

Project ReAlignment

Project ReAlignment™ is a process developed by The ReAlignment Group in California, USA¹. Like the DRAd process, it seeks to provide a practicable mechanism for early intervention and resolution of issues before they escalate into formal disputes. The ReAlignment Group's mantra is to work within the project management and change control mechanisms of the contract rather than engage the dispute resolution mechanisms. The process has been described as "informed mediation", but like the DRAd system, it incorporates aspects drawn from a number of other forms of dispute resolution. The process is said to have been used on some 40 contracts, with a significant success rate.

Like project partnering, ReAlignment requires the establishment of a formal matrix structure for issue resolution, similar to the IEL discussed above. Under ReAlignment, teams are created from representatives of the client, consultants, main contractor and key subcontractors at the Executive, Project Management and Field (or Frontline) levels. In essence, the PM team proposes what it thinks ought to be done, the Execs decide whether they want to do it and the Field team implements the decision.

The process starts with a workshop of the Executive and PM teams, at which the issues in contention are discussed and a high level view taken of what options exist for resolving the matter, and what the order of cost involved might be. The Executive team then makes a "go – no go" decision.

If "go", the PM team is then sent away to develop and present back to the Executives a plan for resolution. Independent legal and/or technical expert advisers may also be appointed to prepare high level reports for joint consideration by the PM and Executive teams. This stage is very abbreviated – typically not more than two weeks and if circumstances require it may be less.

After this development phase, the PM team and any advisers make a presentation to the Executive team. The PM team's presentation will prepare one or more costed proposals for moving forward. The Executives will then consider the matter to decide (a) whether they agree to proceed and (b) by whom any costs are to be borne. This session is effectively a mediation-style negotiation, the difference being the preparatory work which has gone into development of the options for resolution.

Unlike DRAd and project partnering, the ReAlignment process *per se* is only activated after an issue has arisen. However, the ReAlignment Group also advocates that proactive monitoring and dispute avoidance measures also be used throughout the project.

CONCLUSION

This overview has presented a variety of dispute resolution options which may be considered for implementation in construction contracts. Statutory support seems to be driving many jurisdictions towards adjudication, which provides a quick, if perhaps rough and ready form of justice which is particularly suited to the resolution of pure security of payment claims.

Given the complexity of construction contracts however, more inclusive and comprehensive methods appear to provide a more positive approach for both avoidance and resolution of disputes. Examples are Hong Kong's DRAd system and California's ReAlignment process.

ⁱ The author met with the developers of ReAlignment in California in September 2006. The information in this paper is based on my notes and recollections of the discussions, and some reference material received at the time. I am grateful for the assistance of Dick Bayer and Dan Fauchier of the ReAlignment Group for their assistance in preparing this paper, however the opinions expressed and any errors in description of the process are mine.