Available online at www.sciencedirect.com

ScienceDirect

Procedia - Social and Behavioral Sciences 119 (2014) 219 – 228

Procedia
Social and Behavioral Sciences

27th IPMA World Congress

Partnering in infrastructure projects in Germany

Konrad Spang[a], Stefan Riemann[b,*]

[a]Professor, University of Kassel Heinrich-Plett-Str. 40, 34132 Kassel, Germany
[b]Scientific Assistant, University of Kassel Heinrich Plett-Str. 40, 34132 Kassel, Germany

Abstract

The situation between client and contractor in infrastructure projects seems to be quite similar in Germany and all over the world. Cost and time overruns seem to be normal occurrences in these projects. Both, client and contractor complain about the bad conditions. Getting out of this situation different partnering approaches have been developed all over the world in the last years. A "partnering guideline for public financed infrastructure projects" has been developed at the University of Kassel in collaboration with the Federal Ministry of Transport, construction associations, client organizations and various construction companies for the special conditions in Germany. During the last four years this guideline has been tested in pilot projects accompanied by the Chair of Project Management to evaluate its usability, find elements which may need improvement and to proof the advantages of this form of project handling. The results of this testing phase show a clear change towards more collaboration. Conflicts could be avoided or at least solved faster and cost savings for the client respectively bonuses for the contractors could be achieved by using value engineering.

Keywords: Partnering;, collaboration; cooperative contracting; incentive based project optimization

1. Introduction

The situation in construction projects between client and contractor seems to be very similar not only in Germany but also worldwide (Spang, 2009). Both sides complain about too many disputes and litigations often resulting in cost and time overflows and an adversarial relationship between the parties. As a result, in many countries different partnering models were established to improve this situation. Considering the special conditions

* Corresponding author. Tel.: +49 (0)561-804 4683; fax: +49 (0)561-804 4688.
E-mail address: riemann@uni-kassel.de

doi:10.1016/j.sbspro.2014.03.026

in German infrastructure projects a model was set up and is now tested in pilot projects. The model and the first results of the pilot projects will be explained in this paper.

2. The research project

Various models for partnering have been started and improved during the last years in the United Kingdom, Australia and the United States (Ingram & Bennet, 1997). For starting a change adjusted for the special legal conditions in Germany, a research project at the University of Kassel was started in 2005 which is currently still in progress. The project is financed by the German Federal Ministry of Transport, contractor organizations, various public clients and contractors. The aim of the project was to develop a partnering guideline for the special conditions in public financed infrastructure projects in Germany. The targets of the research project were fixed to be:

- Reduction of conflicts during the project
- Avoiding litigations
- Optimization of the project by value engineering
- Raising the level of efficiency
- Reduction of construction time and
- Cost reductions

2.1. Research Methodology

Starting point for the whole research project was a literature review of partnering models all over the world. The experiences from other countries should help to develop the guideline for Germany. Next step was a field study about the present situation in the German construction industry. This was necessary to find weaknesses of the actual processes and find solutions for avoiding them. On this basis, scientists from the University and practitioners from all fields in road and rail infrastructure projects started to develop the guideline. Among them were representatives from clients, contractors, lawyers, engineers and consultants. For validating the guideline finally, it has been tested since 2009 in two pilot projects. A final report of the whole research project is planned for 2014, when the last of the pilot projects will be completed.

2.2. Literature review

The first partnering concept was born in the early nineties. The “Andrew Project” of the Oil and Gas Company BP had so many uncertainties that the project success was quite insecure with the traditional way of project handling. Hence, a new way of contracting had to be found. Like Latham demanded, contractors were chosen not only by price criteria, but also by qualitative criteria. Moreover, as the project had many uncertainties, a fair risk sharing between all parties of the project was arranged. As far as with these uncertainties conflicts can arise easily; a way of a faster dispute resolution without using the court was fixed. The last innovation in this contract was a pain and gain share regulation for exceeding respectively failing the common goals of the project. All these parts resulted in the first alliance contract. The outcome of the project was more than satisfactory for the client. In addition to achieving his goals, this way of project handling lead to savings of more than 20 % for the client (Rooney, 2006).

These results were impulses for other countries to develop similar models. Especially in Australia the form of alliance contracting became more and more common. Until today, alliance contracts are used in Australia in the private and in the public sector more than anywhere in the world (Ross, 2009).

For partnering three different levels can be distinguished (Bennett & Jayes, 1998):

- First Generation Partnering – Project Partnering
- Second Generation Partnering – Strategic Partnering
- Third Generation Partnering – System Partnering