

# COAA Best Practice COLLABORATIVE CONTRACTING Framework & Toolkit

May 19<sup>th</sup>, 2020



# May = Best Practices Conferences



# 28<sup>th</sup> Best Practices Conference

## THANK YOU

These organizations have elected to keep their Best Practices sponsorships invested in COAA, despite the current uncertainties

Awards Ceremony & Keynote Speaker

# FLUOR<sup>®</sup>

Gold Sponsors



Silver Sponsors

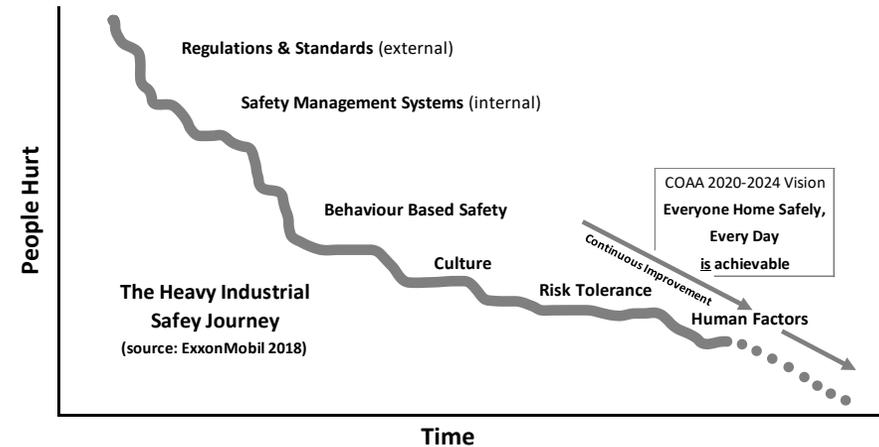


Bronze Sponsors



# COAA Initiatives

- **Safety Strategy 2020-2024**
  - Human Factors
  - Focus on P<sub>SIF</sub> risks
- **COVID-19 Webinars**
- **Task Group – Managing COVID-19 Risks in the New Normal**
  - Healthy and productive construction & turnaround sites
  - Sharing of practices and tools – by summer
  - Consensus on “best principles” – by late fall



# Today's Weather

- Loss of Investor Confidence
- Negative Oil Price
- COVID-19

...and what's next?

How do we Respond?



# The “What”: Respond with Collaborative Contracting

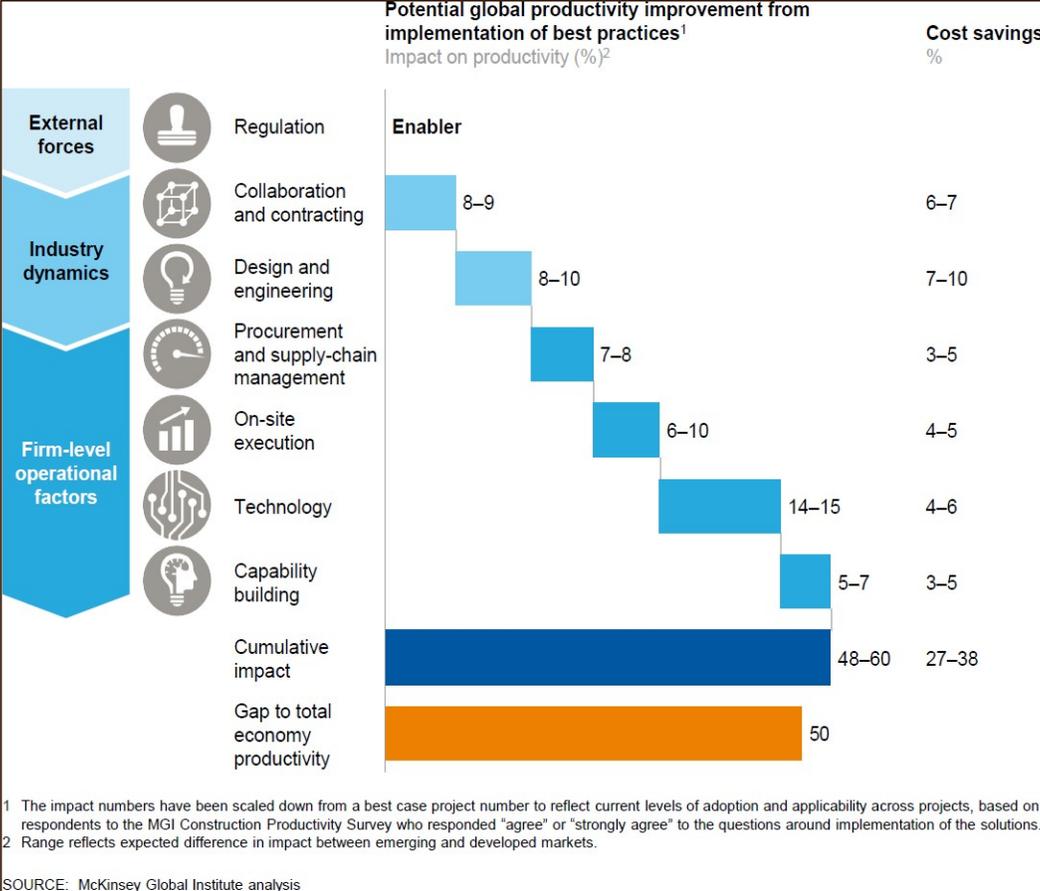
## A DIFFERENT way of contracting that:

- Establishes Shared Goals
- Aligns Interests
- Enables Collaboration
- Offers better (mutual) Outcomes

# Collaborative Contracting – The “Why” (Industry Level)

More collaboration in contracting can:

- increase productivity up to 8-9%
- generate cost savings up to 6-7%



# Collaborative Contracting – The “Why” (Project Level)

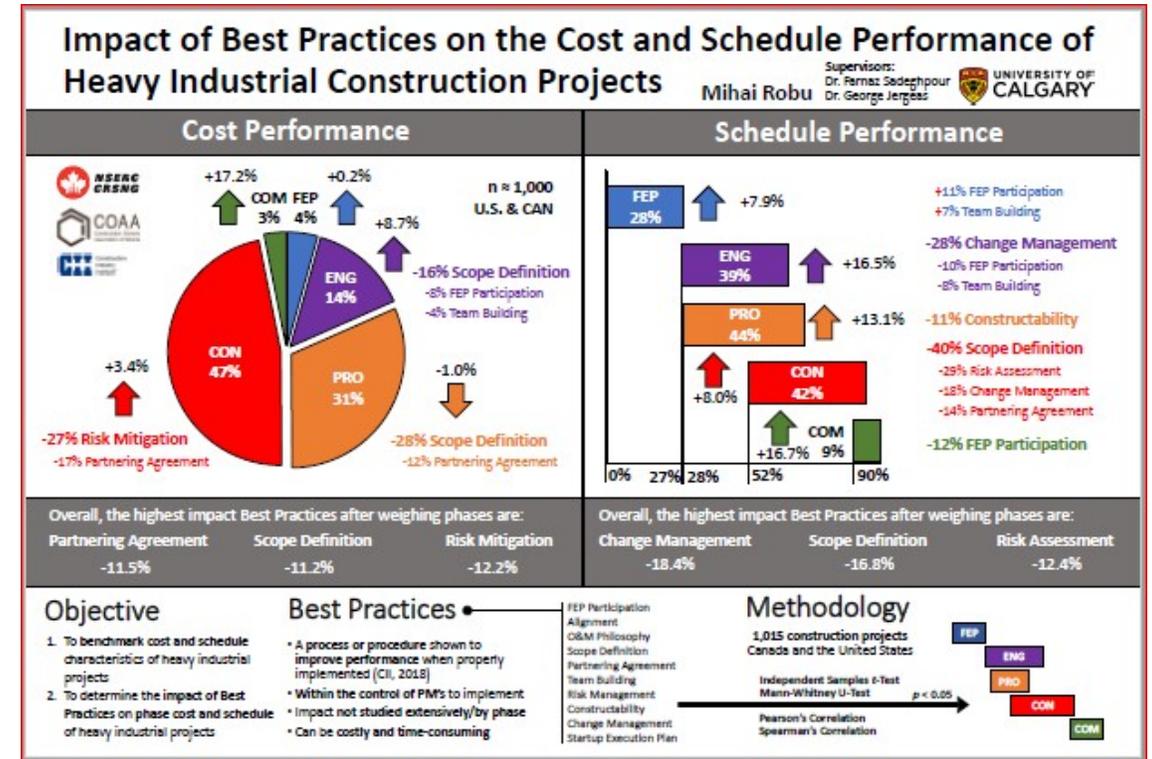
In combination with other best practices collaboration improves outcomes:

COST across the project lifecycle are:

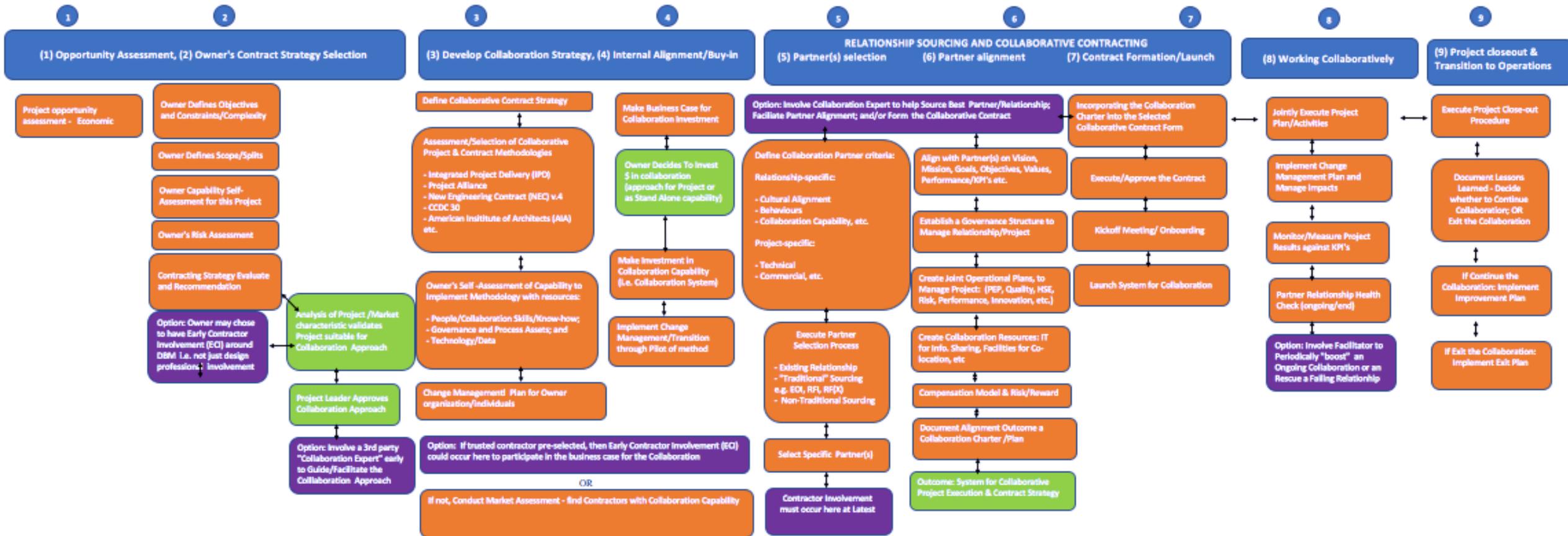
- Partnering Agreement – 11.5%
- Scope definition – 11.2%
- Risk mitigation – 12.2%

SCHEDULE performance:

- Change management – 18.4%
- Scope definition – 16.8%
- Risk Assessment – 12.4%



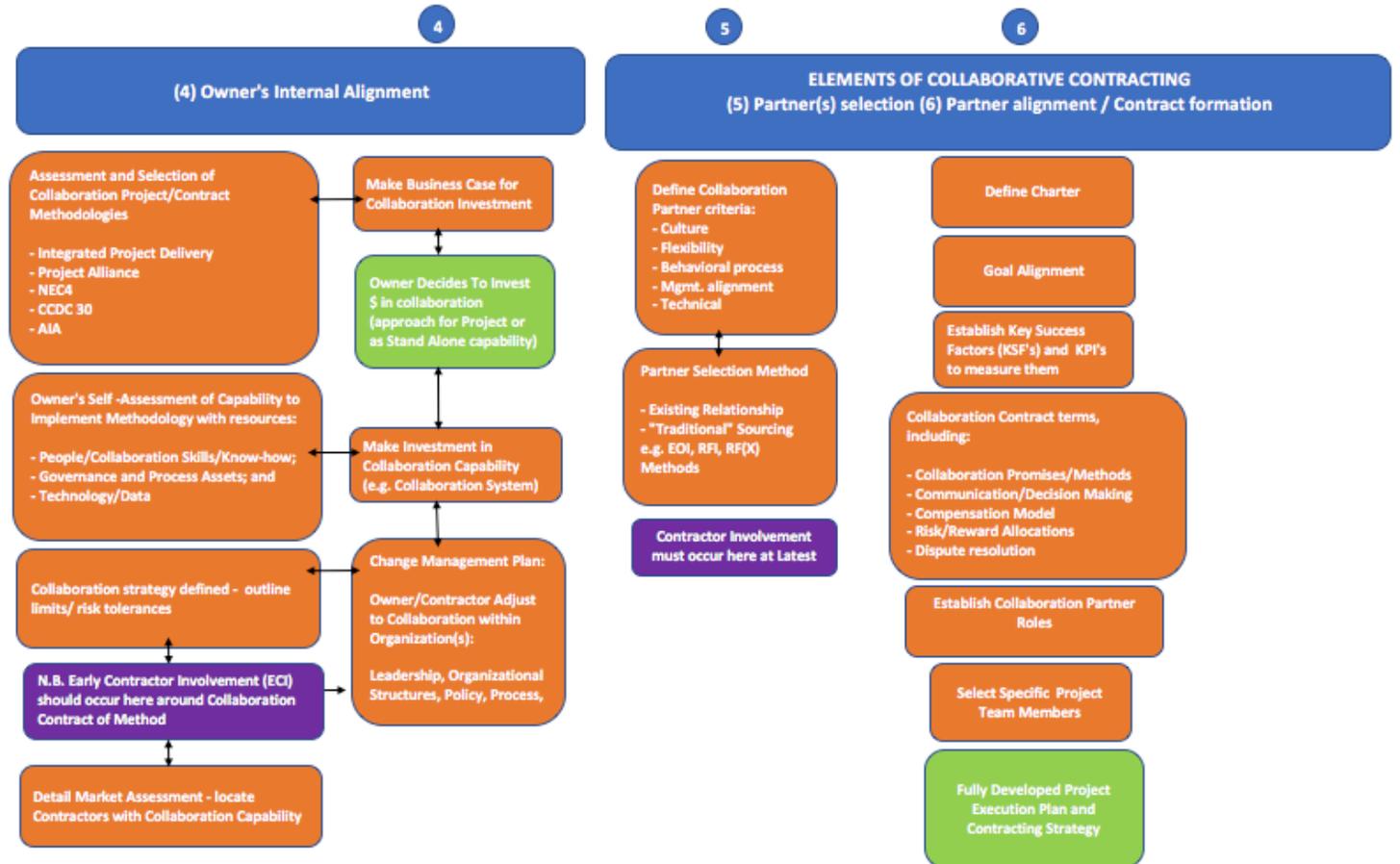
# Collaborative Contracting – “How to Do it?”



**Where Do I Find it?:**  
<https://www.coaa.ab.ca/library/>

# Collaborative Contracting – “How to Do it?”

- Owner’s Internal Alignment
- Partner Selection
- Partner Alignment



**Where Do I Find it?:**  
<https://www.coaa.ab.ca/library/>

# Owner's Internal Alignment:

- Owner's Internal Assessment of Collaborative Capabilities
- Building the Internal Business Case for Collaboration
- Conduct one or more Pilots
- Post-Pilot Transition to 'New Normal'

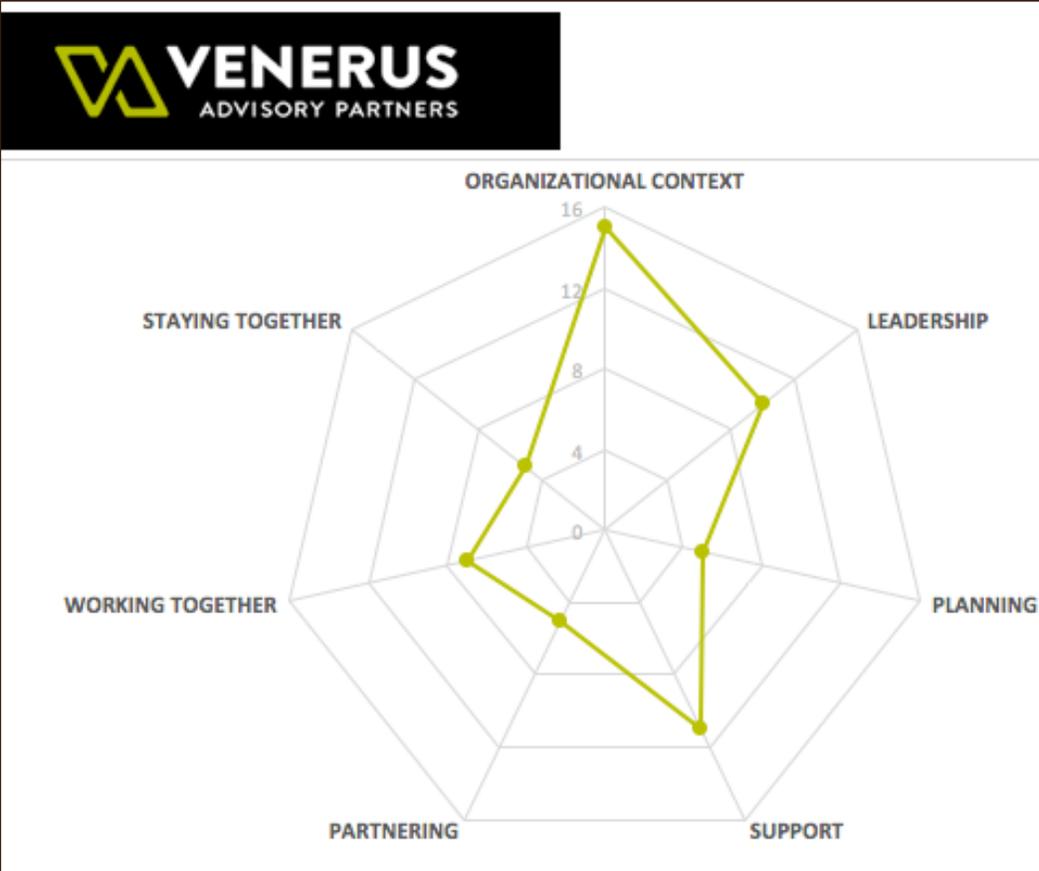


# Owner's Internal Assessment of Collaborative Capabilities:

**VENERUS**  
ADVISORY PARTNERS

ASSESSMENT OF THE COLLABORATIVE PROFILE of an ORGANIZATION

1. The organization has a clear vision, mission, and values.	2
2. The organization has a clear strategy and business plan.	2
3. The organization has a clear organizational structure.	2
4. The organization has a clear communication plan.	2
5. The organization has a clear financial plan.	2
6. The organization has a clear risk management plan.	2
7. The organization has a clear human resources plan.	2
8. The organization has a clear information technology plan.	2
9. The organization has a clear environmental, social, and governance plan.	2
10. The organization has a clear sustainability plan.	2
11. The organization has a clear innovation plan.	2
12. The organization has a clear digital transformation plan.	2
13. The organization has a clear cybersecurity plan.	2
14. The organization has a clear data privacy plan.	2
15. The organization has a clear intellectual property plan.	2
16. The organization has a clear compliance plan.	2
17. The organization has a clear legal plan.	2
18. The organization has a clear tax plan.	2
19. The organization has a clear insurance plan.	2
20. The organization has a clear disaster recovery plan.	2
21. The organization has a clear business continuity plan.	2
22. The organization has a clear crisis management plan.	2
23. The organization has a clear public relations plan.	2
24. The organization has a clear media plan.	2
25. The organization has a clear social media plan.	2
26. The organization has a clear content marketing plan.	2
27. The organization has a clear email marketing plan.	2
28. The organization has a clear search engine optimization plan.	2
29. The organization has a clear pay-per-click plan.	2
30. The organization has a clear affiliate marketing plan.	2
31. The organization has a clear influencer marketing plan.	2
32. The organization has a clear brand management plan.	2
33. The organization has a clear trademark plan.	2
34. The organization has a clear copyright plan.	2
35. The organization has a clear patent plan.	2
36. The organization has a clear trademark plan.	2
37. The organization has a clear copyright plan.	2
38. The organization has a clear patent plan.	2
39. The organization has a clear trademark plan.	2
40. The organization has a clear copyright plan.	2
41. The organization has a clear patent plan.	2
42. The organization has a clear trademark plan.	2
43. The organization has a clear copyright plan.	2
44. The organization has a clear patent plan.	2
45. The organization has a clear trademark plan.	2
46. The organization has a clear copyright plan.	2
47. The organization has a clear patent plan.	2
48. The organization has a clear trademark plan.	2
49. The organization has a clear copyright plan.	2
50. The organization has a clear patent plan.	2



# Owner's Internal Alignment:

- Building the Internal Business Case
- Conduct a Pilot
- Post-Pilot Transition to 'New Normal'



# Owner's Internal Alignment:

1. Building the Internal Business Case of Change



2. Conduct (a) Pilot(s)



3. Manage the Transition to The New Normal



# Stories from Your Peers – Internal Alignment

**Bill Somerville (Nautical)**



# Partner Selection



- Fit-for-collaboration sourcing process
- Assess “collaboration capability”

Sample Evaluation Criteria

STAGE III EVALUATION CRITERIA		Weight
	<i>Experience &amp; Capabilities of Proposed IPD Team</i>	
1.0	.1 Corporate Profiles	1.0
	.2 Proposed Personnel	1.5
	.3 Experience in Collaborative Project Delivery	4.0
	.4 Experience in Wastewater Treatment Upgrade Projects	3.5
	.5 Past or Current Difficulties	1.0
	<i>Proposed Project Delivery and Collaboration</i>	
2.0	.1 Management	2.5
	.2 Co-Location Plan	1.5
	.3 Collaboration Technology	1.5
	.4 Planning & Execution	2.5
	.5 BIM Execution	2.0
	.6 Risk Management	1.5
	.7 Union & Labour Force Understanding	1.0
3.0	<i>Value Added and Innovative Practices</i>	2.5
4.0	<i>Costs and Compensation (fees, profit expectation, etc.)</i>	2.0



# Stories from Your Peers – Partner Selection

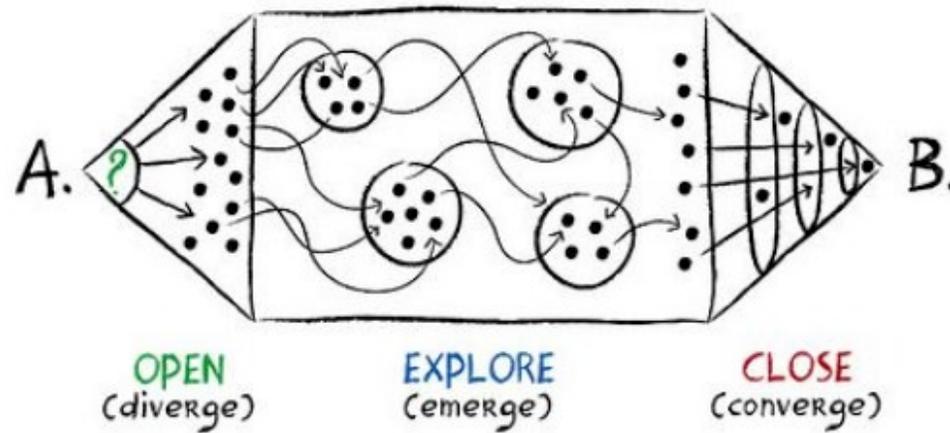
**Geoff Capelle (Bird)**



# Partner Alignment

Success alignment is most likely with:

- Partnering Processes
- 3<sup>rd</sup> Party Facilitators



# Stories from Your Peers – Partner Alignment

**Nicki Haig (Haig Consulting)**



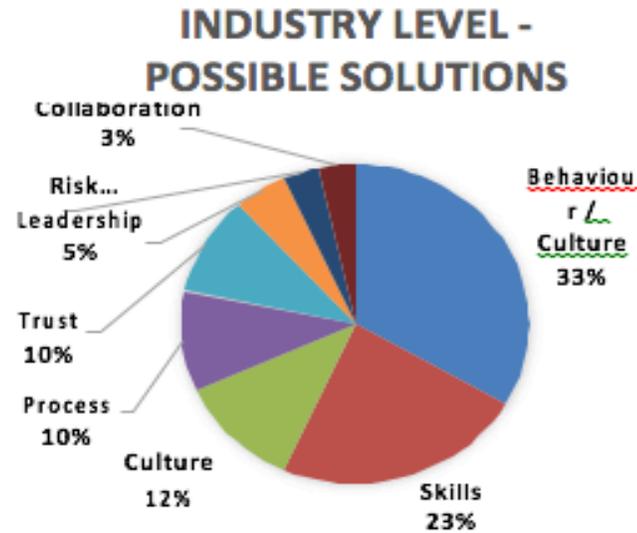
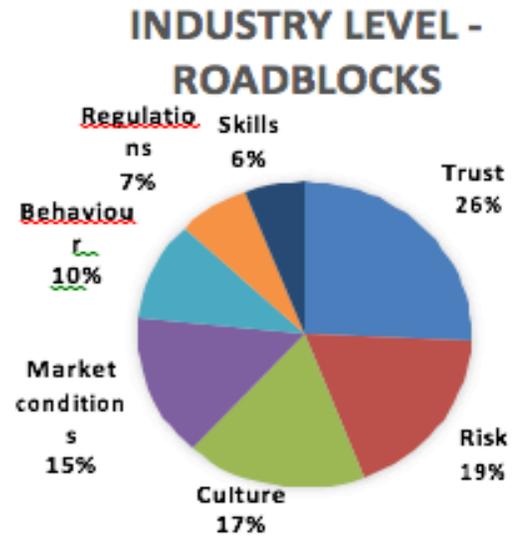
# Typical Barriers to Adoption

1. Lack of competencies to implement Collaborative Contracting
2. Lack of a trust environment that drives collaboration culture/behaviors
3. Legacy behaviors/mindset prevent adoption of Collaborative Contracting
4. Lack of Leadership support to ensure a successful implementation
5. Legacy processes/contracts prevent adoption of a collaborative approach



# Typical Barriers to Adoption- Industry

## Industry Level

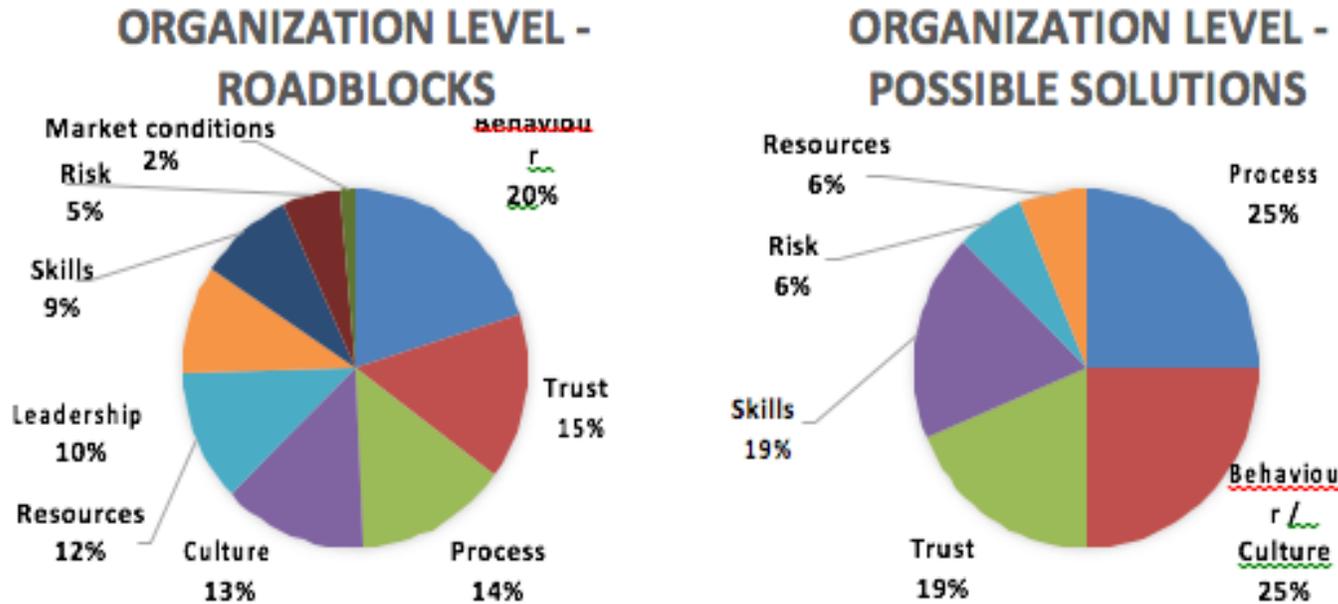


According to the results of the survey, the main roadblocks to Collaborative Contracting are leadership support (26%), risk aversion/tolerance (19%), and market conditions (15%). Some of the key concepts the attendees suggested to focus on to rewire the industry were behaviors (34%), develop the skills (23%) and change culture (12%).



# Typical Barriers to Adoption- Organizational

## Organization Level



At the organization level the main roadblocks identified are Legacy behaviors (20%), Leadership support (15%) and Processes (14%).

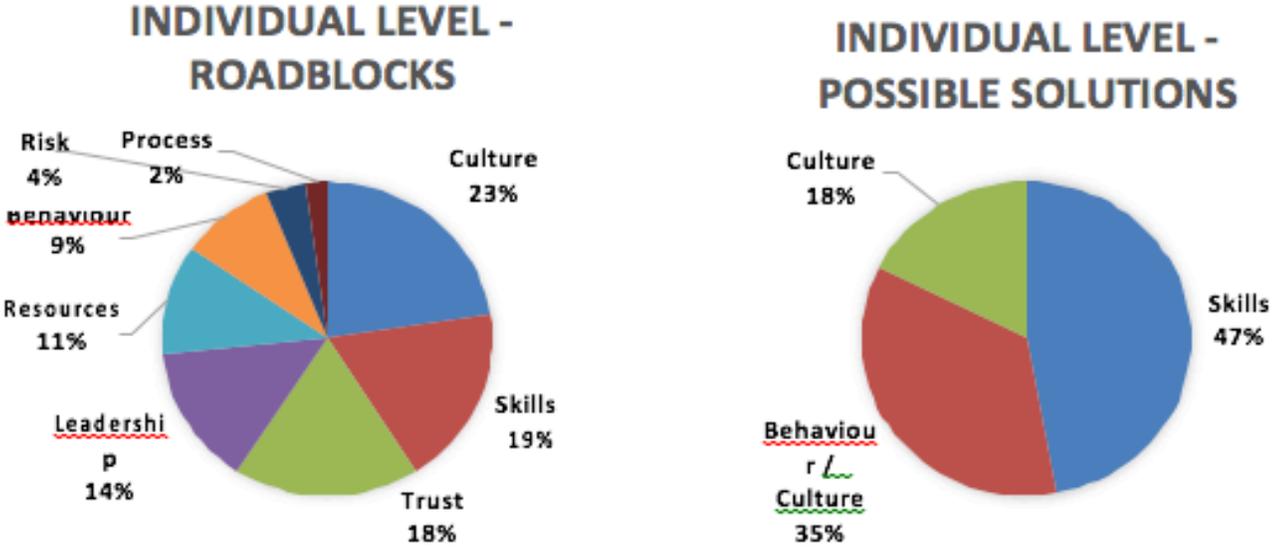
As for possible solutions to overcome the roadblocks the attendees highlighted Switch in Behaviors (26%), Adapt processes (24%) and build trust (21%).



# Typical Barriers to Adoption- Individual

## Individual level

This section represents the specific changes and actions everyone can perform at their organization to drive the implementation of Collaborative Contracting.



The main roadblocks identified by the attendees are Legacy culture (23%), Lack of Trust (18%) and Lack of leadership support (14%). The solutions proposed highlight the need to build the skillset (47%), align interests with organization – Behavior (35%), and creating a culture of collaboration (18%).



# Stories from Your Peers – Overcoming the Barriers

**Bill Somerville (Nauticol)**

**Nicki Haig (Haig Consulting)**

**Geoff Capelle (Bird)**



# Collaborative Contracting Forms

- Project Alliance
  - NACG PAA - Project Collaborative Contracting Agreement Australian Gov. (Australian Government Department of Infrastructure and Regional Development, 2015)
  - AAA PAA - Alliancing Association of Australia Model
- Integrated Project Delivery (IPD)
  - CCDC 30 – Canadian variant of IPD Style Contract (CCDC, 2018)
  - AIA (The American Institute of Architects) C191 and C195 FAMILY (3 party)
  - Hanson Bridgett LLP Standard Multi-party Agreement
- New Engineering Contract (NEC) Version 4 (Alliance Model)



# Common Characteristics of Collaborative Contracts

- Establishes a Joint Purpose, Goal, Objectives, etc.
- Ensure Commitment to a Joint Purpose (accountable leadership/resources)
- Establish, Develop, Maintain Trust (via the “right” kind of communication)
- Use a SYSTEM for Collaboration to enable that collaboration
- Monitor/Measure/Evolve the Collaboration (or Exit)



# Final Remarks from Your Peers – Contract Forms

**Bill Somerville (Nauticol)**

**Nicki Haig (Haig Consulting)**

**Geoff Capelle (Bird)**



# The Tools are Available – It is a Choice



**Where Do I Find it?:**

<https://www.coaa.ab.ca/library/>



# Question & Answer

**Post-Webinar Follow Up:  
richard@veneruspartners.com**

# COAA Best Practice COLLABORATIVE CONTRACTING Framework & Toolkit

Collaborative Contracting – The “How”  
Staying Together - May 27<sup>th</sup>, 2020

