

A Model Project Pact



Construction Industry Board



Model Project Pact

(Project Title)

We, the client and members of the supply chain, intend to meet the needs and expectations for this project and to achieve its delivery to the benefits of all parties.

We aim to work together to:

- 1 deliver the project specification to the agreed budget, timetable and standards of quality
- 2 adopt the CIB's Codes of Practice and guidance where applicable in selecting team members
- 3 practice teamwork, trust, respect, fair dealing, effective communication and openness with all in the project
- 4 provide all necessary skills to deliver the project
- 5 build a balanced workforce
- 6 seek continuous improvement with appropriate research and innovation to support the project
- 7 define, manage and present the project with a responsible attitude towards the environment, the local neighbourhood and the health and safety of all
- 8 inform everyone involved in the project of these commitments as well as other key people within our organisations
- 9 monitor performance and provide feedback to all parties during and after the project
- 10 *(other agreed commitments)*

Signed

_____ Date / / _____

This document is intended as a guide to encourage co-operation and trust and is not intended to have any legal effect.*

What does the Project Pact commit me to ?

The fundamental vision of the Project Pact can be summarised as:

- fully meeting the needs and expectations of the client
- the client acting to make that possible

The Project Pact has nine core elements, and the team can agree to add others

1 Deliver the project specification to the agreed budget, timetable and standards of quality

These are the basic requirements of your project. The need for agreement should be emphasised by the relevant team members. A clear framework for change management is required which ensures a full understanding of the implications and acceptance of responsibility for the consequences.

2 Adopt the CIB's Codes of Practice and guidance where applicable in selecting team members

All parties should adopt good practice in selecting team members. For clients the minimum standards are specified in *Constructing success: the construction strategy code of practice for clients*, supported by *Briefing the team*. For those using competitive tendering, the relevant codes of practice are listed in the bibliography at the end of this document.

3 Practice teamwork, trust, respect, fair dealing, effective communication and openness with all in the project

These values are fundamental and must be applied to all in the project's supply chain, NOT just to the signatories to the Project Pact. You need to agree how to deal with problems to avoid them growing into disputes.

4 Provide all necessary skills to deliver the project

Team members at all levels should be briefed on the purpose of the project and its importance to the client. In determining everyone's roles and responsibilities, you may identify groups or individuals for further training, specific to the project, in order to establish at least a minimum level of competence and understanding. Accreditation systems such as the Construction Skills Certification Scheme are recommended.

5 Build a balanced workforce

Equal opportunities is more than a legal responsibility, it is good business practice. You

should consider how best to recruit good people, and how to achieve good practice throughout the supply chain.

6 Seek continuous improvement with appropriate research and innovation to support the project

Continuous improvement within a project means challenging methods at all levels to deliver a better performance for the client. It includes learning positively from any mistakes often by implementing successful new ideas.

7 Define, manage and present the project with a responsible attitude towards the environment, the local neighbourhood and the health and safety of all

The Considerate Constructors Scheme is a code of practice recommended to minimise any nuisance caused by construction sites to the immediate neighbourhood, eradicate offensive behaviour and language, and recognise and reward high standards of site management, safety and environmental awareness.

8 Inform everyone involved in the project of these commitments as well as other key people within our organisations

All those within the project team, not just the signatories, should know about the Project Pact.

9 Monitor performance and provide feedback to all parties during and after the project

Formal in-project and post project evaluation is recommended so as to inform everyone at all times of their performance. Each project should notify the CIB that it has signed a Project Pact, and then keep a record of progress that can be reviewed and learnt from. You should be ready to make this information available in confidence to the CIB to help its tracking of performance.

10 (other agreed commitments)

In addition to the above core elements, the team may wish to agree other commitments to be included in the Project Pact.

*A note of this sort is advisable to avoid difficulties with insurers.

How do I use a Project Pact?

Developing the Project Pact with the team

Once a project team is appointed, team building techniques, such as workshops, should be used to draw commitment from all parties. These meetings should discuss all aspects of the relationship, establish a framework of common values and expectations, and consolidate these in the Project Pact. This process is often best led by a 'neutral' facilitator not otherwise involved in the project, such as an external consultant.

This process should be repeated as the project develops and the team grows to ensure that the Project Pact reflects the specific aims of the project for all parties at all times.



Communicating the Project Pact

You should distribute the signed Project Pact throughout the project team and display it prominently wherever possible to serve as a constant reminder of the commitment of everyone to make the project a success.



Sharing information on progress

It is strongly recommended that a shared quality system easily accessible to all team members is used throughout the project. This provides an open record of progress.

This should feature:

- formal agreements of the major deliverables of the project
- agreed reporting or exchange of information for major milestones
- self-certifying of other milestones where an organisation attests their compliance with particular procedures
- recording of key performance indicators.

The checklists overleaf give more details.

To minimise the administration of this process, the mechanism should be integrated with existing project or company quality management systems.

To notify the CIB that a Project Pact has been signed, you should use the on-line form on the CIB website or contact the offices as shown overleaf.

You will need to provide your contact details and the approximate duration of the project.



Moving beyond individual projects

A successful Project Pact will demonstrate the benefits of good teamwork first-hand to team members. This will inspire new enthusiasts for the approach. The next logical step is that committed companies and clients begin to make corporate-wide commitments to use this approach on all their work. For the regular client, the next step after that is to consider the formal framework of partnering.



Why should I develop a Project Pact ?

The aim of any construction project is to achieve the best possible outcome for the client.

The Project Pact seeks to secure teamwork, good practice and commitment between all parties from the moment the client decides to invest in a construction project. It is not a legal document but sits alongside the contract(s) for the project.

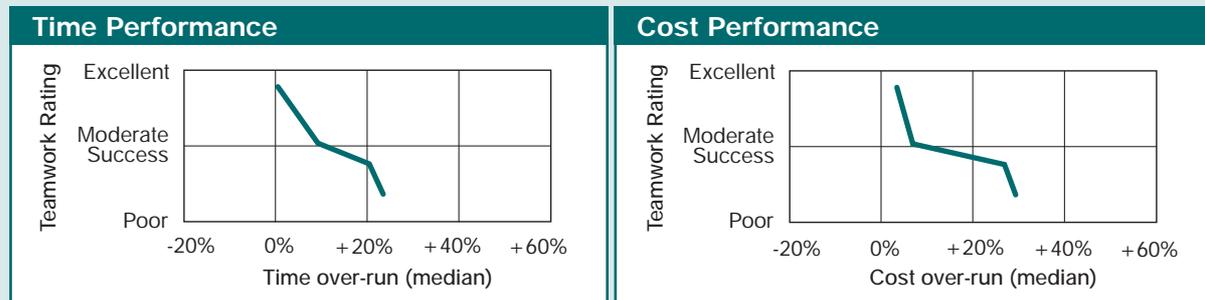
Effective teamwork leads to better results for both client and all in the supply chain.



Example

A study of public sector projects by eight clients completed in the last five years and worth a total of over £500 million asked for the client's rating of teamwork on the project and compared this with the predictability of the project, i.e. its delivery against the contracted cost and time. The results demonstrated the benefit of effective teamwork.

Constructing the best government client, Pilot benchmarking study, HM Treasury, Oct. 1998



The need for a practical tool at project level

Partnering is usually recommended to facilitate teamworking across contractual boundaries. The CIB's *Partnering In the Team* nonetheless acknowledged that it is not appropriate for all construction projects or programmes. However, one of its critical success factors is the use of team building techniques followed by a project 'charter'. The Project Pact is of benefit to those who wish to improve their standards of teamwork and good practice, without adopting the full

structured framework of partnering. The idea of a pact was proposed by the Construction Clients Forum (CCF) which represents 80% of all UK expenditure on construction projects. Its *Constructing Improvement* was widely welcomed by the other members of the Construction Industry Board (CIB), who together developed the Project Pact as a practical tool to create successful relationships at a project level.

How do I initiate a Project Pact ?

Any project can use a Project Pact. Such a document should be developed with the help of team building techniques, such as workshops, so as to motivate all members - client, consultant, contractors, specialists, product suppliers, etc. - to contribute, commit and sign up as 'champions'.

Anyone can suggest a Project Pact, but the client's involvement is vital. Commitment by the major parties, from clients to first line sub-contractors must be as universal as possible. The best approach is for the client or their adviser to specify the use of a Project Pact from the outset, before the selection of the main team.

The earlier the Project Pact is instigated, the greater are the benefits for all parties. The CCF recommends that clients introduce the Project Pact using the following clause:

"This client organisation looks to its potential supply chain members for evidence of their ability to work co-operatively and for how they would propose to work with the client and the whole project team to achieve the aims of the Construction Industry Board's Model Project Pact."

Check lists

Milestones and deliverables to be tracked and shared during a project

Selecting team members	Briefing: formal agreement of
<input type="checkbox"/> systematic qualification procedures followed <input type="checkbox"/> number <input type="text"/> of firms invited to tender* <input type="checkbox"/> full tender enquiry documentation provided <input type="checkbox"/> time allowed for return of tenders <input type="text"/> (working days)* <input type="checkbox"/> tenders assessed on quality as well as price <input type="checkbox"/> tender prices unchanged on an unaltered scope of works - no 'Dutch auctioning' <input type="checkbox"/> suite of contracts and unamended standard forms from a recognised body used (where available)	<input type="checkbox"/> strategic brief <input type="checkbox"/> project brief <input type="checkbox"/> project execution plan <input type="checkbox"/> concept design <input type="checkbox"/> detailed design
Project delivery	
<input type="checkbox"/> key project milestones agreed <input type="checkbox"/> actual progress against these milestones agreed and recorded <input type="checkbox"/> early notice of potential problems - 'no surprises' <input type="checkbox"/> resolution of problems at lowest level of authority, seeking to avoid escalation <input type="checkbox"/> payment of invoices including final account as soon as practicable after invoiced date	
<p><i>*The figures recommended in the CIB codes of practice are shown in table below</i></p>	

Recommended tendering practice (from *Constructing success*)

	Preliminary list		Tender list	
	Number invited - ideally (max.)	Min. weeks to return enquiry ¹	Number invited - ideally (max.)	Min. weeks to return tender ¹
Advisers and consultants include early strategic advice, design, cost consultancy, project management	4-6 (10)	2	3-4 (6)	3 usually sufficient
Lead contractors				
Construction manager, management contractor	4-6 (10)	2	3-4 (6)	4
Main contractor, design and construct	3-4 (6)	3	3 max.	12 ²
Main contractor, construct only	4-6 (10)	3	3-4 (6)	8 ²
Subcontractors				
Design only	4-6 (10)	2	4 max.	3
Construct only	8 max.	2	3-4 (6)	6 ²
Design and construct	3-4 (6)	3	3 max.	10 ²

¹ For projects whose clients are subject to EC procurement rules, longer periods often apply

² Periods may be shorter for smaller or less complex projects, but contractors must have time to get tenders from subcontractors

Key performance indicators for project outcomes

Key performance indicators for projects		Project KPI
Cost	Total amount paid by the client for all consultants, constructors and suppliers	
Time	Time taken from client's commitment to invest to facility available for use	
Cost predictability	Actual figure as percentage of original agreed	
Time Predictability	Actual figure as percentage of original agreed	
Client changes	Number of changes to scope instructed by the client after commitment to construct	
Defects	Number of defects when put to use and the delay, if any, in the facility being put to use	
Safety	Frequency of reportable accidents per 100,000 working hours	
Client satisfaction - product	Clients' assessment on a 1-10 scale of the facility as put to use	
Client satisfaction - service	Clients' assessment on a 1-10 scale of the project process	
Profitability	Margin achieved by each party	

BIBLIOGRAPHY

To apply this Project Pact guidance fully you should refer to the following:

1. *Partnering in the team*. CIB, 1997.
2. *Constructing improvement*. Construction Clients Forum, 1998.
3. *Constructing success: the construction strategy code of practice for clients*. CIB, 1997.
4. *Briefing the team*. CIB, 1997.
5. *Selecting consultants for the team: balancing quality and price*. CIB, 1996.
6. *Code of practice for the selection of main contractors*. CIB, 1997.
7. *Code of practice for the selection of subcontractors*. CIB, 1997.
8. *Key performance indicators for the construction industry*. CBPP/CIB, 1999



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You may wish to consult the CIB website to confirm that you have the latest version of this Project Pact guidance.

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