

Development - project alliancing

How the National Museum and Acton Peninsula Alliance broke new ground

By JOHN GALLAGHER, Senior Associate, Phillips Fox Melbourne

Abstract

Project alliancing is a new technique for delivering major projects that was imported into Australia, then modified and improved. We are now exporting the improved model to the rest of the world. Without doubt, attitudes and lessons learned in project alliancing on major infrastructure projects will filter through all levels of the property industry. This article outlines where project alliancing came from, how it succeeded on one of Australia's new icons, the National Museum, where it is being used now, and where it is headed in future.

It is an unremarkable thing to say that the Australian construction industry is adversarial.

Most infrastructure and construction projects in Australia are delivered using strategies drawn from a range of traditional contracting systems. Each procurement strategy typically involves one party (sponsor) trying to shift most, if not all, risk of project delivery to the other (contractor) on the popularly-held belief that the other party is in the best position to manage the incidence or impact of these risks.

This risk shifting, together with mutually-inconsistent objectives (ie, more for less v less for more, be it quality, capability, time or cost) and mismatched expectations are then recorded into a document which is negotiated and redrafted - and redrafted again and again - until the result is often unrecognisable from its origins.

This contract is then vigorously applied by both parties to 'enforce' the bargain that they have won, each from the other.

It is not surprising then that in many, many cases this process produces poor outcomes in terms of project objectives.

However, since the late 1990s, some isolated areas in the infrastructure and construction industries have developed innovative and unique approaches to procurement and

project delivery focusing on relationships and outputs rather than contracts.

One particular approach, initially developed in UK oil and gas fields in the early 1990s and since 1995 applied in a range of projects in Australia, is project alliancing.

Project alliancing

A project alliance is a business relationship between participants to deliver major capital works and involves:

- creating alignment of the sponsor's and contractors' objectives;
- an integrated high performance team selected on a 'best-for-project' basis; and
- a commercial framework to drive outstanding performance and win/win outcomes in meeting and exceeding aligned objectives.

The primary focus of a project alliance is achieving outstanding performance and breakthrough, or "step-change", results in all of the sponsor's project objectives. Where these objectives cannot be obtained through any other delivery strategy, a project alliance will provide the best opportunity to the sponsor, and its selected participants, to provide the flexibility to achieve outstanding performance.



■ ■ Lawyer John Gallagher has worked for both Government (Federal and State) and private sector infrastructure firms in helping to create the alliances which are finding unique, more efficient, innovative and profitable ways of delivering major infrastructure projects in Australia.

The emphasis in the integrated project team is an uncompromising commitment to innovations and breakthroughs in achieving aligned project objectives.

Structure of an alliance

Alliance Leadership Team

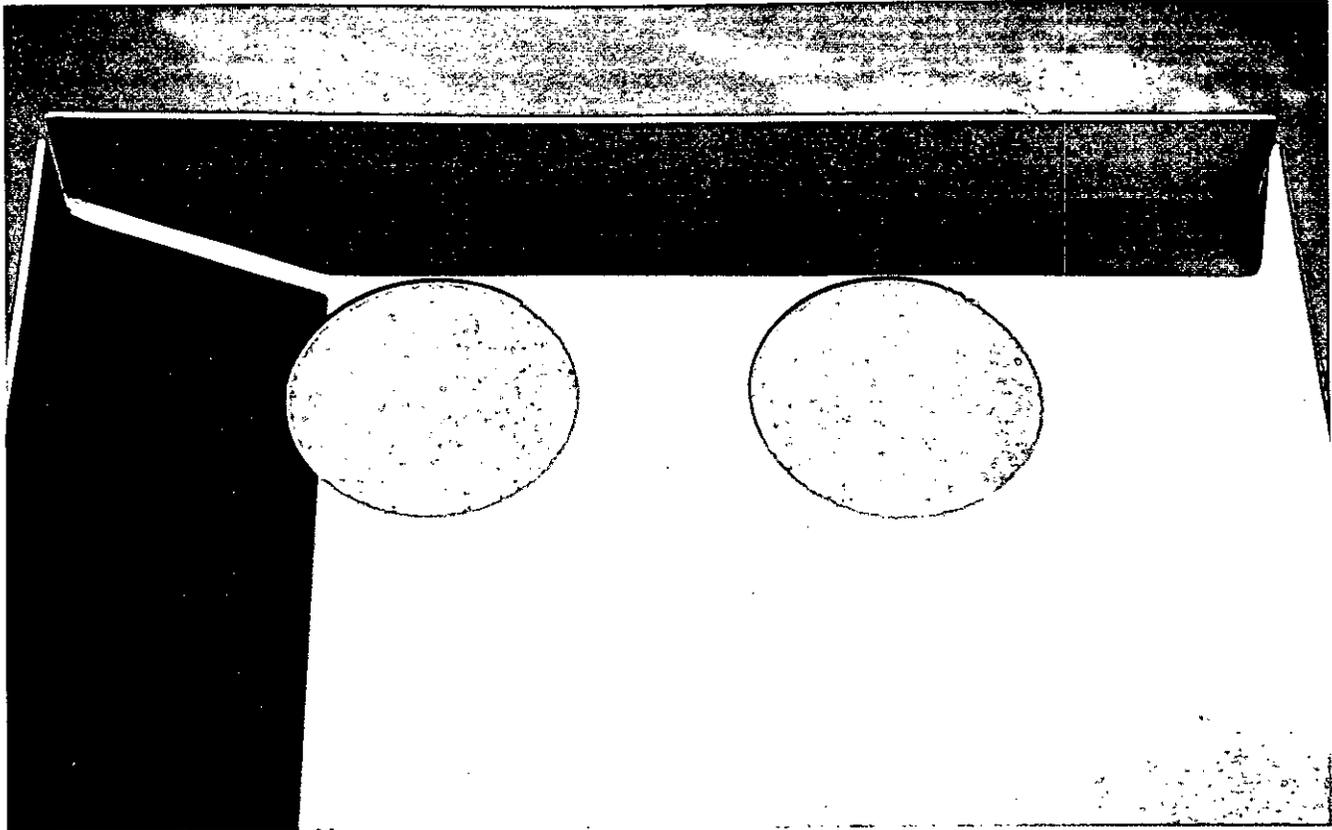
The project alliance is led by a team, known as either the Alliance Leadership Team (ALT), or Alliance Board, which consists of representatives from each alliance participant. ALT members should be senior representatives of each participant to bind their corporation to ensure that they support and empower the alliance and its individual entities.

The ALT is a leadership team. It is not a management team.

Its responsibility is to lead, creating the vision for the alliance and establishing and empowering the Alliance Management Team. The ALT's role is to encourage and support all individuals within the team, champion and set alliance principles and behaviours and ensure corporates' support of the alliance.

All decisions of the ALT are unanimous. This unanimity is the single most critical factor in ensuring a successful project alliance.

Unanimity demands that if all alliance participants cannot 'align upon' and support a decision of the ALT, that decision cannot be 'best-for-project' and an alternative solution must be found that all alliance participants can support.



ABOVE: The National Museum of Australia success suggests that any developer or property person working on a major project might take a look at the potential of the new alliancing techniques. The innovative museum greets you outside with peepholes, as here, so you can look at Australia differently.

Alliance Management Team

The Alliance Management Team (AMT), the core of the integrated project team, is the practical demonstration of 'best for project'. It is the AMT's role to perform every task necessary to bring the project to completion.

The AMT is led by the project manager, sometimes referred to as a project director or alliance manager. The project manager is selected by the ALT during, or very shortly after, the first ALT meeting.

Each individual of the AMT will be selected by the ALT, with the assistance of the project manager, solely on their individual capabilities and their ability to work within the alliance as part of an integrated team and not on their employer's identity, or role in the alliance.

The AMT, once selected, must function as an integrated project team separate from the individual alliance participants.

The process to create this integration is deliberate, but not contrived. It involves a series of workshops to create a shared understanding and commitment to the aligned project objectives and includes the creation of "stretch targets" to deliver outstanding performance.

Selecting participants

The single aim of any selection process should be the selection of the right alliance participants to give the combined team the greatest opportunity to meet and exceed the project objectives.

The selection process should create momentum in the project and be a major start in building and nurturing a strong alliance culture and leadership team. The selection broadly involves:

- rigorous evaluation of the proposed project teams and individuals to establish an aligned view amongst the project sponsor's selection team on the proponent which is the best team for the project;
- commercial conversations consistent with building long-term relationships and not 'business as usual' negotiations;
- building momentum on the project during the selection process so that, after the risk/reward workshop, the project team is excited about, and aligned on, the project objectives and can immediately start delivering the project;

- satisfying the highest standards of probity and public scrutiny;
- developing a commercial framework which satisfies and is regarded as a win for all parties and the best value for money; and
- maintaining competition throughout while not being restricted to a selection based upon the lowest price.

The preferred alliance participants are not selected on price.

The project sponsor is selecting the best team of people for the project that, when integrated with the project sponsor's team, will have the greatest capability of meeting and exceeding the project objectives. Focusing or selecting on price will not deliver this capability.

However, cost is not unimportant. The ability of the participants to influence and reduce the out-turn cost of the project will be considered as a key selection criteria.

Commercial framework

The key principle underpinning the project alliance is equitably sharing risk and rewards amongst all alliance participants. The

Development - project alliancing

commercial framework must drive best-for-project behaviours to achieve outstanding performance.

If this framework is ill conceived, inappropriate, too complex or simply does not provide incentives to participants to seek outstanding performance, then ultimately the 'Alliance' may be an alliance in name only.

The commercial framework of a project alliance typically consists of:

- direct costs;
- corporate overhead;
- normal profit; and
- gainshare.

Direct costs

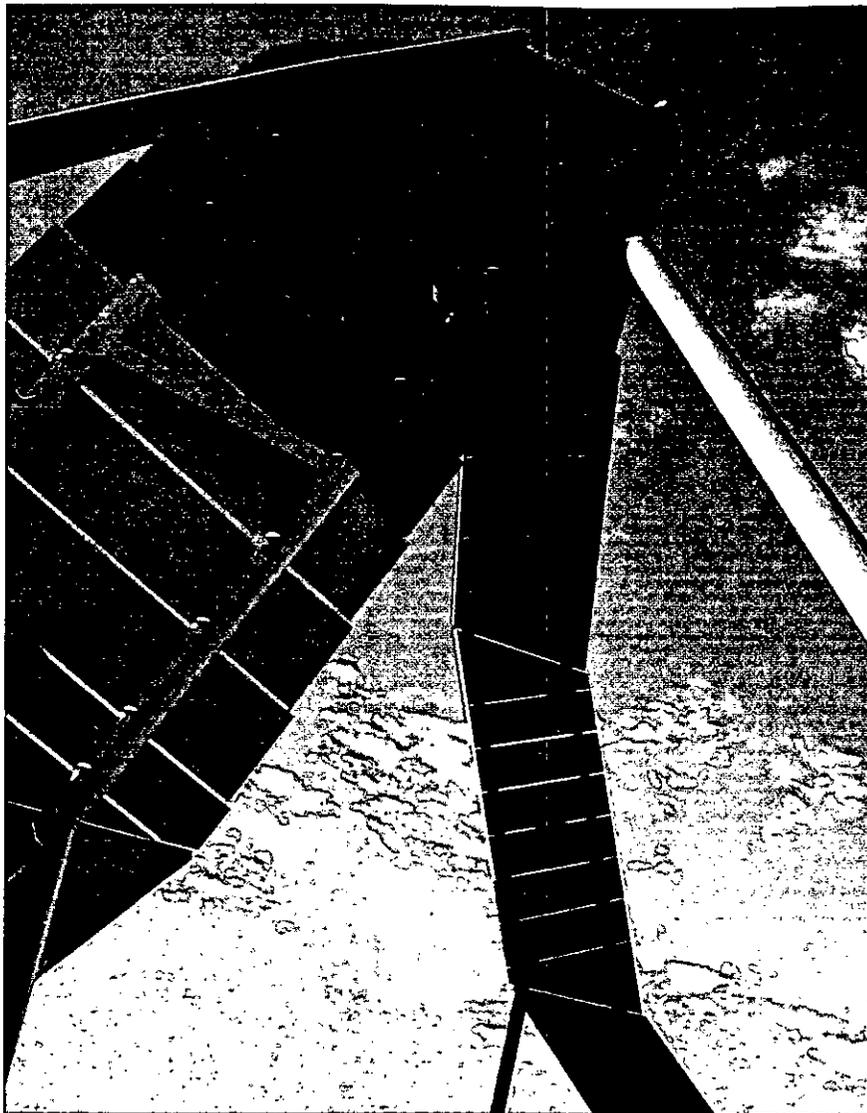
The project sponsor agrees with the alliance participants that no matter what events or circumstances or degree of difficulty are encountered in completing the works to be performed by the project alliance, the alliance participants will be paid all direct costs on the principles that:

- all costs fairly attributable to, or incurred, in completing the works to be performed by the alliance shall be direct costs; and
- no alliance participant shall derive any unreasonable profit or advantage from the utilization of their resources in completing the works to be performed by the alliance;
- to the extent possible - be cash neutral; and
- all direct costs will be transparent and fully audited.

Corporate overhead

Corporate overhead is 'aligned on' by all participants as part of the risk/reward workshop. The process for aligning on corporate overhead is not a 'negotiation', it is a step in building the project alliance and must be consistent with the broader principles underpinning the project alliance.

It is the role of the probity adviser to audit and validate the corporate overhead rate aligned upon by the participants to ensure that it is the 'right' rate. If alliance participants cannot support the aligned-upon corporate overhead rate after receiving the probity adviser's report, the ALT needs to align upon a new corporate overhead that all alliance participants can support.



ABOVE: ...and soaring! A striking and colorful arch is a flamboyant expression of innovation surrounding the new National Museum of Australia on Acton Peninsula, beside Lake Burley Griffin, in Canberra. Alliancing produced an outcome on time and virtually spot-on budget.

Normal profit

As discussed above, the primary focus of project alliancing is outstanding performance.

As such, 'business as usual' outcomes regarding project objectives will be regarded by the project sponsor as disappointing outcomes.

Accordingly business as usual outcomes result in profits which are less than the optimum profit that could be achieved by the participants in a traditional open market procurement strategy.

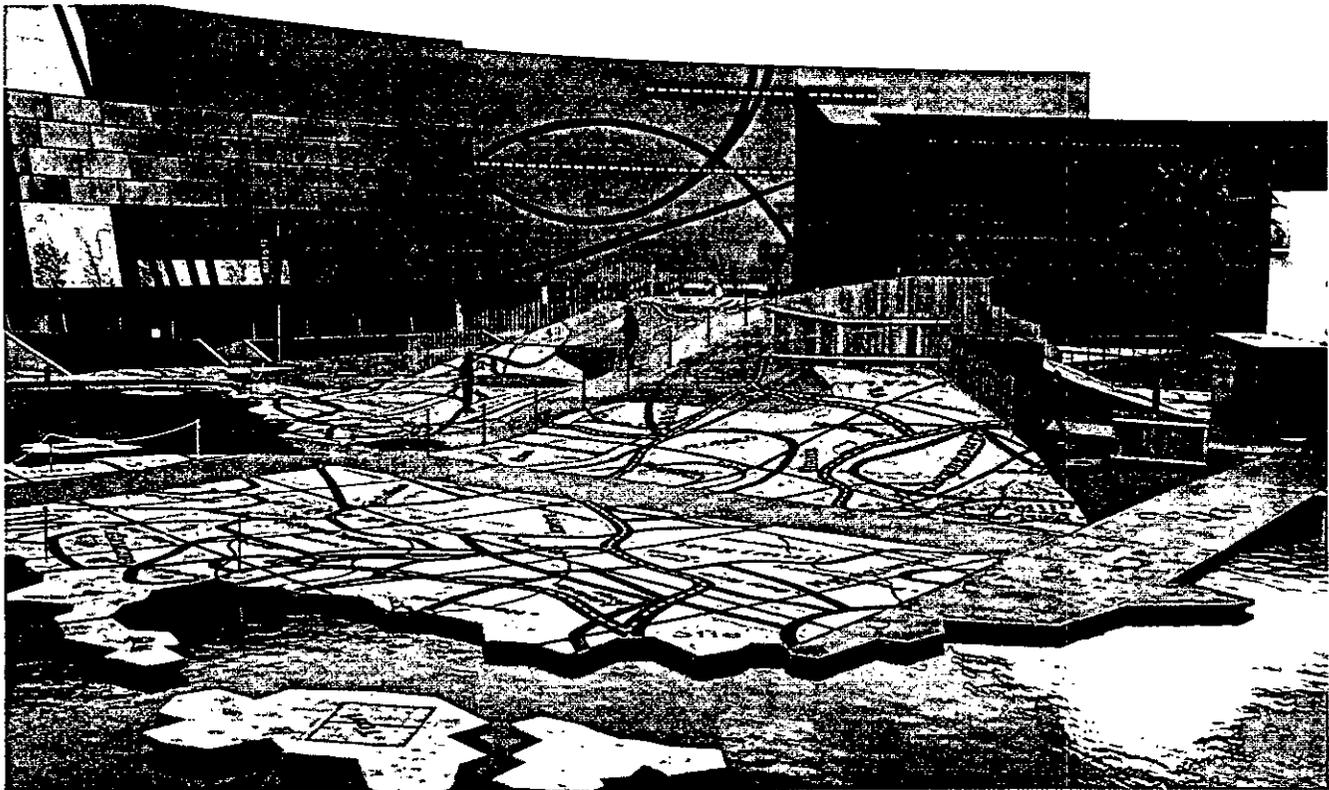
The use of 'normal' signifies the level of profit alliance participants will receive if "all" that is achieved is business-as-usual performance. It

is a 'normal' profit by reference to the alliance participant's ability to achieve outstanding performance.

It is the 'normal' profit for the preferred proponents that the project sponsor has selected. In this respect, it is important to note:

- the preferred proponents have been specifically selected as 'best in class';
- 'best in class' organisations may earn profits greater than a perceived industry mean or median; and
- if the sponsor wants 'best in class' performance it should be committed to paying 'best in class' profit.

If the project sponsors cannot support paying 'best in class' profit, together with creating an opportunity to earn outstanding profits



ABOVE: When you look through the peepholes shown on the previous spread, you see the interior curve of a panoramic construction sweeping around the peninsula's edge.

through outstanding performance, their approach to project alliancing will be inconsistent.

Gainshare

It is the "gainshare" regime - supported by direct costs, corporate overhead and normal profit - that provide the key commercial drivers for outstanding performance.

- Gainshare should be linked to the objectives that 'add value' either objectively or subjectively to the project and/or the project sponsor. At the risk/reward workshop, participants align on the project objectives, elements of which are then incorporated into the gainshare regime so that outstanding performance in these elements of the project objectives will result in outstanding rewards.
- Gainshare outcomes should be either win/win or lose/lose - there should be no opportunity for a win/lose outcome.
- Individual elements of the gainshare regime should be linked to provide no incentive to sacrifice performance in one objective to secure reward in another;

- The gainshare regime should be clear, simple, easy to understand and to apply.
- There should be complete transparency in all gainshare arrangements.

Typically, gainshare regimes involve objective (time and cost) and subjective performance objectives.

There is essentially no limit on the type of subjective performance objectives that can be developed. Examples have included design integrity, quality environment, community, stakeholder relations, indigenous employment, safety, Australian industry involvement, operator acceptance, and media and public relations.

Unique features

In addition to the commitments and commercial structure discussed above, there are a number of elements unique to project alliancing that cannot be overlooked:

- there is a commitment to "No-fault and No-blame" amongst the alliance participants with all participants embracing and supporting all alliance decisions regardless of the outcomes;

- the alliance participants embrace the benefits and burdens, and are responsible for all of the risks involved in delivering the project. There is no transfer or apportioning of risk amongst individual participants;

- there is "No-dispute" amongst the alliance participants. There is no dispute resolution process available for alliance participants to take disputes outside the alliance. All decisions and differences of opinion must be unanimously aligned upon by the alliance participants. However, a Wilful Default by an alliance participant will allow the non-defaulting participants to take the default outside the alliance;

- there are, for all intents and purposes, no variations or extensions of time. However, the project sponsor reserves the right to amend the scope of the alliance; and

- there is a total transparency and open book approach to all project costs with unrestricted access given probity and cost auditors to all project accounts.

An alliance agreement is executed by the alliance participants at the first ALT meeting immediately after the risk/reward workshop.

Development - project alliancing

The alliance agreement will record the commitments and principles aligned on by the participants and will set out the details of the commercial framework to drive the project.

The alliance agreement will also record the alliance participants' agreement on a range of traditional legal issues including intellectual property, confidential information, suspensions, termination and insurance.

National Museum of Australia

In May 1998 the Department of Communications Information Technology and the Arts (DOCITA) called for proposals from interested builders and service contractors to form the Acton Peninsula Alliance for delivery of the National Museum of Australia (the NMA). This followed the announcement in October 1997 of the winner of an international design competition for the NMA.

Challenges facing the project were daunting:

- an absolute cap on funding from the Commonwealth's Centenary of Federation Fund of \$155 million;
- extremely tight timeframe of less than three years. Conventional wisdom indicated that similar international standard museums had taken anywhere from five to seven years to develop and complete;
- an opening date of 12 March 2001 that could not be changed;
- integration of a unique preliminary concept design into working documents without diminishing the integrity of the winning design;
- uncertainty in the definition of the scope of works;
- an inexperienced project sponsor and museum operator;
- multiple stakeholders at both Commonwealth and Australian Capital Territory levels; and
- a complex interaction, and high levels of dependency, between architectural, exhibit and landscape designers, museum operators and technology providers.

In response to these challenges Minister for Finance and Administration John Fahey said in July 1998:

"The Government has concluded that the method of Project Alliancing is the most

appropriate delivery strategy for this complex project and one most likely to achieve the project objective relating to time, cost and quality".

The Alliance Agreement was executed by the alliance participants in August 1998. Alliance participants were the Commonwealth, the Australian Capital Territory, Ashton Raggatt McDougall Pty Ltd, Robert Peck YFHK Pty Ltd, Bovis Lend Lease Pty Ltd, Honeywell Pty Ltd, Tyco International Pty Ltd and Anway & Company (Australia) Pty Ltd.

Results

Probity

The Australian National Audit Office (ANAO) in its report No. 34 1999-2000 on the NMA stated:

"The ANAO considers that the process for the appointment of the Architects, Building and Services Contractors and Museum Exhibition Designers substantially complied with the Commonwealth's requirements for the procurement of public works (i.e., the Commonwealth Procurement Guidelines).

Project Alliancing offers potential benefits over traditional construction contracting methodology but it raises new and different risks that have to be managed - in particular, determining the appropriate balance between maintaining the spirit of the alliance and protecting the Commonwealth's financial interests. Nevertheless, Project Alliancing is a contracting methodology worth consideration by agencies involved in major construction projects - particularly high profile, prestige Commonwealth projects."

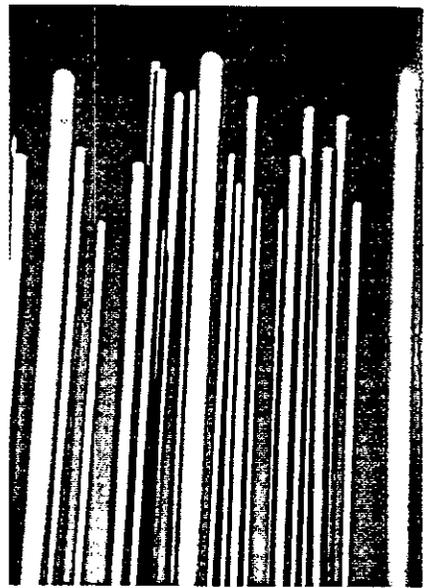
Time

The project was completed three days early on 09 March 2001.

Cost

Whilst the final out-turn cost was higher (1.5%) than the target out-turn cost, more than half the increase represented scope increases by the Commonwealth. However, despite background noise and speculation to the contrary, this final out-turn cost is within the original Commonwealth appropriation.

This cost growth should be compared against NSW Public Works and Services cost growth data of up to 8% under traditional contracting systems and anecdotal evidence of a typical 10% cost growth in the building and construction industries generally.



ABOVE: Steel 'pins' grouped on a 'hillock' on the National Museum of Australia site represent whatever you want to see them as - people clustered together, tall buildings in our capital cities...or how alliancing brings a uniformity of purpose to a building and construction team.

Mr Peter Wright, the NMA Alliance project manager, has said:

"I don't believe the Commonwealth would have got that result with any other delivery method, I think it had the potential to be \$10 million to \$20 million over budget using any other method".

These figures do not include the substantial, approximately \$10 million, in value engineering savings made at start of the project before determining the target out-turn cost.

Quality

The Acton Alliance engaged an independent quality panel to assess and measure its achievements in terms of quality outcomes.

The panel developed six quality measures covering building and site works, exhibitions, environment, indigenous employment opportunities, safety and public and industry recognition.

The measures adopted and assessed were a mix of process, output and outcome measures. The ANAO reviewed the measures and quality management of the project and concluded:

"The ANAO supports the establishment of a system to assess/measure the quality of the project and considers that the quality measures and incentives, which are quite innovative for the construction industry

generally, have the potential to achieve a sound quality result".

Professor Michael Keniger, head of the University of Queensland's School of Architecture and Planning has said:

"The Alliance Team is jointly taking the initiative to improve the design as they go and each time I have seen it done it has either sustained the original intention of the design or strengthened it. This is clear evidence of the sense in which this process can strengthen the quality of a project and the overall design. The design becomes a living, changing process - not a static document waiting to be outdated".

The quality panel, at the completion of the project, reported:

- that a very high standard of building quality and exhibition infrastructure have been achieved despite the complexity and demands of the design;
- the project outcome is a remarkable achievement given the constraints of a severe fixed budget, a very tight time frame and the complexity of the project;
- the risk/reward system for quality was well designed and achieved its purpose of encouraging and rewarding the achievement of quality; and
- the quality score (>80%) is very high and reflects the project outcomes achieved by the Alliance.

An important part of the quality panel's role was to identify where scores could be improved within sufficient time to enable the project team to rectify any shortcomings. It was not the panel's role to identify solutions - that was the project management team's job.

By providing proactive advice the panel came to be seen as a positive force on the project. This is distinct from the traditional superintendent role, which is more likely to be reactive - drawing attention to problems after they occur.

Industrial relations

Over 1.7 million man hours was worked on the project with no time lost for industrial action. This result is to be considered in light of the industrial climate during 1998 and 1999.

The Alliance entered into an innovative project agreement with unions to provide a payment of \$1.75 per hour for a score of 100% to reward excellence in workmanship

and finishes, safety, environment, workplace relations and program.

Museum's experience

The number of visitors to visit the NMA since its opening on 11 March 2001 is significantly above original estimates (504,733 cf 400,000 design brief estimate from 11 March to 11 September 2001), with 92% of exit interviews indicating visitors are satisfied or very satisfied with their experience. Dawn Casey, the director of the National Museum, has said:

"There is no way we could have got this sort of building - and you have to see it to believe it - within four years and within the budget available without the alliance".

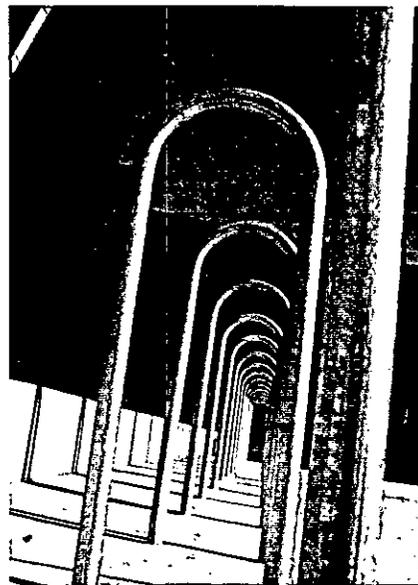
Changing behaviours

The emphasis in establishing a project alliance is an integrated team with uncompromising commitments to innovation and breakthroughs. The Acton Peninsula Alliance successfully achieved innovations in the delivery of the project, including:

- the successful development and integration of nine sub-alliances to deliver essential trades for the project;
- the use of a broad "ProjectWeb" to electronically exchange and post all information and documentation to all Alliance Participants;
- a unique Project Agreement with the unions to reward excellence in outstanding performance; and
- the use of 3D surface modelling techniques to detail the interaction and interdependency of the steel structure with the aluminium and glass façade elements.

However, one of the most significant outcomes was the transformation that the alliance participants, with the assistance of their facilitators, JMJ Associates, were able to achieve in their behaviours and relationships with each other. Andrew Hutchinson, the managing associate of JMJ Associates has said:

"What you have got to remember is that these guys have come out of an industry where they have to act in ways that are inconsistent with who they really are - in hard money contracts they are expected to be total bastards and committed to only their objectives. These people have never had an opportunity to work in a collaborative relationship before and they find it a more fulfilling way to work".



ABOVE: From ground level, bike rest metal curves merge with the sweeping shapes and dynamic colors of the National Museum of Australia, a major infrastructure project created by alliancing.

In addition, Peter Wright, the Alliance Project Manager, has said:

"The relationships we developed as a team, with each other and the project, was fundamentally different. Whether we were traditionally a client, a head contractor or a subcontractor, we now shared a commitment to the same objectives and were all linked to the same commercial outcome. This link created a focus and an involvement in decision making which encouraged performance, rather than threatened performance. The Alliance simply allowed us to work smarter with less waste and duplication. As a bonus, we enjoyed the experience".

International trends

It can be confidently said that Australia leads the world in many aspects of collaborative relationship contracting, particularly in public sector project alliancing.

During a recent International Bar Association conference in Amsterdam delegates from the USA, Europe (including the UK), Asia and Africa could not believe that Australian public sector procurement methods had advanced to the point of adopting project alliancing to deliver high profile complex projects in Australia.

Europe

The most interesting developments in project alliancing in Europe are occurring in the

Development - project alliancing

North Sea where, for the first time, a project alliance is proceeding under the single contract model developed in Australia.

This single contract model project alliance is proceeding on a marginal oil and gas project where the project will only become viable if "step-change" breakthrough results are created in the definition and engineering studies of the project.

In addition, for the first time in an oil and gas project alliance, the project sponsor is extending the risk/reward regime not only to reducing the capital and operating costs of the field but also to sharing the profits of the field amongst the participants under the project alliancing structure.

This is a significant extension of project alliancing and, if past trends are any indication, will affect future Australian project alliancing, particularly in terms of any cap on alliance participants' liability to the project sponsor.

New Zealand

TransitNZ, a NZ statutory authority with responsibilities for road and rail infrastructure, has recently formed a project alliance to deliver the Grafton Gully to Central Motorway Junction project using a Full Delivery for Early Completion project alliance model.

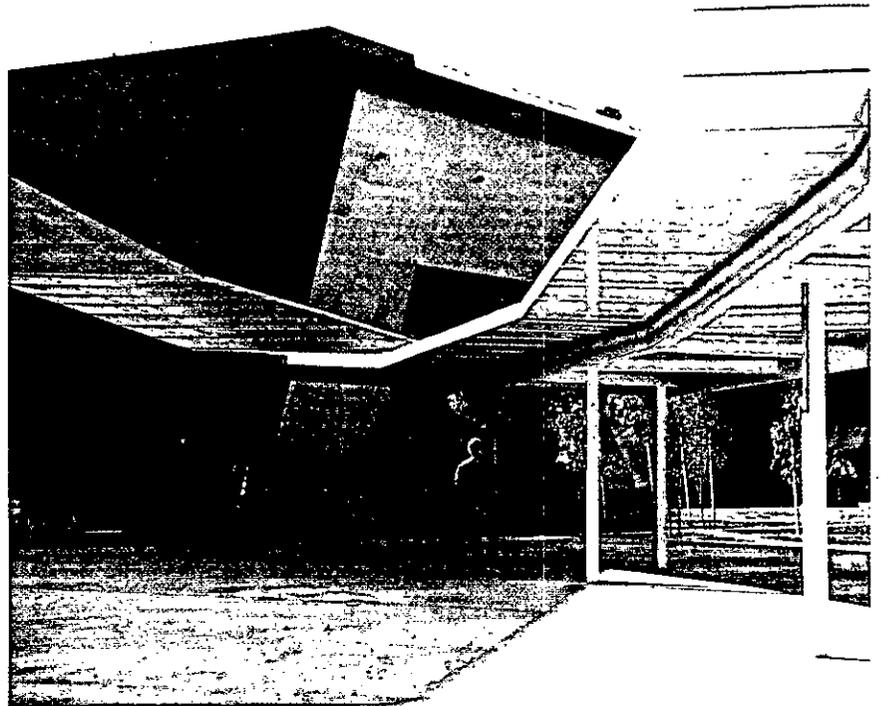
The Full Delivery for Early Completion model is consistent with the pure project alliance model developed in Australia.

In addition to the TransitNZ project, a number of other public sector procurement agencies are reviewing the suitability of a project alliancing approach to deliver projects in sectors as diverse as telecommunications, power, water, health and rail.

United States

Interestingly, for a country as litigious as the US, project alliancing has got off to a slow start, only attracting interest in recent times. In a recent paper delivered by Andy Anway, the US-based exhibition designer involved in the Acton Peninsula Alliance, he notes:

"Acceptance of Alliancing will be determined by the willingness of US firms to give up traditional contracting models and to learn to trust their colleagues and clients just as they trust their own staff. In the end, the case for Alliancing can be made through an analysis of the results of projects delivered with this system.



ABOVE: The striking, towering arch serves in part as a covered walkway for museum visitors on their way from the car park into the structure.

The evidence to date suggests strongly that Project Alliancing can deliver unexpected and satisfying results."

This can be compared with the views of a leading US construction attorney who notes:

"While Alliancing is the current buzz word in the construction industry, it is not fully proven and is certainly not the next saviour of the world. It is all about how to achieve characteristics that make Alliancing work - trust, commitment and respect - and may develop as a way to get these characteristics back into more traditional contracting strategies.

The jury is still out on how successful Alliancing projects have been on the whole in the United States. If the parties don't commit the time and effort, the Alliancing process doesn't work. Nevertheless, if all the parties are competent, heavily engaged, focused and team oriented, Alliancing will succeed and may gain favour as a promising new contracting technique in the construction industry."

However it is interesting to note that the form and structure of project alliancing in the US is very similar to the Australian experience except that their "no-claim" environment has been scaled back to allow a claimant to pursue claims through a separate dispute resolution process that typically ends in a final determination by arbitration.

Project alliancing in Australia

The first wave of project alliancing in Australia was in the mining and resources field commencing with the Wandoo B and East Spar alliances in 1995.

The second wave in Australia was in the public sector, particularly with Sydney Water's Northside Storage Tunnel Alliance, the Acton Peninsula Alliance for the NMA and the Western Australian Water Corporation Woodman Point WA 21 project alliance.

Since those early days it seems that project alliancing, apart from a small scattering of projects in the mining and resources field, has been focused in procuring public sector projects in rail, road and electricity infrastructure, civil engineering, defence procurement and public sector construction.

Today, there are public sector project alliances in Queensland (eg Awoonga Dam and Port of Brisbane Motorway), NSW (eg Sydney Water Pump Station Upgrade), Victoria (eg Sydneyham Electrification Project), Western Australia (Woodman Point WA 21) and at the Commonwealth level (Department of Defence Djimindi and ANZAC Alliances).

In addition, a large number of the principles and commitments developed as part of a project alliancing have now been



ABOVE: Inside, the museum continues the curves and arches theme in the entrance foyer where the diverse aspects of the Acton Peninsula Alliance are represented - design, build and construct, interior design/fitout and the sponsor actually using the finished 'product'.

incorporated, with differing success, into traditional construction in managing contractor relationships, in such projects as the recently-completed Adelaide Convention Centre and the recently-commenced Austin Hospital project in Victoria.

Both the Adelaide Convention Centre and Austin Hospital projects have used the selection process developed for the Northside Storage Tunnel and the National Museum to select the managing contractor.

In addition, the Austin Hospital project has incorporated a sophisticated risk/reward regime to reward outstanding performance together with unanimous decision-making at a construction executive level.

Whilst the success of the risk/reward relationship, and the unanimous decision-making in particular, are still to be seen, it is an indication of the extent to which public sector procurement agencies are looking to alternative forms of delivery to procure major projects.

At the Commonwealth level, the Department of Defence has recently appointed a panel of "alliance facilitators" with a stated intention of procuring approximately 10% of its projects with a capital expenditure value of AUD\$3-5 billion over the next three to five years. This level of activity will see project alliancing, together with defence contractors'

understanding and sophistication with this delivery system, developed to new heights.

An interesting development in the past 12 months is the focus on the use of "private public partnerships" (PPP), also known as "private finance initiatives", to deliver public sector projects.

In Victoria, the Department of Infrastructure has been reviewing how the project alliance model can be integrated with, and used in, the delivery of major public sector projects in an overall PPP model, known as Partnerships Victoria. Whilst no final determination has been made, it again is evidence of governments' focus on innovation and alternative strategies to deliver public service needs.

How will this impact on the property industry?

Einstein argued that a definition of insanity is repeating the same things again and again and expecting different results each time.

If those of us in the business of delivering construction and infrastructure projects in Australia want different results then things need to change...and nothing changes unless attitudes change. Project alliancing is providing the greatest opportunity to change attitudes and behaviours in our industry.

Project alliancing has been successful on a range of projects, delivering outstanding outcomes in areas including early completion, increased profit, less industrial disputation, greater safety and improved employee loyalty and satisfaction.

These outcomes are desirable on any project of any size. As already seen, it is highly likely that basic principles developed in project alliancing will come to be incorporated into the property industry at all levels.

Project alliancing, its principles and disciplines, have been proven to be a robust procurement strategy in the public and private sectors in Australia and throughout the world.

Whilst project alliancing, like any other one procurement strategy, is unlikely to be the solution for all projects, it clearly has proven advantages in complex, challenging projects where outstanding performance cannot not be delivered in any other way.

For anybody involved in delivering projects to completion, a working knowledge of project alliancing is essential.

At the definition stage of a project, project alliancing, together with any other relevant procurement strategy, must now be considered for any projects where outstanding performance in project objectives is sought.

Without considering a project alliance, it is unlikely that a project team will give itself the best opportunity to meet and exceed its objectives.

Contact details: For any further information or questions, John Gallagher can be reached on ph (03) 9274 5357 or by email to: john.gallagher@phillipsfox.com

REFERENCES:

International Bar Association 2000 Conference, Amsterdam 17-22 September 2000, "Alliancing in Construction - The opposite to adversarial project execution?"

2 A Anway, "Project Alliancing: an Overview", a paper delivered to "The Revolutionary Project Alliancing Delivery System" Superconference 7 December 2000, Fairmont Hotel San Francisco.

JJ Myers, Gadsby, Hannah LLP, Boston Massachusetts in a paper entitled "Alliancing Contracting - a Potpourri of Proven Techniques for Successful Contracting".