instead met with small groups to lead them in the look-ahead, risk assessment, and issue resolution processes.

## **A single claims consultant.**

Facilitators led the effort to design and implement an issue resolution process that would meet the goals of fairness, speed, and cost-effectiveness. Executives and project managers decided to hire a single claims consulting firm to objectively assess all claims and issues, with consulting costs shared by all.

The claims consultant (Pinnell-Busch, Portland, Ore.) used sub-consultants, as necessary, to analyze highly technical engineering issues. They interviewed personnel from all the organizations involved in the project and reviewed project records. Time was of the essence, and the executives agreed that the process of issue and claims resolution must be completed within six weeks. After approximately six weeks of investigation, the claims consultants issued a confidential report containing their opinions on responsibility and damages, or entitlement and quantum.

## **Confidentiality: the key to success.**

Confidentiality was the key to success of the claims resolution process. All parties signed a confidentiality agreement to preclude any from later using the report or the claims consultant against one another if the project realignment failed. The claims consultant's report was thus non-binding-but it helped the executive team to understand the claims and positions of each party.

After the report was made, the executive teams and project management teams spent three days in facilitated negotiations. All outstanding disputes and claims were resolved, and the settlements were transformed into change orders and paid through the ordinary course of contract administration.

The parking garage project went on to a successful completion. It proved that a construction project gone bad could be saved through full and open communication and commitment to a win-win solution.

-by Dave Hillrd, Lew Bowers, and David Koski. Hiller is the president of Chambers Construction, project general contractor; Bowers is the manager of community development for the city of Eugene, Ore., and served as senior staff representative for the city throughout the parking garage project. Koski is the vice president of Walker Parking Consultants/Engineers, Inc., and served as the project principal for the garage designers.

## **FOR MORE INFORMATION ON PROJECT REALIGNMENT PARTNERING**

Tom Brascher and Howard Carsman of Team Technologies served as partnering facilitators in the case described above. Carsman is a facilitator, mediator, and lawyer in Portland. Brascher is a recovering civil engineer, having survived 20 years of design and construction project management. He is now a full-time project team consultant and facilitator.

Based in Olympia, Wash., Team Technologies provides facilitation and training services to the construction industry. It can be reached at (360) 754-8326 or TEAMTECH@worldnet.att.com