



Lean in the Public Sector Conference - December 9 - 11, 2009 - KIT, Karlsruhe, Germany

Dec 10, 2009: New contract models for construction project delivery

Day two of the Lean in the Public Sector Conference aims on presenting relational contract models from the USA and Australia. Both, Alliancing and Integrated Form of Agreement, are success stories in their home countries. The goal of day two is a thorough understanding of both contract models and will conclude in a panel discussion with the experts about implementation and future development of relational contracts.

Alliancing: Seminar by Jim Ross

Although it originated in the UK, modern-day alliancing has developed much further in Australia (and New Zealand) than anywhere in the world in terms of the depth and breadth of its application (particularly in the public sector) and the sophistication of its practices and processes. While the concept appears simple enough – align the commercial interests of the contracting parties and work together in an integrated team – the successful application of alliancing is a subtle process that requires a deep understanding of human behaviour and a commitment to certain behavioural principles.

As adviser to owners, both private and public, major contractors and engineering consultants, Jim has played a leading hands-on role in the strategic planning and establishment of over 50 alliances in Australasia and around the world covering a wide variety of projects and contracts ranging in value from as little as €5 million to over €1 billion. Jim was the principal author of the Victorian Government's Project Alliancing Practitioners' Guide and his suite of papers on the principles and mechanics of project alliancing have been widely distributed in Australasia and around the world. Jim is acknowledged as a leading advocate and practitioner of alliancing and is known for his practical application of alliance principles to complex projects to deliver consistently superior outcomes.

Purpose and expected outcomes

The overall aim of this workshop is to provide attendees with insights into the practice of alliancing in Australia that may help them to develop more efficient design and construction practices. Specific objectives and expected outcomes for attendees include:

- Gain insights into the story of alliancing in Australia – how it is structured and practised, how and why it has evolved so rapidly and so far, current and future trends.
- The rationale for using an alliance



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- The risks, downsides and pitfalls
- How alliancing, as practised in Australia, might be adapted and applied in other countries – drivers, constraints and ways to achieve success rapidly and avoid some of the pitfalls.
- How alliancing might help facilitate the introduction and use of lean construction techniques.

Integrated Form Of Agreement – IFOA: Seminar by William Lichtig and David Long

The IFOA is a relational contract which was developed to support the Lean Project Delivery System. The IFOA, originated in the USA, has spread out over the last four years since its first release. Today the IFOA is used at several projects in the USA, mostly for hospital buildings and in the private building sector. The IFOA is a multi-party agreement which puts the owner, the architect, the general contractor and subcontractors under the same conditions and underpins the lean principles. It strengthens the relationship between the project participants and encourages cooperation with the main objective of optimizing the project as a whole. William Lichtig, the developer of the IFOA and lawyer with McDonough Holland & Allen PC, and David Long, program manager with Sutter Health, who were the first to implement IFOA on a project, will be the key speakers of this session.

Purpose and expected outcomes

The overall aim of this session is to introduce the principles of the IFOA and support it by examples from the Cathedral Hill Hospital in San Francisco, USA (a \$ 1.7 billion hospital construction project which is implementing lean principles supported by the use of the IFOA). Specific objectives and expected outcomes for attendees include:

- The idea and development of the IFOA in the USA – how it has evolved and how it develops, current and future trends
- The reasons for using the IFOA
- The obstacles in using the IFOA
- How the IFOA and the idea behind it can be applied in Germany and other European countries