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PR-003

COLLABORATIVE WORKING

TARGET AUDIENCE & OBJECTIVES: Intended for decision makers involved in the Scottish Construction Industry at all levels, particularly SMEs. It is an introduction to the principle of collaborative (or partnership) working & explains the various types in common use with signposting to sources of further information.

In Sir John Egan's report - *Rethinking Construction*, published in 1998, one of the key recommendations was to drive more collaborative working in the construction industry.

Collaborative working – what is it?

Collaborative working involves two or more stakeholders sharing their efforts and resources to complete the project more effectively and efficiently.

Collaboration is often used in the context of the provision of common platforms, notably ICT (Information and Communication Technology), which allows partners or collaborators to readily share documents and drawings electronically.

Types of Collaboration

Most forms of collaborative working in construction related activities require some form of contractual relationship between the parties.

The following are recognised within the industry:

Partnering:

Collaborative working on a considered and deliberate basis. Partnering may be expressed in a framework agreement, joint venture or partnering charter.

Partnering Charter:

The outcome of the process of ensuring that all stakeholders have identified the critical success factors for the project.

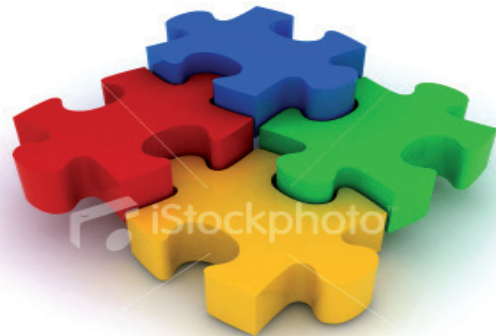
The process of negotiation gives a list of critical shared objectives for the team which they all sign up to.

Some of these may be measurable and can be turned into Key Performance Indicators for the project, while others may be a broad statement with regards to the ethos in which the project team wants to undertake the project.

Joint Venture:

Involves two or more businesses pooling their resources and expertise to achieve a particular goal, eg the construction of a large building.

The risks and rewards are also shared. There must be a manager and a decision-making structure.



Frameworks:

An agreement with suppliers to establish terms governing contracts that may be awarded during the life of the agreement.

In other words, it is a general term for agreements that set out terms and conditions for making specific purchases (call-offs). It can cover services as well as goods.

Prime Contracting:

A prime contractor accepts responsibility for the management and delivery of a project. This is accomplished using a system of incentivisation and collaborative working to integrate the activities of the Supply Chain members to achieve a project that is on time, within budget, in accordance with the specified outputs and fit for purpose.

The approach was pioneered by the Ministry of Defence (Defence Estates).

Other more 'traditional' forms of procurement are discussed more fully in Info Sheet PR-002.

GENERAL

TITLE	DESCRIPTION	LINKS
Scottish Government Construction Procurement Manual	Section 3 of the Construction Procurement Manual gives guidance on the choice of procurement route including a description on the risks and benefits of each.	http://www.scotland.gov.uk/Publications/2005/11/28100404/04095
Guidance on European Legislation affecting Public Sector Procurement with regard to Frameworks	This is a link to a section of the Scottish Public Procurement Toolkit: Guidance on European Legislation affecting Public Sector Procurement : Framework Agreements / Contracts	http://www.scotland.gov.uk/Publications/2006/11/16102303/euguidance#a8
Frameworking toolkit.	Produced by Constructing Excellence for: deciding whether a framework is necessary; setting up a framework; running projects under the framework agreement(s). While this guidance is aimed at the 'contracting authority', it is useful for potential suppliers to understand the rationale.	http://www.constructingexcellence.org.uk/tools/frameworkingtoolkit/default.jsp
The Partnering Toolkit - A guide for the whole supply chain	Published by BSIRIA [£24].	https://infonet.bsria.co.uk/books-downloads/details/?p=1&i=67312&pa=s&k=The+Partnering+Toolkit+%2D+A+guide+for+the+whole+supply+chain&anc=1
Scottish Enterprise Procurement Policy	Gives general guidance on procurement methods used by Scottish Enterprise [SE] for supplies contracts. Includes a section on Frameworks and contacts to SE.	http://www.scottish-enterprise.com/procurement

STANDARD FORMS OF CONTRACT FOR COLLABORATIVE WORKING

TITLE	DESCRIPTION	LINKS
The JCT 2005 suite of contracts	A link to the Joint Contracts Tribunal Ltd [JCT] website which gives information on their various standard forms of contract, including those based on collaborative working described below:	http://www.jctltd.co.uk/stylesheet.asp?file=29072005094705
JCT - Constructing Excellence Contract	Suitable for the procurement of construction works and construction related services where participants wish to engender collaborative and integrative working. Can be used whether or not the supplier is to design; where the works are to be carried out in sections; for Target Cost or Lump Sum contracts.	http://www.jctltd.co.uk/stylesheet.asp?file=20112006104403
JCT - Framework Agreement 2007 (FA 07)	A standard form of contract appropriate for the procurement of construction/engineering related works over a period of time [max 4 years]; for use by clients with contractors and/or suppliers; for use by contractors, sub-contractors and/or suppliers sub-letting to others in the supply chain. Can be used with most standard forms of construction and engineering contracts and sub-contracts where compliance with the public procurement rules is required, or on a single project.	http://www.jctltd.co.uk/stylesheet.asp?file=28112007095923
JCT Partnering Charter	A non binding partnering charter appropriate for use with most standard forms of construction and engineering contracts and sub-contracts where the parties do not wish to enter into a legally binding agreement but wish to create a collaborative working environment.	http://www.jctcontracts.com/JCT/partnering-charter-non-binding.pdf
NEC3	NEC3 is a family of contracts [published in 2005], which includes a Framework Contract, see below.	http://www.neccontract.com/about/ContractDownloads.asp
NEC3 Framework Contract	A link to the Framework Contract guidance notes.	http://www.neccontract.com/documents/contracts/Guidance%20Notes/NEC3_FC.pdf
PPC2000	Published by the Association of Consulting Architects [and also known as the ACA Project Partnering Contract], PPC2000 provides a foundation for the partnering process. The key features in this respect are: the integration of the project team under a single multi-party contract; it governs the pre-construction phase as well as the construction phase, and; it provides a procedural framework that supports the partnering process.	http://www.ppc2000.co.uk/