

REPORT TO: POLICY & RESOURCES COMMITTEE – 10TH FEBRUARY 2003
REPORT ON: PARTNERING GUIDELINES FOR CONSTRUCTION CONTRACTS
REPORT BY: CITY ARCHITECTURAL SERVICES OFFICER
REPORT NO: 148-2003

1.0 PURPOSE OF REPORT

- 1.1 To provide Elected Members with information on the Partnering Guidelines for Construction Contracts.
- 1.2 A copy of the Guidelines has been provided to each group and a further copy is available in the Members' lounge.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Committee approve these Guidelines and agree that these should be used as standard procedures for any partnering contract procured by the City Council.
- 2.2 It is recommended that the Guidelines be placed on the intranet and be updated electronically, on a regular basis, by the City Architectural Services Officer, as and when new procedures are agreed or the existing procedures are amended.

3.0 FINANCIAL IMPLICATIONS

- 3.1 It is recognised that the Partnering process leads to increased co-operation and better financial reporting and control.

4.0 LOCAL AGENDA 21 IMPLICATIONS

- 4.1 Resources are used efficiently and waste is minimised.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 None.

6.0 BACKGROUND

- 6.1 The Government has initiated a series of reviews over the last 10 years on procurement practices in the Construction industry.

The first was chaired by Sir Michael Latham and his report, 'Constructing the Team', was published in 1994.

The second was chaired by Sir John Egan and his report, 'Rethinking Construction' was published in 1998 followed by a further report 'Accelerating Change', published in 2002.

- 6.2 All of these reports advocate change in the procurement and management process of construction contracts. They promote selection on the basis of 'Value for Money' rather than 'Lowest Price' and recommend that improved co-operation between Client, Contractor and Consultant can be achieved through partnering.

- 6.3 The key drivers in this process are summarised in Egan's latest report 'Accelerating Change' and include:-

- A process capable of helping clients describe their needs such that the project delivers their requirements and exceeds their expectations.
- Integrated teams, created at the earliest opportunity in the process, that fully release the contribution each can make and that equitably share risk and reward in a non-adversarial way.

The integrated teams should work together to:

- Eliminate risks to health and safety.
- Drive out waste.
- Deliver optimum sustainable performance.
- Ensure a quality of design.

Show Respect for People by including:

- Professional relationships where behaviour is based on mutual respect.
- A positive image that attracts and retains a high quality committed workforce.
- A culture of continuous improvement.
- Investment in research and development, driven by communication.

6.4 Dundee City Council introduced partnering procedures to a few pilot projects in 1999 and since then have applied these procedures to an increasing proportion of contracts with consistently favourable results in cost, time and customer satisfaction.

6.5 To ensure that all existing and new partners are fully conversant with the procedures, Guidelines have been produced, after consultation with Customers, Contractors and in-house Consultants. These have now been finalised and issued to all partners.

6.6 To enable the Council to take a corporate approach to partnering it is now proposed that these Guidelines be adapted as standard procedures throughout the Council.

7.0 **CONSULTATIONS**

7.1 The Chief Executive and the Directors of Support Services and Finance have been consulted in the preparation of this report.

7.2 All client departments have been consulted in the preparation of the Partnering Guidelines.

8.0 **BACKGROUND PAPERS**

8.1 No background papers, as defined by Section 50D, of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

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21 January 2003
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