

FIDIC 2007
Singapore
Alliance Contracting a Consultant's
Perspective

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Engineering Projects

- Every project is a prototype
- Each site is unique
- Each facility is unique
- Timing is unique
- Each team is unique



Alliance Partner



- Northside Storage Tunnel, NSW
- Trackstar, Queensland
- South Queensland ARRP
- Acacia Ridge Alliance, Queensland
- Sydney R1 Alliance, NSW
- Western Corridor Alliance, Queensland
- Jilalan Coal Stream Alliance

Client Value



- Control and direction
- Intimately involved throughout the whole project
- Every team member's commitment to succeed
- Integrated team focussed on the best project outcome
- Payment to the Non Owner Participants is an outcome of achievement – it is valued based
- True collaboration between designer & contractor
- Locked in access to resources in an over-heated market
- Less worry
- Early completion achievement
- Private sector exposure
- No disputes
- Greater certainty of delivery



Contractor Value



- Low level of uncontrollable risk
- Construction Risk considered very early in project development
- Safety – one system
- Able to push the envelope in a lower risk environment
- Design input on preferred methods
- Learning about design and design management
- Access to the designer
- Closer to the client
- Adverse risk outcomes quantified and agreed at the start

Consultant Value



- Better influence over project & construction outcomes
- Good relationships with customers
- Being able to innovate in a collaborative environment with both the client and contractor input
- Ability to move resources to focus on what is most important
- Participation in construction
- Integrated team
- Adverse risk outcomes quantified and agreed at the start

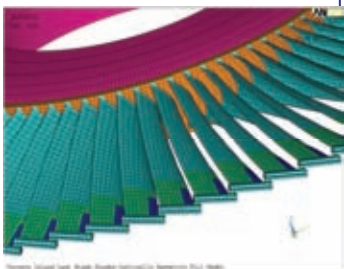
Challenges



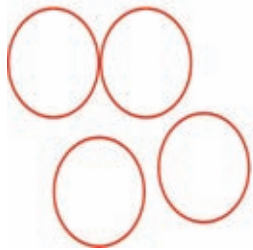
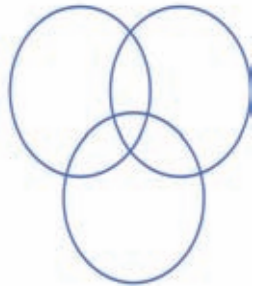
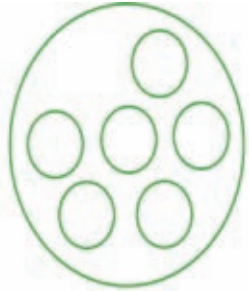
- Very committed client who understands alliancing
- Meeting the programme and budget
- Managing external influences
- Just in time delivery
- Limiting the scope
- Finding the best ALT
- Establishing the combined workforce
- Establishing the team culture
- Working to the KPI's

Risks

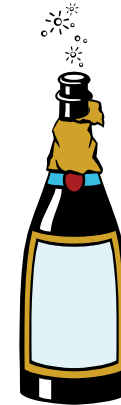
- Bid Cost Risk High for Consultants
- Cost and time risks to the client
- Misalignment with the client's corporate goals
- Senior management time
- Maintaining the right team
- Managing the distractions
- Participants skill across all functions
- KPI's unachievable
- Relative impact of non-price and time KPI's
- Not enough budget for non-price KPI's



Satisfaction



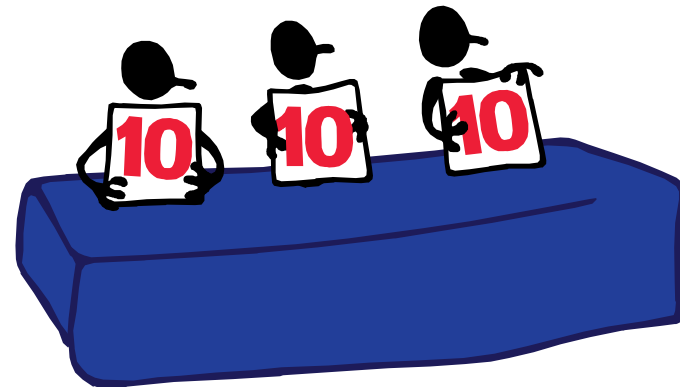
- One team one objective
- Collaboration
- No blame culture
- Great sense of achievement
- Very demanding but very rewarding
- Dealt with some very difficult issues very well
- Very effective on the right projects



Relationships



- Excellent
- Not all contractors personnel are suited – too aggressive
- Cultural change for some of us
- Getting to know the people
- Much better than D&C
- Very sound relationships



Issues

- Insurances are complex, but the insurance market understands
- Legal liability and statutory responsibilities
- Need to work at staying in touch with staff
- Regular visits from senior managers of the Alliance Partners
- Resolve ownership of documents post alliance

Sub-Alliance Partner or Subcontractor

- East Hills Rail Line Duplication, NSW
- S1 Railway Signalling Alliance, Victoria
- Alkimos WWTP, Western Australia

Sub-Alliances

- Not the same as being at the top table
- More work needed to define relevant KPI's
- Relationship focus still strong
- Innovation facilitated
- Win-win is very achievable
- Pressure to achieve significant
- Benefits great
- Good position

Subcontractor to Alliance

- Similar to D&C except exposure to all Alliance partners
- Client's involvement essential and valuable
- More risk than being in the alliance
- Alliance behaviour still evident in the relationship
- Easier to get answers and decisions than D&C or traditional delivery
- Access to costing and construction advice has been very good

Focus on Success or Failure



- Are we aligned in our focus on success?
- What is success for our businesses?
- What are our drivers for success?
- Are they aligned with success of the project?
- Are these drivers embodied in our relationships?
- Are they expressed in our contractual relationships?
- When a problem happens, how do we respond?

Relationships

- Sustainable
- Human
- Respect
- Trust
- Communication
- Understanding
- Constructive
- Engaging
- Reliable

