

# Introduction

---

***“Sharing knowledge through mutual trust and honesty made Partnering the most rewarding experience of my professional career.”***

—Susan Pearson  
Contracting Officer  
Defense Contract Management Agency

**T**he goal of the AMC Partnering for Success Program is to enhance government-industry communication, teamwork and conflict management throughout the acquisition process by implementation of a “Model Partnering Process” for AMC. Partnering is an essential component of the AMC Alternative Dispute Resolution Program, aimed at avoiding contract disputes before they impact contract performance. ❖

***“Partnering goes to the heart of how we do business. We can either build win-win situations through Partnering or we can retreat to the adversarial roles of old. With Partnering achieving impressive results for all parties who use it, I believe the choice is clear--we must Partner to move forward.”***

—Sallie H. Flavin  
Assistant Deputy Chief of Staff for  
Research, Development and Acquisition  
U.S. Army Materiel Command

**“I can think of no process that is more important to the success of the government-contractor team than Partnering. The contracting parties are mutually dependent on each other for their mutual successes. Improving communications and avoiding disputes are the essence of working together.”**

**—Lawrence F. Skibbie (LTG USA-Ret.)  
President, National Defense Industrial Association**

**“Partnering brings both industry and government together for achievement of common goals. It creates and maintains working relationships that foster mission achievement.”**

**—Jim Loehrl  
Chief, Environmental Services Team  
Environmental Contracting Division  
U.S. Army Operations Support Command**

**“Partnering causes the government folks to talk more to each other. The same is true on the contractor side. We are then better prepared to talk to each other--and to listen.”**

**—Mike Murphy  
Program Management Office  
Cargo Helicopter  
U.S. Army Aviation and Missile Command**

# Table of Contents

- Background & Definition ..... 5
- Benefits of Partnering ..... 7
- Partnering for Success is *Not*: ..... 9
- The AMC Model Partnering Process ..... 11
- Step One: Getting Started ..... 12
  - Decision to partner ..... 12
  - Making the commitment ..... 12
  - Obtaining resources ..... 13
- Step Two: Communicating with Industry ..... 14
  - Extending the invitation to partner ..... 14
  - Mutual agreement to partner ..... 14
- Step Three: Conducting the Workshop & Developing the Charter ..... 16
  - Selecting a facilitator ..... 16
  - Preparing for the Workshop ..... 16
  - Conducting the Workshop ..... 17
  - The Partnering Workshop ..... 17
- Step Four: Making it Happen ..... 22
  - Following agreed upon procedures ..... 22
  - Active champion involvement ..... 22
  - Continuous communication ..... 22
  - Identification of problems and joint problem-solving ..... 23
  - Periodic reviews ..... 23
  - Measuring and celebrating success ..... 24
  - Reinforcement ..... 25
- Lessons Learned--AMC Partnering for Success Program ..... 26
- AMC Partnering for Success Awards Program ..... 31
- Conclusion ..... 33
- For More Information ..... 34

# Table of Contents (cont)

Appendix A ..... A-1  
    Partnering for Success by Ken Bousquet and Mark Sagan

Appendix B ..... B-1  
    Partnering Solicitation Provision

Appendix C ..... C-1  
    Sample Partnering Agreements & Charters

Appendix D ..... D-1  
    Corporate Partnering Agreements by Mark Sagan. CPA Sample

Appendix E ..... E-1  
    “Rocks in the Road” Action Plan

Appendix F ..... F-1  
    Conflict/Issue Escalation Procedure

Appendix G ..... G-1  
    ADR Protocol Agreement

Appendix H ..... H-1  
    AMC ADR Program

Appendix I ..... I-1  
    Partnering Assessment & Evaluation

Appendix J ..... J-1  
    Metrics

Appendix K ..... K-1  
    Questions & Answers about Partnering

# Background & Definition

---

**T**oo often the acquisition process is undermined by adversarial relationships, suspicion between the government and industry, volumes of paperwork and costly litigation. We can no longer afford to do business in this manner. This Guide provides the acquisition community with a tool that can maximize the potential for achieving contractual objectives. This tool is called Partnering for Success.

Partnering is a commitment between government and industry to improve communications and avoid disputes. It is accomplished through an informal process with the primary goal of acquiring the highest quality supplies and services, on time, and at a reasonable price.

The AMC Partnering for Success Program has successfully applied the Partnering process to research and development, materiel acquisition, construction, base operations, and engineering and support services contracting.

Partnering constitutes a mutual commitment by the parties on how they will interact during the course of the contract, with the primary objectives of facilitating improved contract performance through enhanced communications, effective conflict management, avoidance of disputes and litigation.

***“Working together towards shared goals is, for me, the best way for OSC and its contractors to meet the financial and operational challenges to be faced over the coming years. Partnering enables us to establish and then achieve these shared goals.”***

—David Allott  
Chief Executive Officer  
Royal Ordnance North America

Partnering is primarily an attitude adjustment where the parties to the contract form a relationship of teamwork, cooperation, and good faith performance. Partnering requires the parties to look beyond the strict bounds of the contract to develop this cooperative working relationship which promotes their common goals and objectives.

The Partnering philosophy is not unique. It is similar to picking a partner at the office picnic and entering the three-legged race. The partners have their legs tied together and know that to win the race they must reach the finish line; however, if they run in different directions, do not start at the same time and on the same leg, or do not hold each other up and keep each other out of potholes on the path to the finish line, neither will finish successfully. Similarly, government and industry must work

together, communicate their expectations, agree on common goals and methods of performance, and identify and resolve problems early on—or risk bringing both partners to the ground.

Eliminating long-standing adversarial attitudes requires more than simply advocating a new philosophy. That is why this

Guide provides a model process which should be followed in order to achieve the many substantial benefits which result from Partnering.

*(Appendix A is an article written by AMC Partnering Team members Ken Bousquet and Mark Sagan that provides the reader with a snapshot of the AMC Partnering for Success process.)* ❖



# Benefits of Partnering

---

## Partnering establishes mutual goals and objectives

This avoids the “us vs. them” mentality that often characterizes government-industry relations. Finding common ground in mutual goals and objectives, the parties soon realize that they’re “in this together” and that success is dependent upon their commitment and ability to work as a team.

## Partnering builds trust and encourages open communication

At the beginning of their contractual relationship, the parties establish communication channels designed to promote openness, trust and efficient contract administration.

## Partnering helps the parties eliminate surprises

Increased communication on various subjects means that the parties are less likely to be surprised by events that occur during contract performance. Surprises result in schedule delays and additional costs, often leading to disputes and litigation.

## Partnering enables the parties to anticipate and resolve problems

The partners proactively anticipate problems and design Action Plans addressing how those problems will be jointly identified and resolved or avoided. They recognize that problems will occur during contract performance and that the existence of these prob-

***“If we had one dispute that caused three days of banging heads, that would be more expensive than the cost of Partnering.”***

—Jeff Plotnick  
Computer Sciences Corporation

lems does not mean that their relationship has failed.

## Partnering avoids disputes through informal conflict management procedures

At the outset of the relationship, the parties determine how they will manage any conflicts that might arise. This is often accomplished through a Conflict/Issue Escalation Procedure. This procedure identifies the roles and responsibilities of the individuals from both government and industry and provides for the automatic elevation of issues through several organizational levels to avoid inaction and personality conflicts.

## Partnering avoids litigation through the use of Alternative Dispute Resolution

The commitment to resolve disputes informally at the earliest opportunity minimizes the necessity for litigation in administrative and judicial forums. Avoiding the considerable expense and delay attributable to litigation frees the Partnering participants to concentrate their efforts on successful and timely contract performance.

---

## Partnering reduces paperwork

When the parties focus on contract performance rather than case building and “documenting the file,” paperwork can be, and has been, significantly reduced.

## Partnering reduces the time and cost of contract performance

By establishing open communication as a guiding principle, parties to Partnering arrangements have found that issues are raised, discussed and resolved more expeditiously. This enables the partners to meet or exceed contractual schedule requirements and avoid costly mistakes or rework.

## Partnering reduces administration and oversight

With increased communication and empowerment by senior management, the partners find a significant reduction in the need for layers of administration and oversight.

## Partnering improves safety

Taking joint responsibility for ensuring a safe work environment for contractor and government employees reduces the risk of hazardous work conditions and avoids workplace accidents.

## Partnering improves engineering efforts

Daily engineering activity, as well as the formal value engineering process, are streamlined through the application of Partnering principles.

***“Partnering is a conscious mindset to consider the other party’s position in developing and executing a business decision.”***

—Sharon Brown  
Contracting Officer  
U.S. Army Operations Support Command

## Partnering improves morale and promotes professionalism in the workforce

The Partnering process empowers the parties to work together towards common goals. This creates a uniquely positive outlook and motivation to personally contribute to the team’s efforts.

## Partnering generates harmonious business relations

Enhanced communication, the identification of shared goals and objectives, the recognition that problems will arise, and the agreement to address those problems through a specially-designed procedure will facilitate creating and maintaining harmonious business relations.

## Partnering focuses on the mutual interests of the parties

Rather than the parties individually developing positions on issues, Partnering engenders a team-based approach to issue identification and problem resolution, which is focused upon the accomplishment of the parties’ mutual objectives. ❖

# Partnering for Success is *Not*:

## **Mandatory**

Although the Partnering process benefits both government and industry, it is not mandatory. The ADR philosophy and the Partnering process require a personal commitment to a different kind of relationship—one that is based on both a cultural adjustment and “outside the box” thinking for which voluntary acceptance is imperative.

## **A panacea**

Partnering will not prevent all problems in every contract. There may be some issues that must be litigated.

## **A one-way street**

Partnering cannot work if both parties continue to adhere to the “us vs. them” mentality or do not approach contract performance as a team. The partners’ focus must be on the achievement of mutual goals and objectives through the creation of a “win-win” relationship.

## **Successful without total commitment**

Senior management within government and industry must truly believe in and become advocates for the Partnering process. Partnering involves hard work and a willingness to accept the risks and uncertainties inherent in trying something new.

## **A waiver of the parties’ contractual rights**

Partnering is not a contractual agree-

ment and does not create, relinquish, or conflict with the legally binding rights or duties of the parties.

## **Inconsistent with any acquisition-related statute or regulation**

There are no statutory or regulatory barriers to adopting the Partnering philosophy or process.

## **Contrary to the government’s business interests**

The goal of the acquisition process is to provide our warfighters with quality supplies and services, on time, and at a reasonable price. Partnering maximizes the potential for meeting that goal.

## **Simply another name for teaming or IPTs**

While teaming and IPTs tend to focus on specific or narrow tasks and issues, Partnering is a much more comprehensive total picture method of interacting with each other on a daily basis. Partnering creates a blueprint for addressing all issues that may arise.

## **A Ticket-Punch**

Partnering is not just a box to check on an acquisition streamlining checklist, or a buzzword that implies you’re changing the way you’re doing business. ❖

**“Partnering is the cornerstone of AMC’s Alternative Dispute Resolution program. By avoiding costly, time-consuming, and unpredictable litigation, it allows government and industry managers to maintain full control over their business decisions.”**

**—Edward J. Korte  
Command Counsel  
U.S. Army Materiel Command**

**“Partnering with TACOM has been a very positive experience. Problems are part of any project. I believe the combined project team has spent its energy working together to find solutions to problems rather than pointing fingers.”**

**—Tony Kirn  
Vibratory Roller Program Manager  
Caterpillar, Inc.**

# The AMC Model Partnering Process: Your Blueprint for Success



LO	INSEPARABLE ASSEMBLY	QTY
A	TUBING 1.88 OD X .25 WALL X 30.50 LG 1/4" L SAE 100-100	1
B	PLATE 1/4" WALL SAE 100-100	2

Step 1

**Getting Started**

Step 2

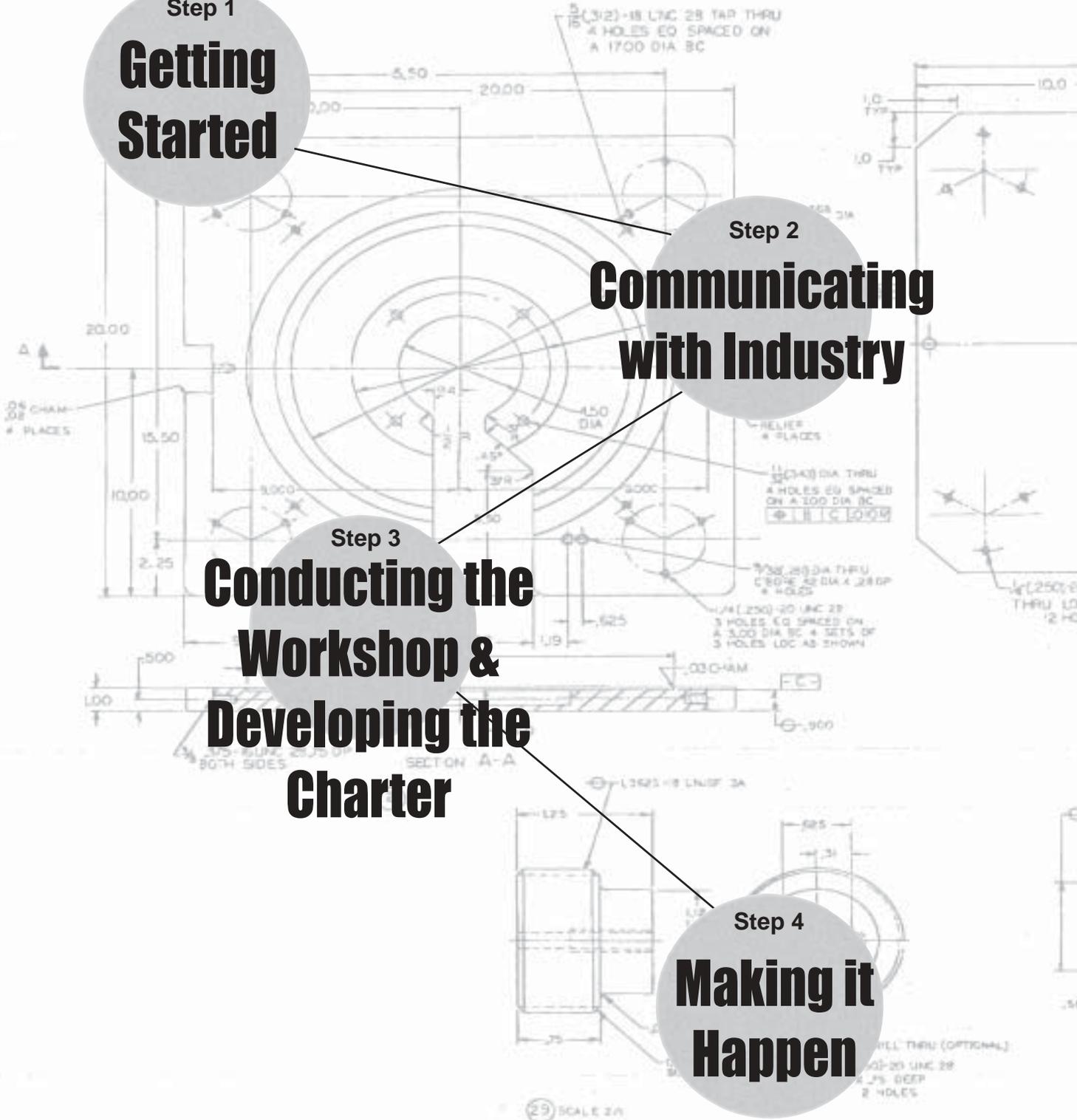
**Communicating with Industry**

Step 3

**Conducting the Workshop & Developing the Charter**

Step 4

**Making it Happen**



# Step One: Getting Started

---

## Decision to partner

This first step is critical. Partnering is a process that can be used in any contractual action; however, it is up to the individual activity and the contracting parties to determine whether to use Partnering for Success.

### **Who can suggest Partnering?**

While the decision to partner on a specific project needs the support of senior management, anyone within government or industry can initiate the process by bringing the Partnering concept to the attention of the Procuring Contracting Officer (PCO) and/or the Program Manager (PM).

### **When is Partnering beneficial?**

Partnering is most beneficial when the parties believe that traditional contract administration methods may prove to be ineffective, particularly in a downsizing environment.

Partnering is particularly valuable to organizations committed to DOD acquisition streamlining and cycle time reduction, and for those seeking a process that identifies and resolves problems early and without the need for costly and time consuming litigation.

### **Selecting the contract to partner**

Partnering has been successfully employed on contracts that are technically complex, involve several major players, are for the acquisition of critical items, or anticipate identifiable problems. Excellent candidates for Partnering include acquisitions

where prior contract performance has been poor or where there has been a history of adversarial relationships between the government and the contractor.

In selecting contracts for Partnering, a contract of two years' duration or longer is generally preferred. Normally, a contract of less than two years is not long enough in which to maximize the benefits of a Partnering relationship. However, if the parties are familiar with, or have experience in the process, its utilization on shorter contracts can be beneficial.

Additionally, even if the Partnering process was not employed at the time of initial contract award this does not preclude implementation during contract performance. Consideration should be given to factors such as the length of the remaining contract period, the relationship of the parties, and contract size and complexity.

## Making the commitment

To succeed, Partnering needs the total commitment of senior management, as well as everyone with a stake in the relationship—those who will have an impact on contract performance. Periodic meetings will ensure the continued commitment of stakeholders, introduce new participants to the Partnering process, and reinforce team goals.

### **Senior management**

It is important that senior managers within the Partnering organizations

affix their personal stamp of approval to the Partnering effort. Written policy statements from these government and contractor management officials demonstrating their support for and commitment to the Partnering process will greatly assist in creating and maintaining the support of participants.

## **Program stakeholders**

“Stakeholders” are those persons within government and industry who are critical to ensuring program success. They, along with the roles they play, must be clearly identified and well defined. The user of the product or system being acquired is an indispensable stakeholder whose presence at the initial Partnering Workshop to describe the need for the item and its role in supporting the American warfighter is crucial to successful orientation and commencement of the Partnering process.

## **Empowerment of participants**

Trust is an essential characteristic of Partnering. Trusting participants and empowering them with the requisite responsibility and authority to make binding decisions within their designated areas is fundamental to the success of the Partnering process.

## **Designation of “champions”**

Senior-level and program-level “champions” should be designated by each partner. The senior-level champions are individuals who play a powerful and influential role in the process and are generally at the PM level. They will oversee the project, reinforce the team approach, overcome resisting forces, participate in resolution of issues escalated to their level, cel-

eborate successes, and maintain a positive image for the project. They also communicate with senior management officials (*e.g.*, Commander, Program Executive Officer, or Chief Executive Officer) to keep them apprised of Partnering efforts and to solicit their continuing commitment.

The program-level champions are high-profile individuals, generally at the PCO or Contracts Manager level, who are involved in the daily affairs of the program. They provide the leadership to ensure that the Partnering process moves smoothly throughout performance of the contract. They coordinate activities of team members, maintain regular contact with the other partners, provide information to senior-level champions (and others in senior management), and encourage adherence to the Partnering process and compliance with the terms of the Partnership.

## **Obtaining resources**

Part of the commitment of an organization to the Partnering process is the recognition that resources are required in order to achieve success.

### **Time**

Participants will need to have sufficient time to learn about Partnering, to engage in team-building exercises, and to attend scheduled Workshops.

### **Money**

Financial requirements for Partnering include the costs of conducting the Partnering Workshop and renting the Workshop facilities, as well as travel-related expenses. ❖

# Step Two: Communicating with Industry

---

## Extending the invitation to partner

Individuals within both government and industry are strongly encouraged to recommend the use of the Partnering process. Consideration should be given to using the AMC Partnering for Success Model in these acquisition programs.

A good opportunity for AMC organizations to highlight their desire to partner is at Advance Planning Briefings for Industry (APBIs) when government representatives describe current and future acquisition programs. It is recommended that a copy of this Partnering Guide be provided to APBI attendees.

## **Including a provision for Partnering in the solicitation and on the world wide web**

The invitation to partner should be extended as early as possible in the acquisition process.

*(Appendix B contains a sample Partnering solicitation provision.)* Since your invitation to partner may be the first time that industry has encountered the concept, it is very important to clearly specify what it is that you have in mind by “Partnering.” One way to do this is to augment your solicitation clause by including this AMC Partnering Guide in the solicitation package. It is also recommended that you highlight your desire to partner in the solicitation’s Executive Summary.

AMC organizations can also “post” their desire to partner on their electronic bulletin boards/world wide web

home pages and provide their prospective offerors with information about the Partnering process and procedures described in this Guide. The AMC Partnering Guide is available on the internet at [http://www.amc.army.mil/amc/command\\_counsel/partnering.html](http://www.amc.army.mil/amc/command_counsel/partnering.html)

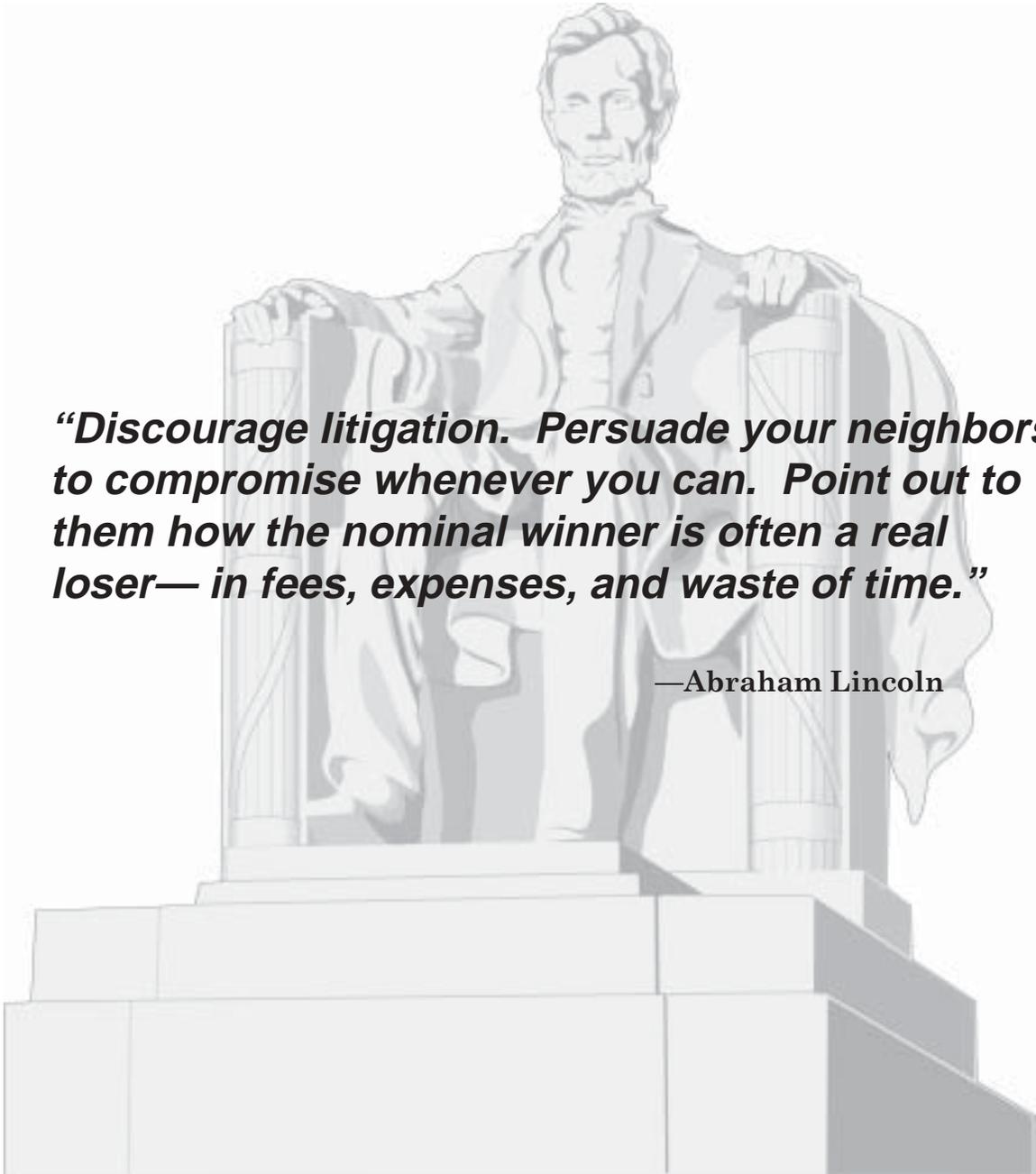
Partnering also needs to be communicated to the subcontractor community, especially those with major roles to play. Encourage offerors to ensure that their major subcontractors are made an integral part of the Partnering effort.

## **Discussion at the Pre-Solicitation Conference**

AMC procuring activities should begin discussing their desire to utilize Partnering with industry at the Pre-Solicitation Conference. The government can explain the Partnering process, concept, and philosophy to prospective offerors, and identify for industry the principal government players. Contractors will be more receptive to and supportive of the Partnering process if they know who within the government will be involved.

## Mutual agreement to partner

Implementation of the Partnering process should be discussed with the contractor as soon as possible after the contract is awarded. It is strongly recommended that Partnering be an agenda item for the Post-Award Conference or start-of-work meeting. ❖



***“Discourage litigation. Persuade your neighbors to compromise whenever you can. Point out to them how the nominal winner is often a real loser— in fees, expenses, and waste of time.”***

**—Abraham Lincoln**

# Step Three: Conducting the Workshop & Developing the Charter

---

## Selecting a facilitator

A facilitated Partnering Workshop is imperative for the successful implementation of the Partnering effort.

### **Role of the facilitator**

The facilitator is a neutral person who helps the partners get organized from the outset of the process. The facilitator helps develop and leads the Partnering Workshop and is instrumental in having the parties design the tools for the Partnering arrangement--Charter, goals and objectives, "rocks in the road" and Conflict/Issue Escalation Procedure.

The facilitator also plays the role of the "honest broker," deals with any skepticism or bias brought to the Workshop, and keeps the team focused on the Partnering process.

### **Selection of the facilitator**

The parties should obtain the services of a facilitator experienced in the Partnering process.

AMC has developed a list of facilitators who are familiar with the AMC Partnering for Success Model. See page 34 for more information.

## Preparing for the Workshop

Preparation for the Workshop is critical. The more thorough the preparation, the more focused the Workshop will be from the beginning, thereby

maximizing Workshop benefits. The facilitator can assist the parties at this preparatory stage of the process as well.

## **Selecting participants**

The Workshop attendees should include those individuals needed to achieve contract success, *i.e.* all those "who can throw a monkey wrench" into the program. Anyone who does not participate in the Workshop may not understand the Partnering philosophy and process. Additionally, the attendees' roles and responsibilities should be discussed internally within both government and industry prior to the Workshop.

## **Reviewing the contract**

The partners should carefully review the contract and identify potential problems which may arise during contract performance.

## **Site of the Partnering Workshop**

A neutral site is desirable in that being away from the workplace enhances the team-building process, contributes to a consistent focus on Partnering, and minimizes the potential for participants to be drawn away from the table for other work-related matters.

## **Coordinating with the facilitator**

It is important that the partners coordinate with the facilitator during the preparation stage, especially if

they are unfamiliar with the Partnering process. Keeping the facilitator involved maximizes the benefits to the partners by keeping them on the Partnering path and by increasing the facilitator's knowledge of the specific program, contract requirements, and unique contract performance and administration issues.

## **Conducting the Workshop**

A facilitated Workshop is an essential method for developing the Partnering relationship. What happens at that Workshop will create the momentum that drives the partners in the same direction toward the accomplishment of mutual goals and objectives throughout contract performance.

### **Executive Workshop**

A facilitator using the AMC Model conduct an Executive Workshop attended by a limited number of executive level personnel from the government and contractor organizations. The purpose of this session is to ensure the executives' understanding of and commitment to the process; discuss any issues regarding the conduct, content and length of the Workshop; and determine who should be asked to participate in the Workshop.

## **The Partnering Workshop**

During the Workshop, the essential tools for the Partnering arrangement are drafted:

- ✓ The Partnering Charter (mission statement, goals and objectives)
- ✓ Methods of identifying specific program issues and concerns ("Rocks in the Road"), with an Action Plan developed for each

- ✓ Conflict /Issue Escalation Procedure
- ✓ Alternative Dispute Resolution (ADR) approach
- ✓ Metrics for the assessment of accomplishments
- ✓ Reinforcement techniques

The Partnering Workshop should not be viewed as one more task on an already full plate, but rather as an upfront investment with substantial long term benefits for the partners.

The length of the Workshop will depend on such variables as the complexity of the contract, experience of the participants in Partnering, the number of partners, and the time needed for team-building. The Workshop may entail both individual and joint sessions with the facilitator and, generally, will be at least two days in length. The Workshop should consist of the following activities:

### **Team-building**

The facilitator brings the parties together to develop inter-organizational team-building skills. The specific skills needed (*e.g.*, communication skills, joint problem resolution skills) will be identified and addressed by the facilitator based upon an assessment of the individual program. This establishes the foundation for the balance of the Workshop.

### **Roles and responsibilities**

The roles and responsibilities for each Partnering participant should be identified during the Workshop. This assists in establishing and clarifying lines of communication and levels of authority.

## The Partnering Charter or Agreement

The Partnering Charter is the focal point of the relationship and the blueprint for success. It is the threshold document in which the parties set forth their mission statement, mutual goals and objectives, and commitment to the Partnering relationship.

There is no single approach to drafting a Partnering Charter. The Charter should include a mission statement expressing the partners' commitment and agreement to communicate openly and to share information in order to avoid surprises. *(See example below).*

The Partnering Charter should also include specific, identifiable and measurable overriding goals and objectives, such as:

- ✓ Deliver the product/service (xx) days ahead of schedule
- ✓ Identify problems at the first opportunity
- ✓ Jointly resolve problems at the lowest possible level
- ✓ Seek fair treatment for all participants
- ✓ Limit cost growth to less than (xx)%
- ✓ Pass First Article Testing the first time
- ✓ Eliminate litigation through the use of ADR procedures

The parties' overriding goals and objectives must be mutually agreed upon so that everyone will be actively focused on achieving them.

*(See Appendix C for examples of Partnering Agreements and Charters.)*



## Corporate Partnering Agreements

Consideration may also be given to the use of Corporate Partnering Agreements (CPAs) in which senior management from government and industry formalize their commitment to utilize the Partnering process in the performance and administration of each of their subsequent contractual efforts. Individually designed and tailored Partnering Agreements would be developed for each of those contracts.

*(Appendix D contains an article on Corporate Partnering Agreements written by AMC Partnering Team Member, Mark Sagan, as well as several examples of CPAs.)*

### Problem resolution

Throughout the Partnering process, the partners will be encouraged to identify problems at the earliest stage and to work together to solve them. Don't wait for your partners to find the "hidden traps" themselves. Identifying problems early, particularly those about which only you are aware, is the best way of demonstrating to your partner your commitment, openness, honesty, and desire to work together as a synergistic team. Remember, the occurrence of a problem does not mean that the Partnering arrangement has failed.

#### "Rocks in the Road"

"Rocks in the Road" is a phrase that describes the potential problems that the partners may encounter during contract performance. The "Rocks in

the Road" process means that the parties mutually agree to avoid surprises, to communicate problems to each other immediately, and to work together as a team to expeditiously solve problems as they occur. For each "Rock in the Road," the parties develop an Action Plan for addressing the problem and identify the team members responsible for and empowered to resolve the problem.

*(Appendix E is an example of a "Rock in the Road" identification/Action Plan that has been used successfully.)*

### Conflict/Issue Escalation

Rather than race to the courthouse when a conflict arises during contract performance, the partners will turn to the Conflict/Issue Escalation Procedure they designed during their Workshop. Any issue not resolved at the working level within the established time frames will be elevated automatically to the next identified level.

The parties agree to attempt to resolve every issue at the lowest level possible with specifically named individuals. The partners agree not to elevate the issue to the next higher level prematurely or unilaterally and to follow the Conflict/Issue Escalation Procedure developed at the Workshop. This process avoids "leap-frogging" and keeps problems from festering.

Lastly, it is imperative that the individuals identified in the Conflict/Issue Escalation Procedure not delegate their responsibilities and that they personally perform the role(s) agreed to at the Workshop.

*(Appendix F contains examples of Conflict/Issue Escalation Procedure—also referred to as Issue Resolution Procedure—developed during Partnering Workshops.)*

### **Alternative Dispute Resolution**

Partnering is an integral part of the AMC ADR Program. Within the Partnering framework, the partners design a dispute resolution approach to be used in the event that an issue cannot be resolved through the Conflict/Issue Escalation Procedure.

ADR is not a single process or procedure. It is an inclusive term that describes a variety of joint problem-solving techniques that present options in lieu of litigation. ADR encourages the consideration of creative solutions to disputes that are unavailable in traditional dispute resolution forums. It encourages communication between the parties and focuses on the parties' real interests, rather than on their positions or demands, enabling them to address the real concerns underlying the conflict.

## **Using ADR**

### **Benefits of ADR**

- ✓ Reduces the cost of litigation
- ✓ Avoids program delays occasioned by protracted litigation
- ✓ Recognizes the need to maintain a harmonious business relationship
- ✓ Shifts the focus of decision-making from a legal to a business perspective

The ADR process selected by the partners should be documented in a Protocol Agreement jointly signed by the partners.

### **This Agreement should specify:**

- ✓ The steps to be used
- ✓ The specific individuals who will participate in the ADR procedure
- ✓ The role of each participant
- ✓ A well-defined time structure
- ✓ A confidentiality clause that prevents the parties from disclosing dispute resolution communications in subsequent proceedings, in the event the dispute cannot be resolved through ADR

*(Appendix G is an example of an ADR Protocol Agreement)*

*(Appendix H identifies the various ADR techniques that have been successfully used in AMC and elsewhere. It also describes the characteristics of ADR.)*

---

## Measuring success

During the Partnering Workshop, the facilitator will assist the partners in determining how success will be measured through the development of a baseline and assessment criteria which will be utilized during periodic follow-up meetings to determine if goals and objectives are on track.

The partners should draft a Partnering Performance Survey to measure the team's progress towards the accomplishment of identified objectives. An initial survey should be done at the Workshop to measure perceptions and views at the outset of program performance. Thereafter, results of in-process surveys of government, contractor and subcontractor personnel, asking the same or similar questions, can be compared to the original responses to assess progress, determine the extent to which the Partnering objectives have been accomplished and identifying areas requiring greater emphasis in the future.

*(Appendix I contains an example of a Partnering Performance Survey and a sample Assessment and Evaluation Survey) ❖*

# Step Four: Making it Happen

---

**A**lthough the Partnering process gets a “jump-start” during the Partnering Workshop, the newly learned technique of conducting business as partners must be vigilantly reinforced throughout contract performance. If the Partnering process is not utilized back at the office or if you do not act differently in your day-to-day dealings with your partners, you will fail to capture the significant advantages for your program which will result from the Partnering process. The following paragraphs discuss some ways to ensure that the benefits of Partnering are achieved.

## Following agreed upon procedures

Trust the product of your Workshop. Frequently refer to the Partnering Charter, the mission statement, the goals and objectives, the Action Plan developed for each “Rock in the Road,” the Conflict/Issue Escalation Procedure and the ADR approach you designed.

Adhering to these procedures will significantly decrease the time and cost spent in identifying issues and resolving problems. Following your Partnering approach avoids the scenario of having to repeatedly search for the “right” person with whom you can discuss an issue and resolve a problem. More importantly, however, deviating from the Workshop procedures may create the belief among your partners that you do not trust them and are not committed to the Partnering process.

## Active champion involvement

The champions are more than figureheads. They must play a vital role in initiating and energizing the Partnering process for those on the team and implementing the tools developed at the Partnering Workshop.

## Continuous communication

Adhere to the principle of open and honest communication. Without this foundation, your Partnering Agreement cannot succeed. Communication builds trust which is a critical component of the process. Remember, when the going gets tough or unanticipated problems arise, Partnering becomes more important than ever. Only through open and honest communication among the partners can these obstacles be successfully overcome.

Although face-to-face meetings are most conducive to open communication, time and budgetary constraints may limit the feasibility of this approach. Any media available (VTC, e-mail, teleconferences, desk-top videos) should be used to maintain continuous communication among the partners. Additional Workshops should be considered if the primary participants change during contract performance.

## Identification of problems and joint problem-solving

Throughout the Partnering relationship, the partners must be vigilant in identifying potential pitfalls and obstacles and work together to expeditiously resolve these issues.

### **Joint problem-solving**

- ✓ A positive attitude is essential
- ✓ Avoid blame
- ✓ Avoid surprises
- ✓ Seek mutual accountability for problem resolution
- ✓ Embrace change

The immediate identification of a problem is crucial because *bad news does not get better with time*. The Conflict/Issue Escalation Procedure designed by the partners envisions early recognition of problems. Use it!

Through open and honest communication and joint problem-solving, the partners create a proactive relationship based upon managed risk-taking which encourages creative “outside the box” ideas and solutions.

## Periodic reviews

The Partnering Workshop is a starting point. The necessity for adjustments in the process and the relationship should be anticipated. Without an accurate assessment of the successes to date, valuable corrections cannot be made. The fact that adjustments are considered necessary is not indicative of failure or error; it only recognizes the need for change or reinforcement.

Periodic reviews at regular intervals are critical to success. Do not adopt the view that the partners should “review the bidding” only when problems demand action. Periodic reviews are important to effective management and may involve the entire team or a portion of the team, and can address single or multiple issues. Periodic reviews can involve any of the following three activities:

### **Assessment of the Partnering relationship**

When the partners interact they should discuss the Partnering process and actively listen to the comments from their counterparts. Periodic surveys measuring the partners’ ongoing relationship will help the parties assess the effectiveness of the Partnering arrangement and the tools created at the Workshop. The champions should then take the lead to facilitate necessary adjustments, reinforce the Partnering process, keep the parties focused, and ensure that the actions taken are consistent with Charter objectives.

## Follow-up Workshops

One reason why it is beneficial to keep the facilitator informed during contract performance is to enhance his or her involvement in follow-up Workshops if they are required. Follow-up Workshops should be considered when major players in the Partnering process are replaced in order to ensure that new participants are knowledgeable about and committed to the process.

Follow-up Workshops should also be considered if there is a breach of the Charter or Conflict/Issue Escalation Procedure, or if there is some other indication that it is necessary to reaffirm the process and remind participants of the need for their consistent commitment.

## Metrics

The measurement phase of the Partnering process is crucial in order to determine whether the process is working, what strengths and weaknesses are present, and what revisions will make the Partnering process better.

*(Appendix J addresses the different criteria which government and contractor partners may wish to use in developing a specific measurement apparatus.)*

## Measuring and celebrating success

When interim goals or objectives are achieved, or when problems are successfully resolved, celebrating those successes will provide momentum for the team. The celebration can consist of T-shirts or caps worn by team members, certificates, awards, statues, or a picnic. The celebration can be a joint one for all partners, or it can be internal for the government or contractor participants. Celebrating achievements builds on those successes, creates confidence in the Partnering process, and contributes to further team-building.

Always return to the Charter and to its recitation of goals and objectives. The most accurate measure of success in the Partnering process is whether these are being met. Analyze the results achieved against those you forecast in the Partnering Performance Survey developed at the Workshop. *For example:*

- ✓ Were the originally identified timelines achieved?
- ✓ Are deliveries/services completed on or ahead of time?
- ✓ Are testing requirements satisfied the first time?
- ✓ Has litigation been avoided?
- ✓ Has paperwork been reduced?
- ✓ Was the money spent commensurate with the performance?

## Reinforcement

No matter how well the Partnering process is working, it periodically must be reinforced. Senior management should be briefed by the champions and asked to encourage Partnering to the workforce generally, and to the team participants, specifically. Recognize successful efforts by publicizing them through such means as the installation newspaper, command briefings to the workforce and at command staff meetings. One benefit of reinforcement is that it

demonstrates to other employees that engaging in the Partnering process will be worth their time and effort and, most importantly, will benefit the American warfighter and customer.

When the contract is complete, the partners should review what occurred, do a final comparison against the goals set forth in the Partnering Charter, and develop a lessons learned/after-action report, to be used as a guide for future Partnering efforts. ❖



# Lessons Learned--AMC Partnering for Success Program

**B**ased on the AMC Partnering experience to date, it has been repeatedly demonstrated that the AMC Partnering for Success Model works...if you use it. To maximize the benefits of Partnering it is essential that the parties be aware of and incorporate the following Lessons Learned when structuring their specific Partnering program.

In 2000, AMC conducted a thorough review of the AMC Partnering for Success Program through a Partnering Implementation Assessment Team (PIAT) Review. The primary purpose of the PIAT was to determine what lessons we have learned and how we can apply these experiences to enhance the benefits of future Partnering efforts.

The following are critical to the Partnering process:

## Preparation

The participants must understand what Partnering is and truly believe that the current contracting process can be improved by a new way of doing business. Partnering will only work in organizations that are culturally prepared to accept change. They must recognize that the up-front investment in preparing to partner will yield significant benefits throughout contract performance.

## Senior Management Commitment

Senior managers within both government and industry must be actively involved and clearly and continually demonstrate their support for the process. Additionally, the participants

*“The worst that can happen is we end up doing it the way we did it before.”*

—Marshall Collins  
Chief

Chemical Demilitarization Team  
U.S. Army Operations Support Command

in the Partnering process must have an unwavering commitment to it and the open communication that is its hallmark.

## Inclusion of appropriate parties

In order for the Partnering process to work, representatives of every organizational element who can impact the performance of the program must be involved. The partners must carefully choose which organizational elements will be represented as well as which specific individuals should participate.

Strong consideration must be given to the participation of major subcontractors, user representatives, and contract administration personnel whose involvement in the Partnering process may be essential to successful contract performance.

## Clear definition of roles

Participants in the Partnering process must fully understand and accept their specific roles and responsibilities and be empowered with the requisite decision-making authority in order for the Partnering arrangement to be successful.

## **Partnering works...when you use it**

Partnering is not a process that works automatically. It requires the commitment from and dedicated efforts of those government and contractor personnel assigned to a contract.

## **Lead Partnering Champion (LPC) plays a vital role**

Each AMC Major Subordinate Command has a designated Lead Partnering Champion (LPC). One of the LPC's principal roles is to serve as the commander's "eyes and ears" to identify opportunities to expand Partnering within the MSCs. It is imperative that the LPCs be supported, recognized and rewarded by senior management for their efforts.

## **The Cost of Partnering**

The AMC Partnering for Success Model suggests that the cost of Partnering, primarily for the Partnering Workshop, is an up front investment that will provide long-term benefits by reducing conflict and accelerating contract performance.

Several individuals interviewed by the PIAT indicated that the expense of the Partnering Workshop, measured in terms of the cost of a professional facilitator and time away from work to attend the Workshop, was a barrier to using Partnering.

In order for Partnering to become an institutionalized AMC business practice, it is essential to show potential users that the short-term cost in time and money is a truly worthwhile investment that will pay substantial dividends through the development of better relationships that lead to smoother contract performance.

## **The Partnering Workshop develops useful tools that accelerate the Partnering process**

The Partnering Workshop's focus on enhanced communication and building trust between and among the partners is essential to Partnering.

The partners will establish several unique tools and processes at the Partnering Workshop:

- ✓ The Charter
- ✓ Goals and objectives
- ✓ Mission Statement
- ✓ Problem identification and resolution process
- ✓ Conflict/Issue Escalation Procedure
- ✓ ADR approach
- ✓ Evaluation methodology

The partners must utilize and rely on these tools throughout contract performance in order to maintain focus and direction.

There have been several instances where, after the Partnering Workshop, these tools have been forgotten or ignored. When used they work. For example, problems are solved at a lower level, less formally and more quickly when using Partnering tools. Additionally, developing the Charter and identifying goals and objectives brings the parties closer together by revealing shared interests.

## **People and relationships are important to the Partnering process**

Developing relationships, getting to know your counterparts and understanding your specific role in the Partnering process are crucial

components of a successful Partnering arrangement.

## **Change of personnel is a big challenge to the Partnering process**

The success of the Partnering arrangement can be jeopardized by a change in personnel. New players must be immediately oriented so that they understand the Partnering process and their specific roles. There must be a methodology in place, designed at the outset of the Partnering arrangement, that anticipates this challenge.

One successful program developed a Partnering videotape to be used for new members of the Team, as part of their orientation.

## **Follow-Up Partnering Workshops**

The most successful Partnering arrangements use follow-up Workshops as opportunities to assess progress and renew the commitment to engage in Partnering. Although when facilitators initiate the follow-up sessions, it may be viewed as an attempt to get more business and fees, the importance of this feature of the process cannot be overlooked. Several successful Partnering arrangements have incorporated a discussion of the status of the Partnering process during regularly scheduled In-Process Reviews (IPRs).

## **Partnering is more than an IPT(s)**

It is important to recognize the essential distinction between Partnering and IPTs. People sometimes say they are Partnering (or have been Partnering for a long time) when what they really mean is that they have been members of IPTs.

IPTs focus on a specific issue or issues and are much narrower in scope than Partnering. Partnering develops a much broader relationship which is based upon interacting on a daily basis throughout contract performance.

## **The solicitation is a good place to first raise the desire to Partner**

The earlier the interest in Partnering is raised the greater the benefits. Including a Partnering clause in the RFP is an excellent approach. The sample Partnering clause at Appendix B is a clear indication of the AMC MSC's desire to partner.

## **Partnering can eliminate the necessity for raising issues for the first time in letter writing**

Partnering focuses on identifying issues early, discussing and attempting resolution at the lowest level, and designing a process and procedure to address disputes without litigation. Letter writing is often viewed as "the first step to failure", or as reflecting a desire to create a formal record or "case file." One successful Partnering effort established a protocol that no letter could begin with "This is to inform you that..." Instead, letters, if necessary, could only be used to confirm agreements or understandings already reached.

## **Empowering people and morale**

Partnering requires the empowerment of each employee to play a significant and defined role as a member of the Partnering Team. This empowerment contributes directly to the morale of the partners' personnel.

## **The Partnering Workshop should not be viewed as a problem-solving forum**

The Partnering Workshop is not a forum for issue resolution or problem solving. The Partnering Workshop is focused on building processes and procedures to effectively and efficiently deal with issues as they occur during contract performance.

## **The facilitators work for you**

The AMC Partnering for Success Model recommends the use of a facilitator who is familiar with and is committed to use the AMC Model, with flexibility to meet local needs. It is imperative to remember, however, that the facilitator works for you, the government-contractor team and that you must educate him or her about the program, its history, goals and objectives, and the principal anticipated problems as well as the personnel involved in the effort.

## **Partnering is Conflict Management not just Dispute Resolution**

Partnering is part of the AMC Alternative Dispute Resolution Program. However, Partnering is much more than a process to resolve disputes or to avoid litigation. Partnering creates a blueprint for interacting and managing conflict. Conflict in a relationship should be expected. How you manage conflict often determines whether or not the relationship is successful.

## **Program Champion & Metrics Manager**

Whatever the person's title, it is imperative that an individual be designated to continuously monitor, assess and verify progress, the use of the Partnering tools, the implementation

and execution of the Action Plans and the achievement of tasks. Without this fail-safe mechanism, it is too easy for the parties to forget or ignore what they learned at the Workshop—daily business gets in the way.

## **Partnering & Past Performance**

Partnering and past performance should be linked as envisioned in Appendix K. An offeror can and should be given evaluation “credit” for successful prior Partnering efforts. Further, a desire and agreement to partner can be an appropriate area for consideration in the evaluation of the Management Factor.

## **Corporate Partnering Agreements (CPAs)**

Corporate Partnering Agreements (CPAs), formerly known as Overarching Partnering Agreements (OPAs), are frequently executed by high level officials at an MSC and their corporate level counterparts to memorialize their commitment to use Partnering on all contract endeavors. The CPA sends a message throughout the organization (government and industry) that their senior officials are personally committed to the process.

## **The user community is an important stakeholder**

Involvement of the user community within the Partnering arrangement is imperative. Additionally, they play a pivotal role in the Partnering Workshop in explaining the nature and purpose of the product or service, as well as its importance to the warfighter and the national defense effort.

## **Teambuilding exercises are essential but be careful**

Facilitators need to be careful in using some teambuilding exercises. “Touchy-feely” situations may often be beneficial to the process but if overdone can turn some people off and undermine Partnering efforts. It is therefore, imperative that facilitators explore their planned approach with government and industry executives prior to the Workshop in order to accurately gauge their receptiveness to this type of interaction.

## **Sharing information increases under Partnering**

The parties to a Partnering arrangement agree to share information, a vital component to success. Sharing information prevents surprises and builds trust.

## **Does Partnering discourage raising issues?**

It is important to create and maintain an atmosphere that encourages raising issues and concerns. Although Partnering envisions a “feel good” environment, it should not be perceived as one which discourages raising problems. It is imperative that the partner create and maintain an atmosphere in which they feel free to raise issues and concerns.

Furthermore, neither of the partners should perceive the execution of a Partnering Agreement as inquiring or pressing them to “give in” to the other, without appropriate justification/rationale.

## **Consider government-to-government Partnering**

The “pure” Partnering for Success Model envisions government and industry as the two parties. AMC organizations, however, have seen the need for and have benefited from government-to-government Partnering to enhance understanding and communication, as a precursor to entering into formal Partnering Agreements with industry.

## **Users of Partnering are the best marketers**

Talking heads and theoretical lectures have their place. However, those who have used Partnering in successful contracting efforts are in the best position to relate their specific experiences and the benefits they have realized.

## **Celebrating Success**

Individuals and programs that have used and advocated Partnering should be recognized. The establishment of the AMC Partnering for Success Awards Program is one way to recognize and celebrate success.❖

# AMC Partnering for Success Awards Program

---

**A**MC established an annual Partnering for Success Awards Program to recognize significant achievements in the area of Partnering. Three awards were created: a program award and two individual awards. One individual award is for a government employee and one is for a contractor employee. Nominations under specific criteria are submitted from the AMC Major Subordinate Commands and reviewed by an executive-level panel at Headquarters AMC. The awards are announced at the annual Atlanta Conference co-hosted by AMC and the National Defense Industrial Association.

## **PROGRAM AWARD - 2001:**

### **Wholesale Logistics Modernization Program CECOM--Computer Sciences Corp.**

The program selected as the recipient of the 2001 AMC Partnering for Success Award, in the Partnering Program Category was the *Wholesale Logistics Modernization Program*. The cornerstone of the WLMP strategy is the Army's long term partnership with a commercial market leader to provide both the needed business process reengineering as well as the flexible information technology services needed to support these modern processes.

The U.S. Army Communications-Electronics Command (CECOM) contracted with Computer Sciences Corporation (CSC) and together they have instituted a successful Partnering arrangement pursuant to the AMC Partnering Guide and Model. During

the period December 1999 through 1 July 2000, CECOM and CSC worked in partnership to seamlessly transfer the expertise, workload, software, and documentation that are essential for the performance of the software sustainment of the Army's wholesale logistics management system, from the government to the contractor.

As of Spring 2001, the government had received one hundred percent of the contract deliverables on time and CSC had earned one hundred percent of the available performance bonus as set forth in the contract.

## **INDIVIDUAL-GOVERNMENT EMPLOYEE AWARD - 2001:**

### **Larry Asch-CECOM**

Mr. Larry Asch served as an original CECOM Lead Partnering Champion. When he moved to the WLMP, Larry brought his insight, experience and Partnering knowledge to that important program. Larry is the author of "Partnering — A Relationship of Teamwork" and "The Wholesale Logistics Modernization Program (WLMP) Partnering for Success Journey Begins." In his capacity as Business Manager for PM WLMP, Larry continues to serve as a Partnering Champion. He is in constant communication with his team, internal management, external boards and CSC. He was instrumental in developing a WLMP web site ([www.wlmp.com](http://www.wlmp.com)) which serves as a conduit for all deliverables, a collaborative tool for work in progress and a venue for on-line meetings.

# AMC Partnering for Success Awards Program

## INDIVIDUAL-CONTRACTOR EMPLOYEE AWARD - 2001:

### Jeffrey Plotnick--Computer Sciences Corp

Jeffrey Plotnick is a Vice President at CSC. Jeff is also the PM for the Joint Computer Aided Acquisition and Logistics Support (JCALS) program and WLMP. Through Jeff's efforts, the WLMP has reaped the benefits of several Partnering Workshops. CSC and CECOM developed a Partnering Charter that is the blueprint of their working relationship and a foundation for the program's success.

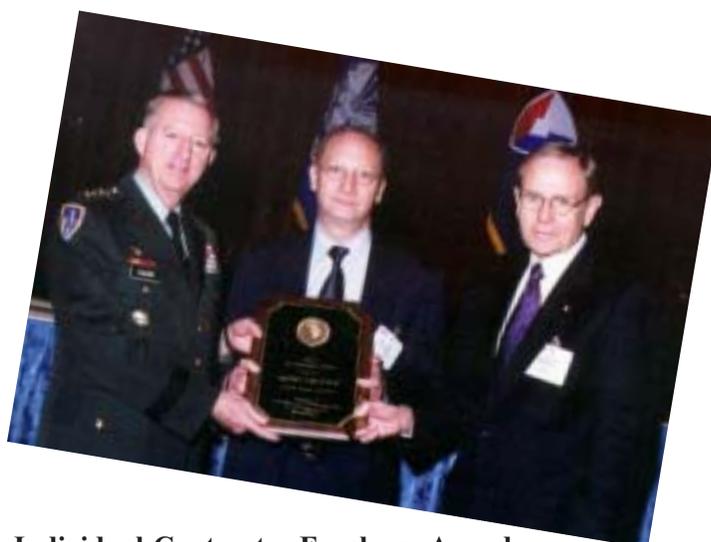
Recognizing that open communication is a key to Partnering success, Jeff assisted in developing a WLMP web site and provides important input to the WLMP Newsletter to convey new ideas and issues germane to the program. Jeff has worked within CSC to spread a "culture of sharing" and to prepare his employees for the "culture shock" that comes with the introduction of new methods of doing business. ❖



**Program Award  
Wholesale Logistics  
Modernization Program:  
CECOM - Computer Sciences Corporation**



**Individual-Government Award  
Larry Asch-CECOM**



**Individual-Contractor Employee Award  
Jeffrey Plotnick-Computer Sciences Corporation**

# Conclusion

---

The AMC Partnering for Success Model has been used successfully throughout AMC. When using the Partnering process, the participants are free to tailor this methodology as necessary to achieve the objectives of their particular program. However, each basic step of the process is important and should not be overlooked.

## Questions

When individuals are first introduced to the Partnering philosophy and process, they often have numerous questions.

*(Appendix K provides responses to frequently asked questions and will provide important information to those considering the use of the AMC Partnering for Success Model.) ❖*

# For more information

---

**F**or more information on AMC's Partnering for Success Program, and to discuss how you can utilize the procedure for your contracting actions, please contact any member of the AMC Partnering Team.

**Edward J. Korte**

Command Counsel  
Headquarters, U.S. Army Materiel Command  
(703) 617-8031

**Mark A. Sagan**

Deputy Chief Counsel  
U.S. Army Communications-Electronics Command  
(732) 532-9786

**David C. DeFrieze**

Attorney-Advisor  
U.S. Army Operations Support Command  
(309) 782-8424

**Kenneth P. Bousquet**

Chief, Heavy Systems Contracting Group  
U.S. Army Tank-automotive & Armaments Command  
(810) 574-6972

**Stephen A. Klatsky**

Assistant Command Counsel  
for Alternative Dispute Resolution  
Headquarters, U.S. Army Materiel Command  
(703) 617-2304

For more information or assistance in obtaining a qualified Partnering facilitator contact:

HQ U.S. Army Operations Support Command  
Acquisition Center  
ATTN: AMSOS-CE-D  
Rock Island Arsenal  
Rock Island, IL 61299  
(309) 782-4616/8614

# Appendixes

Appendix A .....	A-1
<b>Partnering for Success by Ken Bousquet and Mark Sagan</b>	
Appendix B .....	B-1
<b>Partnering Solicitation Provision</b>	
Appendix C .....	C-1
<b>Sample Partnering Agreements &amp; Charters</b>	
Appendix D .....	D-1
<b>Corporate Partnering Agreements by Mark Sagan. CPA Sample</b>	
Appendix E .....	E-1
<b>“Rocks in the Road” Action Plan</b>	
Appendix F .....	F-1
<b>Conflict/Issue Escalation Procedure</b>	
Appendix G .....	G-1
<b>ADR Protocol Agreement</b>	
Appendix H .....	H-1
<b>AMC ADR Program</b>	
Appendix I .....	I-1
<b>Partnering Assessment &amp; Evaluation</b>	
Appendix J .....	J-1
<b>Metrics</b>	
Appendix K .....	K-1
<b>Questions &amp; Answers about Partnering</b>	