

Collaboration Today: **Better Buildings Tomorrow**

GORDIAN®

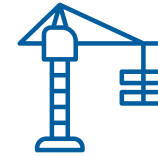


With technological innovation a constant, the construction industry is in a perpetual state of evolution, continually in flux.

This is the way it has always been. However, over the millennia, there has been one tried and true constant: people. The human element in construction can be lost with so much focus ending up on the final product. But it is relationships and partnerships that drive construction projects, making the final products realities.

"...The line of communication - keep it open, keep it honest, keep it accurate."

- Phil Savoy
Project Manager, Johnson-Laux Construction



Take a moment to think about your past facility or infrastructure projects – did any of them not go as smoothly as you had hoped? Now think about why. Chances are somewhere along the way, there was miscommunication, disagreement or simply inefficiencies in the overall process. Now think about some projects that went well – those delivered on budget and on target. Why did they go well? In all likelihood, collaboration between all parties was a major factor.

Stop, Collaborate and Listen

As facility managers and building owners, you are responsible for your organization's largest and most valuable assets. There is no shortage of work to be done. It's no secret proper planning and clear communication are essential factors to project success, but if you're dealing with limited timeframes and resources, it can be difficult to effectively collaborate with all project stakeholders, especially the contractors executing the work.

Unfortunately, 75 percent of building owners and contractors have experienced a dispute or claim in the past three years*. However, of those same building owners and contractors, 9 out of ten say increased collaboration can decrease future risk.

*<https://www.construction.com/news/new-research-how-collaboration-can-reduce-construction-risk-jan-2017>



Pitfalls of Poor Communication

Construction overspending

Project schedule and cost overruns

Less efficiency and productivity

Misunderstandings and unmet expectations

Lose credibility

Communication Is Key

It's a simple concept. Yet it may be the most important. Especially in modern times, where email chains and texts open parties up to isolation, maintaining clear and ongoing communication channels is necessary for the success of every project.

As communication increases, relationships deepen.

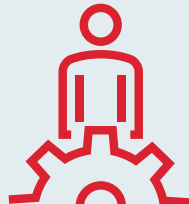
When asked what the number one factor to project success is, Mark Bailey, President of Centennial Contractors, answered, "upfront communication so expectations are crystal clear."

Establishing clear communication channels amongst stakeholders as early as possible is an essential ingredient in positioning a project for future success.



"Communication leads to many things: efficiency, schedule, no change orders, no surprises, no scope gap or scope creep...It's a team environment," explained Kevin Johnson, Owner, Johnson-Laux Construction.

In a time where everyone is trying to be lean and do more with less, it is essential all project stakeholders are working towards the same mission. Also by maintaining a focus on results throughout, project participants can be better situated to stay on track. Real outcomes are important, and by focusing on real outcomes, doors are open for small victories. And recognizing these victories is of the utmost importance. By highlighting successes and hard work, you are perpetuating an overall positive atmosphere. This will be extremely beneficial to the project as a whole.



A Better Way

Traditional construction procurement processes simply don't provide the most fertile grounds for collaboration. During a traditionally bid project, contractors are unable to interact with the owner until after the contract is awarded. This can lead to conflicting expectations and disappointment. Unfortunately not much that can be done to avoid this reality when using some traditional project delivery methods.

Job Order Contracting (JOC) is an alternative construction procurement process that puts collaboration at the forefront rather than leaving it behind as an afterthought. The proven process is ideal for use on renovation and alteration work, responding quickly to emergencies, addressing a backlog of deferred repairs and straightforward new construction.



How it works:

Job Order Contracts provide the ability to accomplish a substantial number of individual construction projects with a single, competitively-awarded contract.

Contractors bid a multiplier to be applied to a catalog of tasks with preset unit prices developed using local labor, material and equipment costs.

Job Order Contracts are generally awarded to the lowest responsive, responsible bidder(s). Once a contract is awarded, the contractor can perform a variety of projects.

**Contractor paid the preset unit price
X
the quantity ordered
X
the competitively bid multiplier**

No negotiation required.

It's All in the Process

It all begins with the first step in the JOC process: the Joint Scope Meeting.

This meeting occurs between the contractor and the owner. It provides an opportunity for both parties to walk (literally) through all aspects of the job. This meeting allows time to discuss concerns or questions regarding the tasks of the project, meaning all those involved are given the opportunity to effectively communicate their objectives and what is required to carry out those objectives. This upfront understanding allows project stakeholders to participate in developing the scope of work, minimizing change orders along the way.

According to Phil Savoy, Project Manager, Johnson-Laux Construction, "Some of the largest successes that we've seen using [Job Order Contracting] is that we have been able to save our clients an enormous amount of time, energy and money. The thing you don't want is, you don't want miscommunications. You don't want an owner wondering or trying to guess as to what's going on. The line of communication – keep it open, keep it honest, keep it accurate."

Another key element, JOC allows readily available contractors to be put in place on a substantial number of projects with one, competitively bid contract. No more bidding the job separately. While this allows for the obvious benefit of time savings, the relationships this process fosters cannot be appreciated enough. These relationships build project after project, year after year. A trust between owner and contractor grows, allowing contractors to better understand the owner's requirements, needs, preferences and more. Everyone is in it altogether.

"We rely heavily on our contractors to be part of our team, an extension of us. And to guide us in the right directions."

- Cheryl Smith
Sr. Project Manager
University of North Texas

Testimony

"You rely on the contractor and the people – it's all about the people that are on the job. And so we would kind of look at the project and Jack [the project manager] would get involved in that along with that site superintendent on a daily basis to see, okay, what's our opportunity today? What can we jump on that you don't have to do at the end of the project? So those are the kinds of things that need to happen to make projects like this go so smoothly." – Earl Walleat, Director of Buildings and Grounds, Brainerd School District, Brainerd, MN

According to a recent study performed by Arizona State University's Performance Based Research Group, 96 percent of projects completed with JOC were accomplished with satisfactory results, and 60 percent of owners were more satisfied with Job Order Contracting in comparison to traditional procurement methods due to:

30%
higher transparency

JOC provides a clear understanding of the work being performed and associated costs

76%
more flexible

Every project is unique, and the JOC process is flexible to meet your organization's specific needs and requirements

"The good part about it is Job Order Contracting allows you to become a working partner with the owner."

– David Clark,
*Associate VP Facilities,
Construction & Design,
Jackson Health System*



5 Best Practices

For more substantial projects, these tips and insights can go a long way in improving project success through improved collaboration.



1

Strategic Alignment Meeting: More a “meet and greet” than a meeting, before any work begins bringing together the key people involved in a project can be beneficial in ensuring everyone is on the same page. The people at this meeting can vary depending on the project, but they may include: the owner, contractors, subcontractors, facility team members and end users of the space being built or renovated. Having the end users present is especially useful because they will be the ones benefiting from all the work at hand, and they can give tremendous insight into how the space will eventually be used day-to-day once the project is completed.

2

Flexibility: Making sure all parties have an understanding at the outset that plans may evolve and/or pivot can help make sure projects can flow much smoother than one built on rigorous expectations. Contractors, owners and the facility team alike must have a communal understanding the unexpected must be expected. By maintaining an open mind and a willingness to work through obstacles together, projects are much better positioned for success.

3

Contact List: Compiling and maintaining a current list of important contacts that is publicly posted throughout a work site is an essential best practice that can play a significant role in minimizing unnecessary misunderstandings.

4

Close Out Meeting: This meeting occurs once all work is completed. It should have the same participants as the strategic alignment meeting. With the project finished, all key players can discuss what went wrong, what went right and whether expectations were met. Success should be celebrated, and what worked during the project and what didn’t work should be archived, ultimately laying the groundwork for future positive collaborations

5

Keep in Touch: After the project is over, maintaining communication and staying in touch can be extremely helpful in strengthening your working relationship. If you see news about the contractor or owner, you should reach out to see how things are going. Periodically checking in to see how your partner is doing and reaching out for an industry opinion or advice helps keep those communication streams open and sets up projects down the road for continuing success.



About Gordian

Gordian is a pioneer of Job Order Contracting and leader in facility and construction data, software and services for the building lifecycle. From planning to procurement to maintenance and operations, Gordian's expanding portfolio of solutions includes the RSMeans data products and services, as well as the Sightlines facility benchmarking and analysis solutions. Gordian's specialized engineers, software and proprietary data solve the construction planning, construction and management needs of organizations focused on building construction, building products manufacturing, education, healthcare, retail, insurance, legal, and government.



Improve collaboration, and get more done.

Job Order Contracting fosters collaborative relationships, leading to better results.

Discover at gordian.com/JOC