Partnering for Success

A Blueprint for Promoting Government-Industry Communication & Teamwork
Introduction

The goal of the AMC Partnering Program is to promote government-industry communication and teamwork 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.

“Sharing knowledge through mutual trust and honesty made Partnering the most rewarding experience of my professional career.”
—Susan Pearson
Contracting Officer, U.S. Army Communications-Electronics Command

“Partnering has improved our program by expanding open communication. Changes and improvements have been much easier to incorporate as a result of Partnering.”
—Bill Reynolds
Lead Contract Manager, Armored Security Vehicle Program, Textron Marine & Land Systems
“Partnering is a natural extension of the Integrated Product Team concept. It provides a flexible framework for government and industry team members to work together to solve problems and informally resolve disputes. This helps reduce program costs and speeds the fielding of Army equipment.

To paraphrase the late, great Vince Lombardi—Partnering isn’t everything; it’s the only thing.”

—Honorable Gilbert F. Decker
Assistant Secretary of the Army (RDA)

“Accomplishment of AMC’s mission depends on our ability to work effectively with our partners in industry. Partnering helps us to do this successfully and deliver the very best products to our ultimate customers—the soldiers.”

—General Johnnie E. Wilson
Commanding General, Army Materiel Command

“I have seen Partnering used successfully in many of our most important procurements. It is an exceptional tool that helps keep complex programs on schedule and within budget.”

—Dale G. Adams
Principal Deputy for Acquisition, Army Materiel Command
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Too 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.

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 providing American soldiers with quality supplies and services, on time, and at a reasonable price.

Partnering has been used successfully for many years in construction contracting by both industry and the U.S. Army Corps of Engineers. The AMC Partnering Program has significantly expanded the application of the Partnering process to research and development, materiel acquisition, base operations, and engineering and support services contracting.

“Through the implementation of the Partnering process, we were able to preclude a recurrence of the performance and schedule problems that we had repeatedly experienced in the past, while also eliminating claims and litigation.”

—James Ott
Director of Public Works,
U.S. Army Communications-Electronics Command

Partnering constitutes a mutual commitment by the parties on how they will interact during the course of the contract, with the primary objective of facilitating improved contract performance through enhanced communications.

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.

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The Bridge to Partnership

Separate Government & Contractor Teams
- “Us vs. Them”
- Win-Lose
- Surprises
- Your problem
- Individual Government & Contractor responses
- Separate goals & objectives

Partnered Team
- “We’re in this together”
- Win-Win
- Effective communication
- Our problem
- Team response
- Common goals & objectives
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 an Action Plan 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 problems 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 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 cuts decision time, which means money, especially to the small contractor.”

—David T. Morgan, Jr.
Vice-President/General Manager,
Valentec Systems, Inc.
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 has replaced finger-pointing with teamwork.”
— Dr. Daryl R. Kendrick
Program Director,
Lockheed Martin Ordnance Systems

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 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 agreement 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 soldiers with quality supplies and services, on time, and at a reasonable price. Partnering maximizes the potential for meeting that goal.
“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,
Army Materiel Command

“In an era of diminishing resources, Partnering is a smart business strategy. The time that contracting officers and program managers invest in improving communication with their industry partners yields big dividends in better contract performance.”

—Gary A. Tull
Assistant Deputy Chief of Staff for Research, Development & Acquisition,
Army Materiel Command
Important Elements of Partnering

In order to make the Partnering process work, it is imperative that government and industry reduce non-productive effort and focus on improving contract performance. The following elements are critical to this 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.

Commitment

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

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.

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

—Marshall Collins
Chief, Rocket, Mortar & Pyrotechnics Branch,
U.S. Army Industrial Operations Command

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.
Use of the Partnering tools

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

- The Charter
- Goals and objectives
- Mission Statement
- Problem identification and resolution process
- Conflict 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.

Reinforcement and follow-up

In-process reviews should be held on a regular basis to ensure that program goals and objectives are on track and to measure accomplishments. Momentum will be maintained through the achievement of goals, the celebration of successes and the endorsement of the Partnering process by participants and senior leaders.¹

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¹ This section is based on an article entitled “Seven Reasons Why Partnering May Fail on Your Project,” written by Partnering facilitators William S. Spragins and Richard D. Dutmer for The Contractor’s Management Journal.
The AMC Model Partnering Process

- **Step 1** Getting Started
- **Step 2** Communicating with Industry
- **Step 3** Conducting the Workshop & Developing the Charter
- **Step 4** Making it Happen
Partnering is an attitude adjustment.
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.

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.

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 on 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 important stakeholder whose presence at the initial Partnering Workshop to describe the need for the item and its role in supporting the American soldier 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, celebrate 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.
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 Model Partnering Process 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 A 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 provision 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.dtic.dla.mil/amc/

Partnersing 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
Selecting a facilitator

In most cases, a facilitator-directed Partnering Workshop will accelerate 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 their Charter, identify potential problems (“Rocks in the Road”), and develop a Conflict 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. For more information, see the Partnering Program’s world wide web site. To access the site, visit AMC’s home page at:

http://www.dtic.dla.mil/amc/

- Click on “Headquarters Army Materiel Command”
- Click on “Chief of Staff”
- Click on “Office of Command Counsel”
- Look for the Partnering initiative in the “Teams” section.

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.
The Partnering Workshop should not be viewed as one more tasker on an already full plate, but rather as an up-front 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:

### Conducting the workshop

A good Partnering Workshop is an invaluable team-building experience and an excellent method for initiating the Partnering process. 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.

During the workshop, the essential ingredients of the Partnering arrangement are drafted:

- ✔ The Partnering Charter (mission statement and goals and objectives)
- ✔ Specific program issues and concerns ("Rocks in the Road"), with an Action Plan developed for each
- ✔ Conflict Escalation Procedure
- ✔ Alternative Dispute Resolution (ADR) approach
- ✔ Metrics for the assessment of accomplishments
- ✔ Reinforcement techniques

### Team-building

The facilitator brings the parties together to develop inter-organizational team-building skills. The specific skills needed (e.g., communication skills, personality profiling, 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

When the parties establish their overriding goals and objectives, they must ensure they are mutually agreed upon so that everyone will be actively focused on achieving them.

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

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**Partnering Agreement**

**XYZ Contract**

We *(the parties are identified)* are committed to achieving our shared goals and objectives for the *(name of program)* through this Partnering Charter. Partnering represents our mutual desire to:

- Work as a team in harmony and cooperation
- Communicate openly and honestly
- Raise concerns immediately
- Resolve conflicts at the lowest level possible
- Eliminate paperwork and written communication
- Recognize the contributions that each member of our team makes

We seek to achieve a quality work product, delivered on time and within budget so that we can proudly say that we are supporting the needs of the American soldier.

signed by the Parties
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 empowered to resolve the problem.

(Appendix D is an example of a “Rock in the Road” identification/Action Plan that has been used successfully.)

Conflict Escalation

Rather than race to the courthouse when a conflict arises during contract performance, the partners will turn to the Conflict 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 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 Escalation Procedure not delegate their responsibilities and personally that they perform the role(s) agreed to at the workshop.

(Appendix E contains examples of Conflict Escalation Procedures—also referred to as Issue Resolution—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 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

✔ 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 F is an example of an ADR Protocol Agreement)

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

Partnering is one of four AMC ADR acquisition initiatives.

(Appendix H discusses the other three programs: the AMC-Level Protest, Debriefing, and Contract Dispute Resolution Programs.)
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 and to determine the extent to which the Partnering objectives have been accomplished.

(Appendix I contains an example of a Partnering Performance Survey.)
Step Four: Making it Happen

Although 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.

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 Partnership 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.

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 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.
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 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 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 time lines 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 soldier.

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.
Conclusion

This “Model” has been used successfully by several AMC procuring activities. 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 Model Partnering Process.)
For more information

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

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Appendix A

PARTNERING FOR SUCCESS: A Blueprint for Promoting Government-Industry Communication & Teamwork

By Kenneth Bousquet and Mark Sagan

Procuring Contracting Officer (PCO): The reason we’ve called this meeting is to discuss the program delays. We were told six months ago in a program review that everything was on schedule. Last week we heard from the Quality folks that the program is six months behind schedule. What’s going on?

Contractor: WHAT?! We NEVER said, “everything was on schedule.” Who said that? What day was that review?

Program Manager (PM): It doesn’t matter anymore. Why are you six months behind?

Contractor: Well, based upon previous discussions with the engineers, we thought updated requirements would be provided soon that would significantly improve the system with only a minimal cost impact. Although no one ever told us to stop performing, it sure seemed like the smart thing to do.

Chief Government Engineer: WHAT?! We NEVER said we were updating the requirements. Who said that? You guys know we can’t afford to lose any time and we sure don’t have any extra money…Do we?

PM: No, we don’t have any extra money. Now, how can we get back on schedule?

Contractor: Well, we learned a few weeks ago that a couple of your specifications are conflicting. We put in a lot of time and money on the affected subsystem so we’ll have to redesign it and run another test.

Chief Government Quality Representative: WHAT?! When did that happen? Which specs? Which subsystem?

PM (to Contractor): Look, you guys are responsible for this mess. The contract clearly says you must build a system that meets the requirement and deliver it by a certain date. If you can’t do that, we’ll find another firm to do the job.

Contractor: Your contract is poorly written. Our lawyers tell us the ambiguities and lack of clarity, in addition to the poor direction from government representatives, places the responsibility with you.

PCO: Not so fast! Our lawyers say the contract is very clear and you simply failed to comply with the terms and conditions.

PM: Now what?

Contractor: We’ll submit a proposal to clean up the requirements, together with a revised delivery schedule and the total cost impact of those changes - which I can assure you will be significant.

PCO: Your firm must comply or the contract will be terminated.

Contractor: If the contract is terminated the settlement will cost the government a great deal.

PM: (Audible Groan.)

Unfortunately, most of us have been confronted with this exact scenario when contract administration breaks down and the program suffers, sometimes with dire consequences. No single individual or organization is to blame, but it’s apparent that communication has failed and a cooperative team approach to resolving issues is nonexistent. The obvious, or perhaps not-so-obvious, bottom-line to all of this is that we fail to meet the needs of the user (our ultimate customer) and the U.S. taxpayer.

Is there a better way to deal with post-award issues? Absolutely!

AMC’S PARTNERING GUIDE

In April 1997, the U.S. Army Materiel Command (AMC) published the “Partnering for Success” guide to assist and encourage Army Contractors, Program Managers, Contracting Officers, and all contract stakeholders to improve the manner in which contracts are performed and administered. The guide contains an overview of what Partnering is all about and why it’s critical for Army programs to consider implementing a Partnered approach to post-award efforts. The guide promotes a clear four step process to make Partnering an invaluable asset to any program. The guide also includes numerous samples and 32 answers to commonly asked questions regarding Partnering to help the reader better understand the process and its potential benefits for their program.
WHAT IS PARTNERING?
Partnering is a commitment between government and industry to improve communications and facilitate contract performance. It is accomplished through an informal process, with the primary goal of providing our customers with the highest quality supplies and services, on time, and at reasonable prices. It is primarily an attitude adjustment in which the parties mutually commit to form a relationship of teamwork, cooperation, and good faith performance.

Partnering is not a new concept. It has been used successfully since the early 1980’s in construction contracting by both the private sector and the U.S. Army Corps of Engineers. The results of implementing Partnering have been extremely impressive. Cost overruns, performance delays/delinquencies, claims, and litigation have essentially been eliminated. In a contracting environment that was historically plagued with these types of problems, this is indeed a monumental accomplishment.

AMC is now utilizing the Partnering concept in research & development, materiel acquisition, base operations, and engineering/support services contracting. Partnering has become an integral part of the AMC Alternative Dispute Resolution (ADR) program which is focused upon the avoidance of contract disputes before they impact contract performance.

IS IT LEGAL?
Understandably, there is a great deal of apprehension on the part of both contractor and government personnel when they first learn about the Partnering process. We in the contracting field have been taught to maintain an “arms length” relationship with our contracting counterparts and to avoid any appearance of being “too close” to one another. Unfortunately, in all too many instances this has led to adversarial relationships as each party strives to achieve its own individual, program, or corporate goals and objectives.

The AMC Model Partnering Process has been endorsed by the AMC legal community with great enthusiasm. In fact, Mr. Edward Korte, the AMC Command Counsel, was an active participant on the AMC Partnering Committee which published the Partnering guide.

The Partnering process is not inconsistent with any acquisition-related statute or regulation, nor does it replace any requirements contained in the contract. It is not a contractual agreement and does not create, relinquish or conflict with the parties’ legally binding rights and obligations. Simply put, the contract spells out the legal relationship of the parties, while the Partnering Agreement establishes their business/working relationship.

PARTNERING BENEFITS
Experience in the Corps of Engineers, and in AMC programs already utilizing the Model Partnering Process, has revealed numerous attributes of the Partnering process which facilitate contract performance. Some of these benefits are:

- Establishment of mutual goals and objectives. The parties recognize that their success is dependent upon their ability to work together as a team throughout contract performance. They agree to replace the traditional “us vs. them” mentality of the past with a “win-win” philosophy and partnership for the future.
- Concentrating on the mutual interests of the parties rather than individual positions or agendas. Partnering engenders a team-based approach to issue identification and problem resolution, which is focused on the accomplishment of the parties’ mutual objectives.
- Building trust and encouraging open, honest and continuous communication throughout contract performance.
- Through enhanced communication, elimination of surprises that result in program delays and increased costs, as well as claims and litigation.
- Enabling the parties to proactively anticipate, avoid and expeditiously resolve problems through the development of Action Plans which identify the problem as well as its cause, the best alternative for avoiding/resolving it, the individual(s) within the government and contractor organizations responsible for resolving the issue, and a timetable for accomplishing that objective.
- Reduced time and cost of contract performance by adhering to a clear method of raising, discussing, and expeditiously resolving issues.
- Resolving disputes through the use of a clearly defined Conflict Escalation Procedure, a three-tiered process which includes the essential participants in the Partnership, all of whom are fully empowered with the requisite authority and responsibility to make binding decisions in their areas of expertise. Each of the participants know that they will have a fixed number of days within which to resolve any issue with which they are confronted. If they fail to do so, the issue will be automatically escalated through the second and third organizational levels. This procedure avoids inaction and precludes allowing problems to fester. Most importantly, however, experience has shown that almost all issues are successfully resolved at the lowest organizational level.
Avoiding the expense, delay and mistrust caused by formal litigation through the implementation of an ADR procedure.

- Reduced paperwork and necessity for "documenting the file". The reduction in paperwork is facilitated by the "real time" simultaneous review of contractual documentation such as Technical Data Package changes, Engineering Change Proposals, and Contract Data Requirements List submissions in lieu of the traditional, sequential review process often necessitating multiple drafts, revisions and supplements over the course of weeks or months.
- Reduced administration and oversight.
- Improved safety at the work site or manufacturing location with all parties taking joint responsibility for ensuring a safe working environment for all contract stakeholders.
- Improved/streamlined engineering activities.
- Improved employee morale and enhanced professionalism in the workforce through the empowerment of team members to formulate and cooperatively accomplish common goals and objectives. The result is that the participants develop a personal stake in the ultimate contractual outcome.
- A far more harmonious business relationship.

THE AMC MODEL PARTNERING PROCESS

AMC reviewed the processes used by the Corps of Engineers and AMC field offices on Partnered contracts. The Partnering Committee conducted interviews with numerous government and contractor representatives experienced in Partnering. As a result of this review and analysis, together with considerable assistance/input from acquisition professionals at several AMC major subordinate commands, a Model Partnering Process was developed. This simple four step process can be easily implemented on a wide variety of contracts and can be tailored by government/contractor teams as necessary to achieve the objectives of their programs.

Notwithstanding the flexibility of the process, each of the four steps are very important and should not be overlooked. The four steps are:

1. Getting Started
2. Communicating with Industry
3. Conducting the Workshop & Developing the Charter
4. Making It Happen

STEP ONE: GETTING STARTED

Making the Decision to Partner

This first segment of Step One is critical. Although Partnering may be used on any contractual action, it is up to the contracting parties to decide where it can provide the greatest benefit. Any one of the many stakeholders in a contractual arrangement can suggest the use of Partnering by bringing this concept to the attention of the Procuring Contracting Officer (PCO) or the Program Manager (PM). Partnering is most beneficial on high dollar, complex contracts of at least two years' duration. Partnering is particularly beneficial in contracting arrangements where there is a history of adversarial relationships or poor performance or problems are anticipated on an ensuing contract. Partnering has proven to be extremely valuable in conjunction with acquisition streamlining and cycle time reduction efforts and within those organization that are receptive to new ways of doing business.

Making the Commitment to Partner

To succeed, Partnering requires the total commitment of not only each of the participants, but also senior management within both government and industry who must be visible and vocal advocates for this process. A fundamental component of the Partnering process is to empower participants with the requisite responsibility and authority to make binding decisions within their designated areas. Senior managers must lead the Partnering process by reinforcing the team approach to contract administration, breaking down barriers, actively participating in the resolution of issues escalated to their level, celebrating successes and maintaining a positive image for the project. In short, they must "Champion" the process.

Obtaining Resources

An initial investment in both time and money is imperative in order to make the Partnering process work. The senior managers' commitment to Partnering will be severely tested when these two items are put on the table. Time is needed for each of the participants to learn about Partnering and attend scheduled workshops. Money is needed to cover the cost of the Partnering Workshop which includes hiring a facilitator, renting a facility and any necessary travel-related expenses. This up-front investment will yield significant benefits during contract performance. If your organization is unable or unwilling to make this commitment, Partnering isn't for you.
STEP TWO: COMMUNICATING WITH INDUSTRY

Extending the Invitation to Partner

Normally, we would expect to see the government contracting office notifying industry that it wishes to utilize Partnering on a contract. It should not, however, surprise PCOs and PMs to find contractors asking their government counterparts to use Partnering in the near future. As this process is being used more frequently, a growing number of contractors have found it to be the best way to maximize effective contract performance. It is strongly recommended that the government’s interest in Partnering be expressed as early in the acquisition as possible and be reflected in draft solicitation documents issued on Electronic Bulletin Boards or the World Wide Web.

Solicitations should contain a clause informing offerors of the government’s desire to use Partnering on the resulting contract. The AMC Partnering guide should be made available to potential offerors to ensure they fully understand the process. If copies of the guide are not available, the clause should reference the following AMC internet address where a copy of the guide can be found: http://www.dtic.mil/amc/. A full explanation of Partnering should be made at the pre-solicitation conference for competitive programs and at the pre-proposal meeting in sole source acquisitions.

Mutual Agreement to Partner

Implementation of the Partnering process should be discussed with the successful offeror immediately after award. The Post-Award Conference can provide an excellent opportunity to conduct the Partnering Workshop.

STEP THREE: CONDUCTING THE WORKSHOP & DEVELOPING THE CHARTER

Selecting a Facilitator

In most cases, a facilitator-directed Partnering Workshop will accelerate the successful implementation of the Partnering effort. The facilitator is neither a contractor nor government employee, but a neutral individual acting as the workshop instructor and “honest broker” throughout the Partnering process. The facilitator leads the participants in building their team, designing their Charter, identifying potential problems, and developing the Conflict Escalation Procedure. The government and contractor should work together to secure the services of the facilitator. Assistance is available by contacting any of the members of AMC’s Partnering Team listed in the guide.

Preparing for the Workshop

Preparation for the workshop is critical. The facilitator’s help at this stage of the process will ensure that the maximum benefit is derived by all parties during this session. These preparatory meetings will provide information regarding the Partnering process to the contractor and government participants and afford the facilitator an opportunity to learn the personalities and concerns of the individual team members. Additionally, the facilitator will be introduced to the contractual requirements and program objectives from both the contractor and government perspectives and be able to identify significant issues for discussion at the joint workshop.

Everyone who will play a critical role in achieving contract success must participate in the workshop. Anyone not attending the workshop will not fully understand the Partnering philosophy and this can hinder the implementation of the Partnering process on that program.

The workshop should be conducted at a neutral site away from the workplaces of all the stakeholders. This should ensure a continued focus on learning the Partnering process by avoiding interruptions and conflicting demands on the participants’ time and assist in building the contractor/government team.

Conducting the Workshop

Workshops will vary in length depending upon the unique needs of each contract and the experience of the participants with Partnering. Some may need a one or two day workshop while others may need four or five days. What happens at the workshop will create the momentum that drives the partners in the same direction toward the successful accomplishment of mutual goals and objectives throughout contract performance.

Examples of subjects/tasks performed at the workshop are: bringing the players together through one or more team-building exercises; developing the Partnering Charter; identifying the roles and responsibilities of each of the participants; identifying
program issues/concerns together with an Action Plan for each; building the Conflict Escalation Procedure; agreeing upon an ADR procedure; listing the metrics for assessment of accomplishments; and, determining appropriate reinforcement techniques.

The Partnering Charter or Agreement is the focal point of the parties' relationship and a blueprint for their success. The parties set forth their mission statement, mutual goals and objectives, and commitment to the Partnering relationship.

A critical component of the workshop is the discussion of problem resolution and the development of a Conflict Escalation Procedure. In traditional contract administration, the parties rarely discuss how they will manage and resolve conflicts. Usually they just struggle through the issues. Sometimes they are successful. Unfortunately, all too often the result is strained relationships, program delays, cost overruns, and increased paperwork. This can lead to disputes, claims and litigation, a costly scenario for everyone. The use of a clearly identified Conflict Escalation Procedure will ensure the efficient resolution of issues by specifically identified individuals.

**STEP FOUR: MAKING IT HAPPEN**

Once the participants learn about the Partnering process and complete the workshop, it is up to them to change the way they’ve been doing business and implement the tools, techniques and processes that they all agreed upon. They must trust the product of the workshop and follow the Partnering procedures. The participants must continuously communicate with their counterparts, at their respective levels, to overcome any obstacles blocking the accomplishment of the identified goals and objectives.

It is very important for senior managers to receive periodic updates on the Partnering process and provide encouragement and support to the participants. They must assess the Partnering relationship to ensure that actions taken are consistent with the Charter objectives. If necessary, a follow-up workshop should be held to refocus the participants on the Partnering process and educate new stakeholders. It is senior management’s responsibility to celebrate the team’s successes and continuously reinforce the use of the Partnering tools.

**CONCLUSION**

With downsizing straining all of our resources, it is imperative that we take full advantage of any process that eliminates non-value added activity. Adversarial relationships lead to an extraordinary waste of time, money and effort. Partnering has proven to be an outstanding tool for overcoming these problems and will maximize the likelihood of your program’s success.

The AMC Partnering guide provides additional details to assist your organization or company.

As General Johnnie E. Wilson, Commanding General, Army Materiel Command, stated in endorsing Partnering, “Accomplishment of AMC’s mission depends on our ability to work effectively with our partners in industry. Partnering helps us to do this successfully and deliver the very best products to our ultimate customers - the soldiers.”

Kenneth Bousquet is the Chief, Heavy Systems Contracting Group at the U.S. Army Tank-automotive and Armaments Command (TACOM), Warren, Michigan. Mark Sagan is the Deputy Chief Counsel at the U.S Army Communications and Electronics Command (CECOM), Ft. Monmouth, New Jersey. Both are members of the AMC Partnering Committee which published AMC’s Partnering guide.

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In an effort to most effectively accomplish the objectives of this contract, it is proposed that the government, the contractor, and its major subcontractors engage in the Partnering process. Participation in the Partnering process is entirely voluntary and is based upon a mutual commitment between government and industry to work cooperatively as a Team to identify and resolve problems and facilitate contract performance. The primary objective of the process is providing the American warfighter with the highest quality supplies/services on time and at a reasonable price. Partnering requires the parties to look beyond the strict bounds of the contract in order to formulate actions that promote their common goals and objectives. It is a relationship that is based upon open and continuous communication, mutual trust and respect, and the replacement of the “us vs. them” mentality of the past with a “win-win” philosophy for the future. Partnering also promotes synergy, creative thinking, pride in performance, and the creation of a shared vision for success.

Participation in the Partnering process is entirely voluntary. After contract award, the government and the successful offeror will decide whether or not to engage in the Partnering process. Accordingly, offerors shall not include any anticipated costs associated with the implementation of the Partnering process in their proposed cost/price (e.g., cost of hiring a facilitator and conducting the Partnering Workshop). If the parties elect to partner, any costs associated with that process shall be identified and agreed to after contract award.

The establishment of this Partnering arrangement does not affect the legal responsibilities or relationship of the parties and cannot be used to alter, supplement or deviate from the terms of the contract. Any changes to the contract must be executed in writing by the Contracting Officer.

Implementation of this Partnering relationship will be based upon the AMC Model Partnering for Success Process, as well as the principles and procedures set forth in the AMC Partnering Guide. The principal government representatives for this effort will be (include names, positions, and roles in contract administration).
WLMP & Team CSC
Partnering Agreement
Wholesale Logistics Modernization Program

Vision:
WLMP will provide agile, reliable, and responsive services by leveraging best practices and technology that enable the AMC to deliver world class logistics to the warfighter and will advance with the challenges in the Army vision.

Goals:
Modernize Army wholesale logistics business practices and supporting information technology to meet current and future military readiness requirements.

Objectives:

- Enhance readiness and weapon system support
- Take care of the people – Both those transitioned to the contractor and those personnel whose jobs will evolve with implementation of the WLMP
- Adopt commercial best practices – market driven
  - initially
  - continuously
- Perform business process reengineering while leveraging information technologies
- Integrate with Global Combat Support System—Army/Single Stock Fund milestones
- Provide information, education, and training as needed to help AMC/Army adapt to new ways of doing business with minimal disruption

This Agreement does not create any legally enforceable rights or duties. Any changes to the contract must be made by the Contracting Officer under the terms of the written contract. The Partnering concept is a team relationship that promotes the achievement of mutually beneficial goals.

[Signatures and dates]

Paul I. Capelli
Program Director
WLMP

Jeffrey Plotnick
Program Manager
Team CSC
Partnering Charter

Improved Cargo Helicopter Program

U.S. Army PEO AVN • U.S. Army Aviation and Missile Command
DCMC Boeing Philadelphia • Boeing Company Rotorcraft Division

We, the members of the Improved Cargo Helicopter, Engineering, Manufacturing and Development Team (Team ICH) share a common objective: To Design, Test, and Build the remanufactured CH-47 Helicopter to provide the best weapon system to the soldier in the field within the budget. We are committed to working together to solve problems quickly and to preclude non-value-added requirements from eroding program success. We will continuously seek to improve our process so that our product contributes directly towards the successful production effort to follow.

Team Goals

- Establish a consistent, effective and dedicated team to execute the program.
- Meet or exceed the EDM requirements of the Operational Requirements Document.
- Complete EMD on schedule.
- Maximize cost savings and incentive fee while meeting all commitments.
- Complete program without litigation.

- Partnering
  - Build on the success of the Alpha Team.
  - Maintain open, timely communications and on time documentation.
  - Continue and mature the partnering process.
    - Streamline processes.
    - Treat each other with mutual respect and acknowledge our interdependency.

The Partnering concept is a team relationship that promotes the achievement of mutually beneficial goals. This Partnering Charter does not create any legally enforceable rights or duties. Any changes to the contracts must be made by the contracting officers under the terms of the written contracts.
Partnering Charter
for the
JTT/CIBS-M Team

Our team will develop and deliver a Joint Tactical Terminal (JTT) and Common IBS Modules (CIBS-M) capability to provide intelligence broadcast connectivity for enhanced situational awareness for the warfighter. We will accomplish this through a cooperative teaming approach, based on trust and open communications among Raytheon, PM JTT/CIBS-M, CECOM, DCMC Raytheon, and the Users.

Our Goals Are:

- Meet schedule and cost performance objectives
- Deliver a JTT, validated to meet the performance specification
- Achieve successful IOTE in “99”
- Successful migration of CIBS-M to various C4I platforms
- Expand capabilities of JTT and CIBS-M through P3I
- Maintain Partnering Initiatives
MLRS Partnering Agreement

U.S. Army TRADOC Systems Manager, Rocket and Missle Systems
Lockheed Martin Vought Systems
U.S. Army MLRS Project Office

We, the Multiple Launch Rocket System team, share a common objective to provide the premier fire support system, responsive to our nation’s and allied customers’ needs for the soldier of the 21st Century. We will accomplish our mission through an inspired, trained, capable and focused government and industry team.

- Integrity & Honesty
  - Maintain an ethical work environment.
  - Promote open and honest communications among all the stakeholders.

- Teamwork, Teamwork, Teamwork
  - Promote harmony, trust, and energy to successfully field the best MLRS for the soldier.
  - Implement Cost of Ownership Reduction Plan to achieve a 10% reduction by the end of FY2000.

- Mutual Trust & Empowerment
  - Foster mutual trust among program participants.
  - Empower our people.

- Customer Focus
  - Provide superior weapons, equipment, and services to the soldiers in a timely and cost effective manner.

- Win Win Win Agreements
  - Implement a proactive savings and reinvestment strategy that supports modernization and a winning situation for all stakeholders.
  - Maximize synergy of all programs.

- Pride in What We Do
  - Maintain MLRS as the preeminent fire support system in the world.
  - Recognize and celebrate successes.

Partnering: The Right Thing to Do!

The Partnering concept is a team relationship that promotes the achievement of mutually beneficial goals. This Partnering Agreement does not create any legally enforceable rights or duties. Any changes to the contract must be made by the contracting officers under the terms of the written contracts.

[Signatures]
Appendix D

Corporate Partnering Agreements

A WINNING BUSINESS STRATEGY FOR THE NEW MILLENNIUM

By Mark Sagan

The participants in the acquisition process, within both Government and industry, are increasingly being forced to adjust to a continually changing environment, one which includes dramatic reductions in personnel and program funding; business reorganizations and consolidations; and the implementation of a multiplicity of acquisition reform initiatives, the overall objective of which is often summed up in the phrase “better, faster, cheaper”.

For these reasons, it is essential that from this point forward, contracts be awarded, performed and administered correctly the first time. There are simply no extra dollars or additional months available to be “thrown at” contractual problems, the way we did in the not too distant past. The question is, how do we change our culture from the traditional adversarial relationship that often exists throughout the acquisition process to a proactive, team-based environment that significantly enhances the effectiveness of communications between Government and industry? The answer is through the use of the Partnering process.

WHAT IS PARTNERING?

Although the subject of this article is Corporate Partnering Agreements, before that topic can be discussed, it is imperative that the Partnering process itself first be fully understood. Partnering is a mutual commitment between Government and industry to work cooperatively as a team in order to identify and resolve problems, avoid disputes and facilitate contract performance. It is accomplished through an informal process with the primary objective of providing America’s warfighters, allies and customers with the most technologically advanced and highest quality supplies and services on time and at reasonable prices. Partnering requires the parties to look beyond the strict bounds of the contract in order to formulate actions that promote their common goals and objectives. It is a relationship that is based upon open and continuous communication, mutual trust and respect. Partnering promotes the creation of a shared vision for success, synergy and pride in performance. In its simplest terms, the Partnering process is analogous to a three-legged race where the parties know that in order for them to successfully reach the finish line, they must cooperate and work effectively together as a team.

Partnering is not a new concept. It has been used successfully since the early 1980s in construction contracting by both the private sector and the U.S. Army Corps of Engineers (USACE). The United States Army Materiel Command (AMC) has expanded the use of the Partnering concept into research and development, materiel acquisition, base operations, and engineering/support services contracting. Partnering has also become an integral part of the AMC Alternative Dispute Resolution (ADR) program, which is focused on the avoidance of contract disputes before they impact contract performance.

AMC’S PARTNERING GUIDE

In April 1997, AMC published its Partnering for Success Guide which is designed to promote Government and industry communication and teamwork throughout the acquisition process. The Guide explains the Partnering process in detail, sets forth a four step Model Partnering Process and includes an extensive Appendix that contains a variety of samples, formats and answers to commonly asked questions about Partnering. The Guide is available through the AMC website at:

URL www.amc.army.mil/amc/command_counsel

BENEFITS OF PARTNERING

The results of using the Partnering process within AMC, USACE and private industry have consistently been impressive. Litigation has essentially been eliminated and claims, cost overruns and performance delays have been significantly reduced. Furthermore, numerous participants in the process have found that their involvement in a partnered contract has significantly increased their morale, professionalism and job satisfaction. These perceptions are directly attributable to the empowerment and ownership role in the process that are at the heart of the Partnering concept.

Numerous benefits result from the use of Partnering which significantly enhance the effectiveness of communications between Government and industry and dramatically facilitate contract performance. Some of these benefits are:

- Establishment of mutual goals and objectives in lieu of individual positions or agendas. The parties recognize that their success depends on their ability to work effectively together as a team throughout contract performance.

- Replacement of the “us vs. them” mentality of the past.
with a true “win-win” philosophy and partnership for the future where the parties recognize that “we’re in this together.”

- Building trust and encouraging open, honest and continuous communication throughout contract performance.

- Elimination of surprises that result in program delays, increased costs, claims and litigation, through enhanced communication.

- Enabling the parties to proactively anticipate, avoid and expeditiously resolve problems through the development of action plans that identify the problem and its cause, the best alternative for avoiding/resolving it, the individual(s) within the Government and contractor organizations responsible for resolving the issue and a timetable for accomplishing that objective.

- Resolving disputes through the use of a clearly defined conflict escalation procedure, a three-tiered process that includes the essential participants in the partnership, all of whom are fully empowered with the requisite authority and responsibility to make binding decisions in their areas of expertise. All of the participants know that they will have a fixed number of days within which to resolve any issue with which they are confronted. If they fail to do so, the issue will be automatically escalated through the second and third organizational levels. This procedure avoids inaction and precludes allowing problems to fester. Most importantly, however, experience has shown that almost all issues are successfully resolved at the lowest organizational level.

- Avoiding the expense, delay and mistrust caused by formal litigation through the implementation of an ADR procedure.

- Reduced paperwork and necessity for “documenting the file.” The reduction in paperwork is facilitated by the “real time” simultaneous review of contractual documentation such as technical data package changes, engineering change proposals and contract data requirements list submissions in lieu of the traditional sequential review process often necessitating multiple drafts, revisions and supplements over the course of weeks or months.

- Improved employee morale and enhanced professionalism in the work force through the empowerment of team members to formulate and cooperatively accomplish common goals and objectives. The result is that the participants develop a personal stake in the ultimate contractual outcome.

**WHAT IS A CORPORATE PARTNERING AGREEMENT?**

When the Partnering process is used in conjunction with an individual contract, one of the essential tools that is developed during the initial Partnering Workshop is the Partnering Agreement. This document, which sets forth the parties’ mission statement, mutual goals and objectives and commitment to the Partnering relationship, is the focal point of their relationship and the blueprint for their future success.

In an effort to further enhance the effectiveness of communications with its principal contractors and to provide a forum for the exchange of ideas, discussion of problems and formulation of better ways of conducting business, Team C4IEWS (Command, Control, Communications, Computers, Intelligence, Electronic Warfare and Sensors) located at Fort Monmouth, New Jersey, expanded the scope of the Partnering concept. Team C4IEWS is comprised of the United States Army Communications-Electronics Command (CECOM) and the Program Executive Officers (PEOs) for Intelligence, Electronic Warfare and Sensors and Command, Control and Communications Systems. In November 1996, Team C4IEWS and Hughes Aircraft Company executed the first Corporate Partnering Agreement (CPA) in the Department of Defense. Team C4IEWS has subsequently entered into additional CPAs with Lockheed Martin Corporation; ITT Defense and Electronics; GTE Government Systems Corporation; Litton Systems, Inc.; Raytheon Systems Corporation; Electronic Data Systems Corporation; and Harris Corporation, and several other CPAs are presently in process. These Agreements are signed by a senior executive of the corporation, usually at the Chief Executive Officer or President level, and by the Commanding General, CECOM, as well as the PEOs for Intelligence, Electronic Warfare and Sensors and Command, Control and Communications Systems.

**COMPONENTS OF THE CPA**

The essence of the CPA is the recognition by the Government and contractor participants that in an era of constantly diminishing personnel and financial resources, we can no longer afford not to partner or to continue doing business in the traditional, adversarial ways of the past. Accordingly, in the first paragraph of the CPA, the parties commit to use the Partnering process in each of their future contractual efforts. They also agree to serve as champions responsible for inculcating within their organizations a commitment to openness, honesty, mutual trust and teamwork and a focus on the accomplishment of mutually beneficial goals and objectives. Most important, however, is the overriding objective established by the parties: providing America’s warfighters with the most technologically advanced and highest quality supplies and services in a timely manner in order to promote the swift, safe and successful accomplishment of their missions.

The majority of the CPA is focused upon the commitment of the parties to execute individually designed and tailored Partnering Agreements in conjunction with each new contract award. The CPA also highlights the key Partnering tools that must be developed in furtherance of each of these contract-specific Partnering Agreements: the mission
statement, including the parties’ mutual goals and objectives; the identification of all potential obstacles to the timely and effective completion of the contract (i.e., the “rocks in the road”); the establishment of a tiered conflict resolution process; and a commitment to utilize ADR procedures to the greatest extent possible in order to facilitate the timely resolution of disputes and eliminate the necessity for litigation.

The CPA also encourages the parties to examine their existing contracts in order to determine the feasibility and potential benefit of incorporating a Partnering Agreement during contract performance. Additionally, it clearly indicates that the CPA shall not be used as a vehicle for the dissemination or exchange of any competition sensitive, source selection, or proprietary information or for the premature or unilateral release of acquisition-related information prior to its publication to industry in general. Lastly, the CPA sets the foundation for the parties to continue to discuss Partnering-related issues and acquisition reform initiatives on a periodic basis in the future.

**CPA SUCCESSES**

Team C4IEWS’ experiences using CPAs have been extraordinarily positive. Not only has this concept provided Team C4IEWS with the opportunity to educate its major contractors regarding how the Partnering process works, it has also created a unique environment for Team C4IEWS and the company to explain to each other what makes them tick. These sessions, as well as the follow-on meetings, have also served as forums for discussions regarding the implementation of new acquisition-related concepts, Government and industry perceptions, biases and motivations, and ideas for the improvement and streamlining of the procurement process. Most importantly, however, it has dramatically increased the level of trust and meaningful communication amongst the participants.

Mr. Edward Bair, the Deputy PEO for Intelligence, Electronic Warfare and Sensors, had the following observations regarding the use of the CPA process within Team C4IEWS:

“The Corporate Partnering framework we have employed MAKES A DIFFERENCE! It has facilitated breaking down communications barriers on both the Government’s and industry’s sides and enabled us to better understand common areas of strategic goals, interests and initiatives, while still preserving separate business objectives. Corporate Partnering has been an enabling approach to foster, and even expedite, the kinds of cultural change and relationships we need to sustain the revolution in business affairs to which we aspire. Simply put, Corporate Partnering has been a catalyst for leadership to effect change in our cultures and business practices. I fully endorse and am committed to Corporate Partnering, as much as we need IPTs at the PM’s level, to effectively execute our strategies as well as strengthen our mutual understanding and trust of how best to meet the capabilities needed for our warfighters, today and into the future.”

**THE FUTURE**

From Team C4IEWS’ perspective, we believe that the establishment of a true Partnership with industry through the use of CPAs is precisely the kind of nontraditional “outside the box” thinking that acquisition reform is all about. We are convinced that adherence to this strategy is imperative for us to be able to successfully accomplish our most important mission—providing the American warfighter with the most technologically advanced and reliable equipment in a timely manner.

Copies of the AMC Partnering Guide may be obtained by contacting Stephen Klatsky, AMC, at (703) 617-2304. Questions regarding the Partnering process in general or CPAs in particular should be directed to Mark Sagan at (732) 532-9786.
Overarching Partnering Agreement Between
Team C4I-EWS and
General Dynamics Corporation

GENERAL DYNAMICS
August 29, 2000

1. We, the senior leadership of Team C4I-EWS and General Dynamics Corporation, are fully committed to the utilization of the Partnering process in the performance and administration of each of our future contractual endeavors.

2. We will serve as the champions for the establishment of positive and proactive relationships between our organizations based upon mutual trust and respect and the replacement of the “us vs. them” mentality of the past with a “win-win” philosophy and partnership for the future and dedicated to the accomplishment of mutually beneficial goals and objectives (i.e., the delivery of the highest quality products/services, on or ahead of schedule, at a reasonable price/profit).

3. We are committed to the highest ethical and professional standards and the creation of a mutually supportive team-based environment. We believe that our commitment to Partnering will promote synergy, pride in performance, and quality workmanship leading to showcase projects and outstanding contract performance.

4. Our overriding objective shall always be providing America’s warfighters with the most technologically advanced and highest quality supplies and services in a timely manner in order to promote the swift, safe and successful accomplishment of their missions.

5. All contracts between Team C4I-EWS and General Dynamics Corporation awarded subsequent to the execution of this Agreement will include an individually designed and tailored Partnering Agreement based upon open, effective and continuous communication and dedicated to successful contract performance, the establishment of a true team spirit, the timely resolution/avoidance of problems, and continuous product and process improvement.

6. Immediately after the award of a contract, each of these Government/Contractor Teams will work together to identify and mutually agree upon the particular program’s mission, goals and objectives; all potential obstacles to the timely and effective completion of the contract (i.e., the “rocks in the road”); the establishment of a tiered conflict avoidance/resolution process and milestones for assessing, on a periodic basis, the Team’s success in overcoming these hurdles and successfully accomplishing the program’s objectives. Existing contracts between Team C4I-EWS and General Dynamics Corporation will each be reviewed to determine the feasibility and potential benefit of incorporating a Partnering Agreement during contract performance.

7. Although we anticipate the development of a tiered conflict avoidance/resolution process, we agree to empower our employees to jointly and expeditiously resolve all problems at the lowest possible level.

8. Alternative Dispute Resolution techniques will be used to the greatest extent possible in order to facilitate the timely resolution of disputes and eliminate the necessity for litigation.

9. It is recognized that notwithstanding the objectives of this Agreement, it shall not be used as a vehicle for the dissemination or exchange of any competition sensitive, source selection or proprietary information or for the premature or unilateral release of acquisition-related information prior to its publication to industry in general.

10. Any Partnering Agreement(s) entered into between Team C4I-EWS and General Dynamics Corporation shall not be used to alter, supplement or deviate from the terms of the contract(s) and the legal rights and obligations of the parties set forth within. Any changes to the contract(s) must be executed in writing by the Contracting Officer.

11. Team C4I-EWS and General Dynamics Corporation will share the costs associated with the implementation of the Partnering process as set forth in the individual Partnering Agreements executed pursuant to this Agreement.

12. We agree to discuss the status of Partnering initiatives between Team C4I-EWS and General Dynamics Corporation periodically in order to reinforce the Partnering commitment, share and build upon significant accomplishments, and identify and eliminate any perceived barriers to future success.

13. This agreement does not waive or obviate any legal or equitable right or remedy or create any legally enforceable duties.

GORDON R. ENGLAND
Executive Vice President
General Dynamics Corporation

KEVIN CARROLL
Program Executive Officer
Standard Army Management Information Systems

EDWARD T. BAIR
Program Executive Officer
Intelligence, Electronic Warfare and Sensors

ROBERT L. NABORS
Major General, USA
Commanding
U. S. Army Communications-Electronics Command and Fort Monmouth

STEVEN W. BOUTELLE
Brigadier General, USA
Program Executive Officer
Command, Control and Communications Systems
Appendix E

“Rocks in the Road” Action Plan

Armored Security Vehicle Program

Potential “Rocks” identified in Problem-Solving Groups

• GFE Deliveries
• Long-lead items
• Interpretation of requirements
• Inadequate/slow information transfer
• Overly bureaucratic/risk avoidance

Other Potential Key “Rocks”

• ILS considerations
• Concurrent engineering
• Untimely decisions
• Cost Control
• Geographical considerations
• PCO/ACO interface

Other Potential “Rocks”

• Logistical, technical issues
• Possible change in user requirements
• Inclement weather
• Unrealistic specifications
• Changes in personnel
• Contract changes
• Worker training
• Hesitation in the partnering process
• Loss of funding
• Decision levels too high
• Labor issues
• Contractor technical data
• Unknown factors
• Old school versus new school
• Contractual gray areas
Rocks in the Road

Key Rocks

Please identify potential obstacles which may arise for you or your teammates which could hinder successful completion of the project.

- Need to integrate approach and implementation plan for CTT (3) and MAT. (MAT expertise)
- LRIP decisions confidence (progress and risk mitigation)
- Detailed schedule and milestone plan for JTT
- A balance between the number of interfaces and adequate information flow
- PM baseline (cost and schedule growth)
- Poor RAM #1
- Lack of assets for test/TNG/validation
- Rotable spares QTY/RAM
- Unsuccessful network interop and completion of validation plan #2
- Progress payment request by AERN
- Timely implementation of changes to contractual documentation
- Definitize delivery schedule in Section B
- Establishment of a mutually agreeable VE program
- Resolution of performance based payment issues
- Not meeting technical performance requirements
- Excessive design cycle time
- Requirements definition interpretation
- Configuration management throughout life of terminal
Rocks in the Road

Other Rocks

Please identify potential obstacles which may arise for you or your teammates which could hinder successful completion of the project.

- Early identification of issues to reduce schedule and program risk; Timely problem resolution
- Personnel resources (lack there of)
- Levels of authority (empowerment)
- Corporate’s plan for RESP
- User requirements verification
- Timely user feedback
- Availability of MAT knowledge
- Isolation of the TDDS and TIBS programs
- Host platform interface incompatibility
- IBS decision delay impacts
- The required for Government to develop negotiation position
- Software schedule impacted by loss of software writers
- Prioritize workload
- Proactively inform of events (meetings, changes)
- Time it takes for the Government to prepare an acquisition package
- Not having software development schedule to measure progress
- Instability of requirements
- ICD quality impact on initial integration
- Availability of new technology plans
- Excessive design cycle time
- Key person becomes unavailable
- Lack of access to software development folders
- Requirements definition interpretation
- P3I efforts impact primary contract resources
- Infrequent collection of software metrics
- Difficulty of servicing diverse customers
- Overcome not invented here or rice bowl issues, resistance to a new product
- Inadequate validation of requirements
### Structured Problem Solving Results

**Champions:** Army - LTC. Kostek/Raytheon - Debbie Miller

**Problems:**
- Lack of program management baseline
- Don’t have time phased schedule of program tasks
- Not identified/defined resources to program tasks

<table>
<thead>
<tr>
<th>Action Plan</th>
<th>What is to be done?</th>
<th>When will it be done?</th>
<th>Who will do it?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Complete schedule development (time-phase)</td>
<td>December 15, 1997</td>
<td>Debbie Miller</td>
</tr>
<tr>
<td>2.</td>
<td>Generate ECP change requests</td>
<td>January 9, 1998</td>
<td>Debbie Miller</td>
</tr>
<tr>
<td>3.</td>
<td>PM response to ECP requests</td>
<td>January 16, 1998</td>
<td>Steve Morton</td>
</tr>
<tr>
<td>4.</td>
<td>Complete resource allocation/loading</td>
<td>December 22, 1997</td>
<td>Debbie Miller</td>
</tr>
<tr>
<td>5.</td>
<td>Perform translation to cost account system</td>
<td>January 12, 1998</td>
<td>Debbie Miller</td>
</tr>
<tr>
<td>6.</td>
<td>Briefing/decision approval of PMB at Raytheon IPR</td>
<td>January 14, 1998</td>
<td>Diane Murphy</td>
</tr>
</tbody>
</table>

### Structured Problem Solving Results

**Champions:** Army - LTC. Kostek/Raytheon - Debbie Miller

**Problems:**
- Need an integrated implementation plan for CTT H/R and CTB, and MATT migration
- Lack of MATT expertise
- Resource identification for task

<table>
<thead>
<tr>
<th>Action Plan</th>
<th>What is to be done?</th>
<th>When will it be done?</th>
<th>Who will do it?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Contract action to expand T &amp; M scope + Draft SOW</td>
<td>January 9, 1997</td>
<td>Mike Gallagher/ Kemp Johnson</td>
</tr>
<tr>
<td>2.</td>
<td>Turnaround proposal</td>
<td>January 16, 1998</td>
<td>Steve Morton</td>
</tr>
<tr>
<td>3.</td>
<td>Develop detailed CTT/MATT migration implementation plan and schedule</td>
<td>March 15, 1998</td>
<td>Diane Murphy</td>
</tr>
<tr>
<td>4.</td>
<td>Identify individuals from Raytheon to SPT this task</td>
<td>January 9, 1998</td>
<td>Diane Murphy</td>
</tr>
</tbody>
</table>
Appendix F

Conflict/Issue Escalation Procedure

### Issue Escalation Chart

<table>
<thead>
<tr>
<th>Level</th>
<th>Textron</th>
<th>TACOM AG Center</th>
<th>Program Executive</th>
<th>MP School</th>
<th>Navy SUPSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Denise Mika</td>
<td>Michelle Velliky</td>
<td>Maureen Cross</td>
<td>Mike Burns</td>
</tr>
<tr>
<td>2</td>
<td>Bill Reynolds</td>
<td>Ken Bousquet</td>
<td>Tony Shaw</td>
<td>Kerrie Edwards</td>
<td>Dave Fukda</td>
</tr>
<tr>
<td></td>
<td>Larry Ham</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>John Terry</td>
<td>Rick Bender</td>
<td>John Weaver</td>
<td>Lt. Col. Johnston</td>
<td>Commander Gordon</td>
</tr>
<tr>
<td></td>
<td>Jim Smedley</td>
<td>Marty Green</td>
<td></td>
<td>Col. Sudnik</td>
<td>Lt. Wiegand</td>
</tr>
<tr>
<td>4</td>
<td>Jim Kratzer</td>
<td>Dan Maney</td>
<td>Walt Wynbelt</td>
<td>General Foley</td>
<td>Capt. Whiddon</td>
</tr>
</tbody>
</table>

### Issue Escalation Guidelines

**A Flexible Approach**

1. When a disagreement surfaces, the individuals involved should mutually set a time frame to resolve the issue. If they cannot come to closure on that issue within the set time frame, they MUST escalate the issue with the facts.

2. If the individuals cannot reach agreement on a time frame for resolution, they MUST immediately escalate the issue.

3. Any issue/disagreement that has a direct impact on construction progress should be escalated immediately.
## Issue Resolution Process

<table>
<thead>
<tr>
<th>Levels</th>
<th>Selfridge</th>
<th>Facility Engineering</th>
<th>Acquisition</th>
<th>E.L. Bailey</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>John Kujda Inspector</td>
<td>LeRoy Proszkowski Inspector</td>
<td>Patty Horton Jim Gottschalk Carol Paton Fran Dolata Contract Specialists</td>
<td>Morrie Daniels Quality Control Manager Chris Reimel Superintendent</td>
</tr>
<tr>
<td>2</td>
<td>Wayne Shaw Engineer Marc Point Engineer</td>
<td>Assigned Project Manager by delivery order</td>
<td>Ron Kraus KO Major Ed Ottman KO</td>
<td>Ali Alnufi Project Manager</td>
</tr>
<tr>
<td>3</td>
<td>Ron Wesley Director of Public Works</td>
<td>Bob Novak Team Leader</td>
<td></td>
<td>Reggie Bailey General Manager</td>
</tr>
<tr>
<td>4</td>
<td>Warren Heller Deputy Commander Col. Calder Commander</td>
<td>Jim Park Chief of DPW Woody Lacombe Director of Installation</td>
<td>Rick Bender Chief-Installation Support</td>
<td>Ed Bailey President</td>
</tr>
</tbody>
</table>

Guidelines:
1. Resolve issues at the action level
2. If there is no agreement, you MUST escalate the issue before it impacts cost or the schedule
3. Escalate with the FACTS
4. Escalate equitably
5. Get another set of eyes at a higher level to review the FACTS
<table>
<thead>
<tr>
<th>Issue Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Raytheon</strong></td>
</tr>
<tr>
<td>Dr. Garrett</td>
</tr>
<tr>
<td>Mitchell Lee</td>
</tr>
<tr>
<td>John Milford</td>
</tr>
<tr>
<td>Diane Murphy</td>
</tr>
<tr>
<td>John Price (Warranty)</td>
</tr>
<tr>
<td>Diane Murphy (CIBSM)</td>
</tr>
<tr>
<td>John Ryan (CM)</td>
</tr>
<tr>
<td>Chris Price (Warranty)</td>
</tr>
<tr>
<td>Ed LaPorte (ILS)</td>
</tr>
<tr>
<td>TBD (HOST)</td>
</tr>
<tr>
<td>Terri West (SW)</td>
</tr>
<tr>
<td>David Cleotellis (TEST)</td>
</tr>
<tr>
<td>Via Nastasi (COMSEC)</td>
</tr>
<tr>
<td>Steve Bucon (COMSEC)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level/Time Frame</th>
<th>Raytheon</th>
<th>Government Army</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 5 (2 Weeks)</td>
<td>Dr. Garrett</td>
<td>MG Gust/Mr. Bar</td>
</tr>
<tr>
<td>Level 4 (5 Days)</td>
<td>Mitchell Lee</td>
<td>Col. Young</td>
</tr>
<tr>
<td>Level 3 (3 Days)</td>
<td>John Milford</td>
<td>Sam Fusaro</td>
</tr>
<tr>
<td>Level 2 (3 Days)</td>
<td>Diane Murphy</td>
<td>Mike Gallagher</td>
</tr>
<tr>
<td>Level 1 (2 Days)</td>
<td>John Price (Warranty)</td>
<td>Tom Clegary</td>
</tr>
<tr>
<td></td>
<td>Diane Murphy (CIBSM)</td>
<td>Andy Williams</td>
</tr>
<tr>
<td></td>
<td>John Ryan (CM)</td>
<td>Steve Morton</td>
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<tr>
<td></td>
<td>Chris Price (Warranty)</td>
<td>Tom Clegary</td>
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<td></td>
<td>Ed LaPorte (ILS)</td>
<td>Jon Rummel</td>
</tr>
<tr>
<td></td>
<td>TBD (HOST)</td>
<td>Kam Lok</td>
</tr>
</tbody>
</table>
Appendix G
ADR Protocol Agreement

ALTERNATIVE DISPUTE RESOLUTION

PROTOCOL AGREEMENT

This alternative dispute resolution agreement (the Agreement) entered into by Lockheed Martin Ordnance Systems, Inc. (LMOS) and the Department of Army, Industrial Operations Command (IOC) is intended to establish procedures to resolve disputes that may arise during the performance of the HYDRA-70 Systems contract DAAA09-95-C-0028. The IOC and LMOS are collectively referred to as "the parties."

PURPOSE:

This Agreement supplements the parties' existing Partnering procedures¹, extends the partnering concept, precedes the submission of a certified claim by the contractor and a final decision by the contracting officer. This Agreement is limited to disputes that would normally be subject to the disputes clause of the contract. Actions taken by the parties under this Agreement are considered a continuation of the Partnering dispute avoidance process and are not to be considered claims under the Contract Disputes Act (specifically 41 USC §605) or the Administrative Dispute Resolution Act. The parties will suspend any time limits imposed upon the parties for filing claims under the Contract Disputes Act during the period that the parties are attempting settlement through this ADR Agreement. Both parties share a desire to avoid expensive, time consuming litigation and to identify and mutually eliminate or resolve disputes. This Agreement is a plan for such dispute resolution procedures.

AGREEMENT:

1. The parties agree to utilize a two-step alternative to litigation that extends the partnering concept. Step-one follows the conflict escalation established at the Partnering Conference February 1, 1996. Step-one involves the submission of the dispute to a Standing Neutral after the matter has already been escalated through each parties organization in accordance with the conflict "Issue Resolution Chart" established at the Partnering Conference. Step-two involves the submission of the matter in dispute to a Mediator mutually agreed to by the parties, only after the parties agree the Standing Neutral is unable to assist the parties in a resolution.

2. Step-One: The parties have selected Jimmy C. Morgan, Director, ACALA as the Standing Neutral and he has agreed to serve in that capacity and be available on reasonable notice. In the event that Jimmy C. Morgan becomes unwilling or unable to serve, the parties agree to select an alternate Standing Neutral.

3. If after a matter has been escalated to Linda P. Hudson, President, Lockheed Martin Ordnance Systems, Inc. and Sandra S. Crisp, Chief, Commercial Ammunition Procurement Division, or their successors, and it has not been resolved within 14 working days, either party may give written notice to the other party of their intention to submit the matter to the Standing Neutral. The written notice shall briefly identify the dispute. The Standing Neutral shall be furnished a copy of the written notice. Within 5 working days after receipt of the notice, the receiving party shall reply in writing acknowledging receipt of the notice and concur that the matter is a good faith dispute ripe for submission to the Standing Neutral. A copy of this reply shall be furnished to the Standing Neutral.

4. After the initial notice and acknowledgment, the parties agree that neither party shall have ex parte communications regarding the substance of the dispute with the Standing Neutral before the Standing Neutral has scheduled an initial conference. After the initial conference, the manner and frequency of communications shall be at the discretion of the Standing Neutral. During the initial conference, or within 5 work days of the initial conference, the Standing Neutral will decide and notify the parties of the need to submit written documentation supporting their positions.

5. After receipt of notice from the Standing Neutral of the need to submit written positions on the dispute, the parties shall submit their written positions within 10 working days of receipt of the notice. The written position shall, as a minimum, include the following:

   a. written statement of facts relevant to the dispute;
   b. the party's written position and rationale for the position;
   c. all other information and documents supporting the party's position; and
   d. the name and title of individuals personally knowledgeable of the facts identified in the party's statement of facts, including individuals representing the other party.

Each party shall submit a copy of this same information to the other party contemporaneously with the submission to the Standing Neutral. The parties further agree to honor all additional

\[\text{footnote}{2}\]

The forum for the initial conference may be either a personal meeting or telephone conference at the discretion of the Standing Neutral and the parties.

\[\text{footnote}{3}\]

Position papers and other arguments posed by the contractor in furtherance of this ADR procedure shall be marked to prohibit confusion as to the intent of the document. The following marking is recommended:

"This paper is submitted under the ADR Agreement between the parties in furtherance of settlement, and is not to be construed as a claim or request for final decision. The contractor retains his rights to submit a claim or request for final decision at a later date if no resolution is reached."
reasonable requests for information from either the Standing Neutral or the other party.\(^4\)

6. After receipt of the parties written positions, the Standing Neutral may interview witnesses, request additional documents, and generally use all means at his or her disposal to gather facts relevant to the dispute.

7. LMOS shall be represented by Linda P. Hudson, President, Lockheed Martin Ordnance Systems Inc., or her successor, and the IOC shall be represented by Sandra S. Crisp, Chief Commercial Ammunition Procurement Division, or her successor. The parties may be represented by counsel in a matter before the Standing Neutral. Each party will notify the Standing Neutral and other party of the name, address, telephone and fax numbers of its counsel.

8. The Standing Neutral will advise the parties of a recommended resolution to the dispute within 20 working days of the initial conference, or receipt of the parties' written positions in the event the Standing Neutral has requested written positions. The parties may mutually agree in writing to an extension of the date for this recommendation. Unless the parties agree otherwise, the Standing Neutral will provide a written statement of recommendation.\(^5\)

9. The parties expect and the Standing Neutral agrees to apply (although the Standing Neutral is not obligated) the principles included in Attachment 1 to this agreement to resolve the dispute. The Standing Neutral's recommendation is not binding on the parties. Within 5 working days after receipt of the recommendation, either party, by written notice to the Standing Neutral and other party may request the Standing Neutral correct any computational, typographical or similar error in the recommendation. The Standing Neutral may also make similar corrections on its or her own initiative.

10. Within 10 working days after the receipt of the Standing Neutral's recommendation, or corrected recommendation, the parties shall notify each other in writing of their intention to implement the recommendation or request the matter be escalated to Mediation (Step-Two).

\(^4\) All negotiations, documentation and statements pursuant to this agreement are considered confidential and shall be treated as compromise and settlement negotiations for the purposes of all applicable rules of evidence and statute, including but not limited to Federal Rules of Evidence (FRE), Rule 408 and 5 U.S.C. Sections 573 and 574. The parties and the Standing Neutral shall not voluntarily disclose these dispute resolution communications. If the Standing Neutral or the parties receive a demand for disclosure, they shall notify the neutral and other party.

\(^5\) This statement will not be admissible in any subsequent judicial or administrative proceeding regarding this or any other dispute between the parties. Furthermore, neither party may compel testimony of the Standing Neutral relating to these proceedings in any subsequent judicial or administrative proceeding regarding this or any other dispute between the parties.
11. Step-Two: The parties agree that if after receipt of the Standing Neutral's recommendation they are unable to mutually implement the recommendation, they will mutually acquire a mediator. The parties acknowledge that mediation services are available from a wide range of potential providers, and that the most valuable provider may differ based on the nature of the unresolved dispute existing between the parties.

12. The parties agree to exchange a list of not more than three potential mediators within 3 working days of the decision to escalate the unresolved dispute. Each list shall contain sufficient information to allow each party to evaluate the proposed mediator. Each list shall include, as a minimum, name, address and telephone number for the proposed mediator. The list shall also include a brief description regarding any previous experience the proposing party has had with the mediator, including known fees or rates charged by the mediator. Within 7 working days of the decision to escalate the unresolved dispute to mediation, the parties shall mutually select a mediator. The parties shall equally share the cost of mediation, excluding attorney fees.

13. Although the mutually selected mediator will likely establish the mediation procedures, the parties agree in advance to the following basic procedures:

   a. Participants - LMOS shall be represented by Linda P. Hudson, President, Lockheed Martin Ordnance Systems Inc., or her successor and the IOC shall be represented by Sandra S. Crisp, Chief, Commercial Ammunition Procurement Division, or her successor. The parties may be represented by counsel in a matter before the Mediator. Each party will notify the Mediator and other party of the name, address, telephone and fax numbers of its counsel.

   b. Duration - The parties may discontinue the process at any time if they feel the process is no longer productive. If a party chooses to withdraw from the process, the party shall immediately notify the mediator and other participant.

   c. Confidentiality and Use of Information - All negotiations, documentation and statements pursuant to this Agreement are considered confidential and shall be treated as compromise and settlement negotiations for the purposes of all applicable rules of evidence and statute, including but not limited to Federal Rules of Evidence (FRE), Rule 408 and 5 U.S.C. Sections 573 and 574. The parties and the Mediator shall not voluntarily disclose these dispute resolution communications. The Mediator shall be disqualified as a witness, consultant or expert in any pending or future action relating to the subject matter of the mediation. If the Mediator or the parties receive a demand for disclosure they shall notify the Mediator and other party.

The parties agree to provide the Mediator with all relevant information necessary. The parties also agree to exchange relevant information as recommended by the Mediator. The parties will participate in good faith and agree that personal attacks and inflammatory statements are unacceptable.
14. This Protocol Agreement shall be effective upon the signatures of the representatives, and may be modified or amended by mutual agreement of the parties. Any settlement agreement reached by the parties under this Agreement shall be incorporated into the contract via formal written modification to the contract. No such contract modification will be required if the agreement reached does not effect the contractual rights of the parties.

DATED: 7 Aug 96  
BY: [Signature]

Principal Representative for the Industrial Operations Command

DATED: 8/7/96  
BY: [Signature]

Principal Representative for Lockheed Martin Ordnance Systems, Inc.
ATTACHMENT 1

Objectives, Processes and Principles
of the
Standing Neutral

The Standing Neutral's Objective

The Standing Neutral will act as a neutral third party and not as an agent of any party to the negotiation. The Standing Neutral's responsibility is to facilitate the parties in their own resolution of the issues identified by the parties. The Standing Neutral will endeavor to remain familiar with the HYDRA-70 program through attendance at quarterly program reviews. The Standing Neutral will remain acquainted with milestones, turning points and issues that may become disputes between the parties. It is the intent of the contractual parties to keep disagreements that may fall under the Contract Disputes Act from delaying or adversely affecting the performance of the contract or the relationships of the parties. It shall be the objective the Standing Neutral to assist the parties in achieving this result.

Process

1. The Standing Neutral shall be kept informed about the status of the contract, and specifically about any issues that might arise that may effect contract performance, or may lead to a dispute under the contract. Both parties hold an obligation to keep the Standing Neutral informed. It is expected that the Standing Neutral will be invited to and informed about all quarterly review meetings, or other such discussions relating to contract status.

2. It is anticipated that the parties will not formally engage the service of the Standing Neutral until the parties have attempted settlement through the step negotiation process laid out in the "Issue Resolution Chart" established at the Partnering Conference, and that such negotiations have reached their final step and failed.

3. The Standing Neutral must at all times remain unbiased relating to the parties or an issue in controversy. If the Standing Neutral finds that he cannot be unbiased, or that a conflict of interest might exist, he shall excuse himself from participation in the specific issue creating the bias or conflict.

4. After initial review of the facts, and review of the position papers supplied by the parties, the Standing Neutral shall advise the parties of a recommended resolution to the dispute within 20 working days of the initial conference, or receipt of the parties' written positions in the event the Standing Neutral has requested written positions. This recommendation is not limited to settlement terms, but may include recommendations for further fact finding, continued negotiation, or other actions deemed appropriate by the Standing Neutral to assist the parties in a proper resolution of the issue(s).

---

1 Attachment to Alternative Dispute Resolution Protocol Agreement between the Department of Army, Industrial Operations Command and Lockheed Martin Ordnance Systems, Inc. under HYDRA-70 Systems Contract DAAA09-95-C-0028.
Principles

1. The Standing Neutral will inform himself of the facts, issues, positions, interests, documents, and supporting argument relating to a disputed matter. It is the purpose of the Standing Neutral to foster the negotiations between the parties, not to become involved in the substantive issues. The Standing Neutral may do this by:

   a. facilitating communications between the parties:
      1) restating positions,
      2) clarifying statements and arguments,
      3) setting ground rules for discussion (such as no interruptions, no unsubstantiated allegations, etc),
      4) separating emotions and personality from the issue

   b. helping clarify the parties' positions:
      1) separating facts from allegations,
      2) separating legal issues from factual issues,
      3) helping the parties narrow and define the issues,
      4) finding where the parties agree, and where they disagree,
      5) separating the parties stated positions from their real interests
      6) striving to obtain first hand knowledge of the facts or talk to those with first hand knowledge

   c. assisting in settlement:
      1) finding areas of mutual interest
      2) identifying innovative solutions or recommended settlements
      3) seeking win-win strategies
      4) evaluating the parties positions and advising of logical weaknesses
      5) helping the parties to stay focused on the big picture and the Partnering charter

   d. evaluating the parties' approach and the propriety of ADR
      1) is the disagreement over a need for revenge
      2) do the parties believe that compromise equals defeat
      3) is a final third party decision necessary to prevent disruption or recurrence of disagreements in the future
      4) are the parties rigidly positioned or unyieldingly confident in their position
      5) is there no authority by the parties to settle
         - issue outside of the contract
         - an issue of fraud or other criminal activity might be involved
         - an issue of bankruptcy might be involved
         - no warrant or actual authority granted to a negotiator
         - settlement prevented by policy of the organization

2. The Standing Neutral is not limited to the activities identified above, but is expected to act in accordance with those activities as the Standing Neutral deems necessary. Should ADR not appear appropriate for any of the reasons set forth in paragraph 4. d. above, the Standing Neutral shall identify his concerns with counsel for both parties and the IOC ADR Coordinator.
Appendix H

AMC ADR Program

The objectives of the AMC ADR Program are to adopt an interdisciplinary approach to address disputes and dispute resolution, to design processes to enable the parties to foster creative, acceptable solutions, and to produce expeditious decisions requiring fewer resources than formal litigation.

Definition of ADR

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.

Characteristics of ADR

Regardless of the specific ADR process chosen, there are characteristics common to all:

1. **Voluntary** — the parties choose to use ADR.

2. **Expeditious** — avoids components of traditional litigation that prolong and delay dispute resolution.

3. **Controlled by the parties** — the dispute is handled and resolved through an ADR Protocol Agreement in which the parties choose a specific ADR method, outline the specific steps of the process, and establish time periods for each step.

4. **Non-judicial** — rather than turning the case over to a third-party decision-maker who has no stake in the outcome of the dispute, ADR decision-making is in the hands of the parties to the dispute—the stakeholders.

5. **Flexible** — ADR is not a single method of dispute resolution. There are many methods. The parties decide which is best for them.
Examples of ADR Processes

1. Negotiation
   - Communication between parties to a suit. The parties seek resolution by listening to each other’s view point.
   - The basic building block for all forms of ADR.

2. Mediation
   - Negotiation facilitated by a neutral third party who does not have power to issue a decision—the parties decide the outcome themselves.
   - Assists in clarifying issues, identifying objectives, and managing the process.

3. Fact-Finding
   - An impartial third party collects information on the dispute and makes a report about relevant data or issues recommendations.
   - Provides an impartial assessment of the dispute for the parties.

4. Arbitration
   - The parties choose a neutral person to hear their dispute and to resolve it by issuing a decision which can be advisory or binding.
   - Although adjudicative, differs from litigation in that the rules of evidence are not applicable and the process is expedited.

5. Mini-Trial
   - Summary presentation of the case to key principals who are chosen by the parties to preside and render a decision.
   - A pre-trial agreement establishes the process to include strict time lines on presentation and submission of position papers, and restrictions on discovery and witnesses.
## Partnership Assessment Form

for the

**Vibratory Roller Program**

(Adopted July 29, 1998)

### Rating Criteria

(Goals & Objectives)

<table>
<thead>
<tr>
<th>Rating Criteria</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>Relationship is a Disaster</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>On/Ahead of Schedule</td>
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<td>2</td>
<td>3</td>
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<td>5</td>
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<tr>
<td>Timely resolution of issues at lowest possible level</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>Everyone works to same project schedule</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>Good coordination/oversight</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
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<tr>
<td>Proactive management</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Ongoing performance assessment</td>
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<tr>
<td>No surprises/timely communication</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>Mutual responsibility for schedule performance</td>
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<td>2</td>
<td>3</td>
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<td>Quality Product</td>
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<tr>
<td>Do it right the first time</td>
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<tr>
<td>Pride in product</td>
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<td>Supportable product</td>
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<tr>
<td>User friendly manuals and parts support</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Successful integration of millitary unique items</td>
<td>1</td>
<td>2</td>
<td>3</td>
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</tr>
<tr>
<td>Meet or exceed all PD requirements</td>
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<td>2</td>
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<tr>
<td>Safe, reliable product</td>
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<td>2</td>
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<td>Maintain Good Working Relationship</td>
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<td>Trust</td>
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<tr>
<td>Continuous open, honest communication</td>
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<td>2</td>
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<td>Strive for win-win</td>
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<td>Mutual professional respect</td>
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<td>Be one team</td>
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<td>Understand one another's needs</td>
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<td>2</td>
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<td>Provide ongoing constructive feedback</td>
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<td>Have a sense of humor</td>
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### Reasonable Price

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<tr>
<td>Take mutual responsibility for cost control</td>
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<td>Joint selection of unique tools</td>
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<td>Successful ALPHA negotiations</td>
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<td>Successful DVD negotiations</td>
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<td>Make a fair profit</td>
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### Maximize Commercial Practices

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<tr>
<td>Learn from one another</td>
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<td>Blend commercial practices with military needs</td>
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<td>Be flexible and open-minded</td>
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**NOTE:** For a rating of "3" or less, please comment as to the specific nature of the deficiency.

**COMMENTS:**

____________________________________________________________________

____________________________________________________________________

____________________________________________________________________

____________________________________________________________________

____________________________________________________________________

NAME: ___________________________ DATE: _____________

ORGANIZATION: ___________________________
# Sample Evaluation

<table>
<thead>
<tr>
<th>Name/Title:</th>
<th>Date:</th>
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**Project:**

Please evaluate work on the above project during the last month (circle your response and write comments for all items).

1. **Submittal process**
   - Poor
   - 1
   - 2
   - 3
   - 4
   - 5
   - Excellent
   - Comment: 

2. **Maintain coordination among all parties affected by project**
   - Poor
   - 1
   - 2
   - 3
   - 4
   - 5
   - Excellent
   - Comment: 

3. **Meet project schedules**
   - Poor
   - 1
   - 2
   - 3
   - 4
   - 5
   - Excellent
   - Comment: 

4. **Maintain coordination between government entities concerning project forecast**
   - Poor
   - 1
   - 2
   - 3
   - 4
   - 5
   - Excellent
   - Comment: 

5. **Safety**
   - Poor
   - 1
   - 2
   - 3
   - 4
   - 5
   - Excellent
   - Comment: 

6. **Quality**
   - Poor
   - 1
   - 2
   - 3
   - 4
   - 5
   - Excellent
   - Comment: 

7. **Clearly define scope of work**
   - Poor
   - 1
   - 2
   - 3
   - 4
   - 5
   - Excellent
   - Comment: 

8. **Complete within respective budgets**
   - Poor
   - 1
   - 2
   - 3
   - 4
   - 5
   - Excellent
   - Comment: 

Return to: ___________________________ Return by: ___________________________

Observations: _____________________________________________________________

______________________________________________________________________

Opportunities for Improvement: ___________________________________________

______________________________________________________________________

______________________________________________________________________
Appendix J

Metrics

Areas To Review To Assess
The Success Of Your Partnering Efforts

The parties entering into the Partnering Agreement must identify a method to measure the impact Partnering has on contract performance. We strongly recommend that the parties keep these metrics in mind as they move through the contract and build their Partnering relationship. Although each contract will have unique goals and objectives identified at the Partnering Workshop, it is imperative that the partners agree upon a tool or method to measure each goal and objective. The Workshop facilitator should be able to assist in developing such metrics. The following are a few examples of specific contract performance items and components of a solid business relationship that could be measured during, as well as at the completion of, each Partnered contract.

Cost: There is no doubt that a comparison of the cost objectives with actual incurred costs on the contract is an appropriate measurement of the impact Partnering has had on contract performance. Whether the contract is cost reimbursement or fixed-price is not critical. Under a cost reimbursement contract, the government would incur greater risk if costs were not controlled, while under a fixed-price contract the contractor would incur greater risk. In either case, however, both of the partners may suffer when costs are not properly controlled, as this often precludes the accomplishment of their objectives.

Quality: The government has many ways to measure quality once the product or service is delivered (i.e., number of Quality Deficiency Reports, Reports of Item Discrepancy, warranty claims). However, a measurement of the contractor’s in-house quality performance can be a far more crucial element in determining the success of Partnering. By identifying in-house quality measurement tools and reports, and having both parties share the responsibility for analyzing and resolving issues that contribute to poor quality prior to delivery, the likelihood increases significantly that quality performance will be achieved. The parties must recognize that a sound contractor quality program will ensure the product/service delivered meets the terms of the contract and the user’s needs. It will reduce rework and improve the probability of remaining within the contract’s estimated cost and delivery schedule.

Delivery: Obviously, the ability to meet delivery schedules contained in the contract is a vital element of measuring Partnering success. It is, therefore, critical that the parties continuously communicate during contract performance to ensure that issues which may have an impact on delivery are resolved in a timely manner.
**Paperwork:** The parties should establish a method to determine if paperwork has been reduced as a result of their Partnering activity. This may be as simple as feedback on follow-up surveys or as complex as recorded logs for outgoing and incoming paperwork. We suggest the more informal approach to preclude the establishment of new reporting procedures or documents. The individuals working the issues associated with the contract can call upon their past experiences to assess whether paperwork actions have been reduced. They can also indicate if the parties are communicating and cooperating to the degree that “self-protection” paperwork is avoided.

**Litigation/Claims:** One goal included in each Partnered program should be zero claims or litigation events. Significant savings and enhanced contract performance can be achieved by avoiding all claims and litigation. The Conflict/Issue Escalation Procedure developed at the Partnering Workshop must be utilized to minimize the necessity for filing a claim(s).

**Morale/Satisfaction:** The follow-up surveys will reflect how well the parties are progressing in maintaining or improving team morale and satisfying all stakeholders. Each individual committed to the Partnering Agreement should benefit from the experience and find personal satisfaction in successful completion of the contract.

**Conflict/Issue Escalation Activity:** Most issues will be resolved at the lowest level working the contract; however, in some instances, it will be necessary to elevate issues to higher levels for review and resolution. The success of this process can be evaluated through the results of the follow-up surveys and the responses provided by participants regarding the Conflict/Issue Escalation Procedure.

**Decision-Making Process:** Timely decision-making is crucial to successful performance of any contract and will significantly reduce the potential for claims and litigation. Failure to do so will result in frustration on the part of many contract stakeholders and increase the risk that performance will not be completed within the terms of the contract. Feedback received in follow-up surveys will provide information relative to the timeliness, effectiveness and equity of the decision-making process.

**Quality Deficiency Reports (QDRs) and Reports of Item Discrepancy (RODs):** As mentioned above, these two items will identify post-delivery quality issues. Quantifying the number of QDRs and RODs received on supplies delivered will provide documentary evidence of the extent of successful contract performance. In addition, the manner and timeliness in which the QDR or ROD is resolved will also indicate the commitment parties have made to Partnering.
**Percentage Received on Award Fee:** Successful and outstanding contract performance may result in achievement of the maximum award fee allowed under the contract terms. Failure to attain performance supporting the maximum, or very near the maximum, award fee could indicate a level of customer/user dissatisfaction that should have been identified during contract performance. If the parties are communicating in a cooperative, open arrangement and the contractor is responsive to the information provided by the customer/user, it should be likely that a high percentage of the award fee will be paid.

**Achievement of Profit Objectives:** A primary goal of any contract is that the contractor achieve a reasonable profit. Failure to do so would preclude the contractor from classifying the program as a complete success. Even if all performance and quality objectives are met, the short and long term success of that firm is impacted by a failure to meet profit objectives on individual contracts. The contractor personnel can provide general statements on their ability to achieve this goal on fixed-price contracts. The same information can be obtained on cost reimbursement contracts, supported by DCAA confirmation following its review.
Appendix K

Questions & Answers about Partnering

Q-1 What is Partnering?

A The AMC Model Partnering for Success Process, as described in this Guide, is based upon a mutual commitment between government and industry to work cooperatively as a team to identify and resolve problems, effectively manage conflict, avoid disputes and litigation and facilitate contract performance. The primary objective of this process is providing the American warfighter and customer with the highest quality supplies/services on time and at a reasonable price. Partnering requires the parties to look beyond the strict bounds of the contract in order to formulate actions that promote their common goals and objectives. It is a relationship that is based upon open and continuous communication, mutual trust and respect, and the replacement of the “us vs. them” mentality of the past with a “win-win” philosophy for the future. Partnering also promotes synergy, creative thinking, pride in performance, and the creation of a shared vision for success.

Engaging in Partnering 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.

Q-2 Why would I want to become involved in the Partnering process? What’s in it for me?

A Partnering has not only consistently contributed to the success of a variety of programs within AMC, it has also significantly enhanced the morale and professionalism of the individuals who have been involved in the process. By promoting creativity and empowering people with the requisite authority to make binding decisions, in real time, the Partnering process has engendered a uniquely positive outlook and motivation to personally contribute to the accomplishment of the team’s goals and objectives. Most people who have participated in the process report that their ability to focus on and resolve problems and accomplish tasks in a timely manner without surprises, protracted arguments and the necessity for generating endless file documentation, minimizes stress and non-productive time and maximizes job satisfaction. Significantly, many Partnering participants have indicated that they would not want to work on a future project that was not partnered.
Q-3 How can we financially afford to partner in an environment in which acquisition budgets are consistently being reduced?

A The fact is that in today’s environment of dramatically reduced defense budgets, we can no longer afford not to partner. Although the Partnering process does entail an up-front investment to cover the costs of contracting with a facilitator and conducting the Partnering Workshop, experience has repeatedly demonstrated that these initial expenses are minimal compared to the significant savings realized in the cost of contract performance for both the government and the contractor.

Q-4 Isn’t the additional time necessitated by the implementation of the Partnering concept inconsistent with the increasing emphasis on acquisition streamlining and cycle time reduction?

A No. It is true that implementation of the Partnering process, particularly among individuals or organizations unfamiliar with the concept, requires an initial investment of time both in preparing for and conducting the Partnering Workshop. However, experience has consistently demonstrated that partnered contracts result in earlier contract completion. In fact, the Partnering process facilitates the accomplishment of acquisition streamlining and cycle time reduction objectives.

Q-5 How can a workforce-intensive process like Partnering be implemented in an environment in which the government and industry are downsizing?

A Although implementation of the Partnering process requires the active participation and involvement of all government and contractor stakeholders, it is not, in fact, a workforce-intensive process. Rather, through its focus upon open communications; the empowerment of the primary players and clear definition of their roles and responsibilities; the early identification of “Rocks in the Road” and formulation of an Action Plan for their prompt resolution; the avoidance of surprises; the significant reduction in paperwork; the development of a Conflict/Issue Escalation Procedure; and the elimination of litigation, the Partnering process is, in reality, a workforce multiplier, the utilization of which is absolutely essential to our future success.

Q-6 Aren’t the personnel and budgetary costs attributable to Partnering disproportionate to any potential benefits which can be obtained?

A No. Experience has repeatedly demonstrated that the personnel and financial investment in the Partnering process is far outweighed by the benefits which consistently result from the utilization of this technique.

Q-7 Isn’t Partnering simply a new “buzzword” for the team concept that has always been used in the administration of government contracts?

A No. The team approach which has historically been employed in the administration of some government contracts is significantly different from the Partnering concept. Gener-
ally, in “traditional” contract administration, when teaming is used, there is a government team and a contractor team that, for the most part, work independently. When the Partnering process is utilized, the government and the contractor approach contract performance as a single, interdependent unit whose objectives, focus and daily interaction are guided by the terms of the Charter which they themselves developed. Even when an inter-organizational team philosophy has been adopted, the parties usually do not have a process in place to implement that philosophy. The AMC Model Partnering for Success Process provides the blueprint for that implementation.

Q-8 Why is it advantageous to engage in the Partnering process when many organizations are already using Integrated Process Teams (IPTs)? Aren’t they really the same thing?

A No. The Partnering process is far more comprehensive than individual or groups of IPTs. Although conceptually the two methodologies have similar objectives - the improvement of contract performance - the IPT approach has a much more limited focus. IPTs generally are streamlined to enhance interaction and teamwork between technical personnel from the Government and the contractor regarding particular issues or subjects (e.g., concurrent engineering; logistics; human factors engineering) which are frequently independent of each other. The Partnering process, however, with its overall program focus, is far more extensive encompassing not only this type of IPT relationship, but also a specific and continuous procedure for the prompt identification and resolution of problems impacting contract performance, the establishment of a Conflict/Issue Escalation Procedure and Alternative Dispute Resolution methodology, and the development of a mechanism for the continuous assessment of program success. The Partnering relationship encompasses the full spectrum of the business relationship between the parties throughout contract performance and is focused upon promoting openness and continuous interaction by maximizing communications.

Q-9 Are there formalized rules for the implementation of the Partnering process or is it flexible enough to allow for tailoring as necessary to meet the needs of individual programs?

A There are no formalized rules for the implementation of Partnering. However, use of the AMC Model Partnering for Success Process, tailored as necessary to achieve the objectives of individual programs, is recommended.

Q-10 Is the Partnering Charter a legally enforceable agreement?

A No. The Partnering Charter is not a contractual agreement and does not create, relinquish or conflict with the parties’ legally binding rights or duties.

Q-11 What is the relationship between the Partnering Agreement and the contract?

A While the contract establishes the legal relationship between the parties, the Partnering Agreement establishes their business relationship. The Partnering Agreement
constitutes a mutual commitment by the parties on how they will interact during the course of the contract with their primary objective being successful and timely contract performance.

**Q-12 Can the Partnering Agreement be used to alter, supplement or deviate from the rights and obligations of the parties set forth in the contract?**

**A** No. The Partnering Agreement cannot be used to alter, supplement or deviate from the terms of the contract, nor can it affect the legal responsibilities or relationship of the parties.

**Q-13 Won’t the relationship between the government and the contractor engendered by the Partnering process undermine and/or preclude the enforcement of the parties’ contractual rights?**

**A** No. Engaging in the Partnering process does not require either party to relinquish or waive its contractual rights or to take any action that is inconsistent with its best interests. The Partnering process is, however, based upon the parties’ commitment to communicate openly and honestly, to expeditiously identify and resolve problems without the necessity for litigation, and to work cooperatively as a team to accomplish their mutual goals and objectives.

**Q-14 Wouldn’t it be improper for the government to become involved in or facilitate the contractor’s efforts to comply with the terms of the contract (i.e., to deliver conforming supplies/services on time and within the estimated cost/price)?**

**A** No. On the contrary, it is entirely appropriate and in the best interests of both parties for the government to partner with the contractor in order to facilitate and streamline contract performance. In today’s environment of personnel downsizing and dramatically reduced defense budgets, we can no longer afford to approach contract administration in a traditional “us vs. them” manner. It is imperative that we employ creative, “outside the box” thinking and accept the risks inherent in trying something new, in order to maximize our ability to provide America’s warfighters and customers with the most technologically advanced and reliable equipment in a timely manner.

**Q-15 Doesn’t implementation of the Partnering concept alter the traditional relationship between the government and industry?**

**A** Yes. The Partnering process replaces the passive, independent, “hands off” philosophy of the past—an approach which experience has shown to be both ineffective and manpower-intensive—with a proactive, interdependent, team-based approach for the future, a strategy which has already generated significant dividends throughout AMC.

**Q-16 Does the execution of a Partnering Agreement mean that disagreements between the parties will no longer be permissible?**
A No. Execution of a Partnering Agreement does not mean that the parties have somehow attempted to do the impossible—to preclude disagreements from arising during contract performance. On the contrary, the Partnering Agreement specifically anticipates the development of problems and conflicts and establishes a series of mechanisms designed to expeditiously resolve them at the lowest possible organizational level in order to streamline contract performance and avoid the significant expense and delays attributable to litigation.

Q-17 If disputes occur during contract performance, does this mean that the Partnering process has been unsuccessful?

A No. The Partnering process specifically recognizes that disputes may arise during contract performance and establishes a methodology for their prompt resolution without the necessity for litigation.

Q-18 Doesn’t the inclusion of Alternative Dispute Resolution provisions in the Partnering Agreement indicate that the parties anticipated that the Partnering process would fail?

A No. Partnering is an integral part of the AMC Alternative Dispute Resolution (ADR) program. The intent of the Partnering process is not to eliminate conflict, but rather to manage it, so that conflict does not prevent or delay the achievement of the parties’ overriding goals. Some issues may not be resolvable using the Conflict/Issue Escalation Procedure. When this happens, other ADR techniques, specifically selected by the parties, are used to apply different tactics in order to facilitate the timely resolution of conflict. ADR is not a sign of failure, but rather a continuation of the parties’ commitment to successful performance without the necessity for litigation.

Q-19 Is the Partnering Agreement developed in conjunction with an individual contract applicable to all subsequent contractual relationships between the government and the contractor?

A No. Assuming that both the government and the contractor wish to engage in the Partnering process on a continuing basis, each contractual endeavor between them must include individually designed and tailored Partnering Agreements reflecting the unique aspects and circumstances of each program (e.g., the parties’ goals and objectives; “Rocks in the Road”; and Conflict/Issue Escalation Procedure). It is noted that AMC does have experience with the use of Corporate Partnering Agreements (see Appendix C) in which senior management from the government and industry formalize their commitment to utilize the Partnering process in the performance and administration of each of their subsequent contractual efforts. Even in these instances, however, the parties specifically recognize the necessity to formulate individually designed Partnering Agreements for each of those contracts.

Q-20 Does the Partnering process have to be utilized on all contracts over a certain dollar value or of a particular duration?
No. Use of the Partnering process is never mandatory. The personal commitment, open communications and “outside the box” thinking which form the foundation for the Partnering concept necessitate its voluntary acceptance and utilization by both government and industry. Nevertheless, in selecting acquisitions for Partnering, contracts of two years’ duration or longer are generally preferred. If the partners are familiar with or have experience with the process, however, its use on shorter contracts is recommended. Furthermore, use of the Partnering process should always be carefully considered in conjunction with all acquisitions of $10M or more.

Q-21 Is Partnering limited to use in sole source acquisitions?

A No. The Partnering process can be employed in conjunction with both sole source and competitive acquisitions.

Q-22 Can the Partnering process be utilized with any type of contract?

A Yes. The Partnering process can be employed in conjunction with any contract type.

Q-23 Is it advisable to use the Partnering process when potentially complex and controversial issues are anticipated during contract performance? When potential industry or government partners have traditionally been uncooperative or adversarial?

A Yes. The Partnering process is most valuable and provides the greatest benefit to the parties when used in conjunction with technically complex efforts or in situations where prior contract performance has been poor or there has been a history of adversarial relationships between the government and the contractor.

Q-24 When should the government first communicate to industry its desire to utilize the Partnering process in conjunction with a particular program?

A The government’s desire to utilize the Partnering process in conjunction with a particular program or series of programs should be communicated to industry as early in the acquisition process as possible. As discussed in this Guide, both the government and industry are strongly encouraged to suggest the use of Partnering. These discussions can take place during Advance Planning Briefings for Industry and, with respect to specific programs, in draft solicitations published on a command’s web site as well as during Pre-Solicitation and Pre-Proposal Conferences.

Q-25 Does the enhanced level of communications between the government and industry necessitated by the Partnering concept increase the potential for violation of procurement integrity and/or standards of conduct rules?

A The existence of a Partnering Agreement between government and industry is not an exception to, inconsistent with, or a waiver of any of the rules relating to procurement integrity and standards of conduct. Notwithstanding the fact that enhanced communica-
tions between the parties is the foundation of the Partnering concept, it is imperative that the parties recognize that the Partnering relationship cannot be used as a vehicle for the dissemination or exchange of any competition sensitive, source selection or proprietary data or for the premature or unilateral release of acquisition-related information prior to its publication to industry in general.

**Q-26 Doesn’t the Partnering process encourage the implementation of constructive changes to the contract?**

**A** No. The Partnering process encourages the parties to communicate openly on a continuous basis, promotes the establishment of a cooperative relationship based upon trust and honesty, and specifically empowers the stakeholders, starting at the lowest organizational level, to work together as a team to expeditiously resolve problems. It cannot, however, be used to alter, supplement or deviate from the terms of the contract or affect the legal rights and obligations of the parties. Any changes that are made to the contract must be executed in writing by the Contracting Officer.

**Q-27 Won’t employee turnover within the government and industry undermine the success of the Partnering process?**

**A** Significant employee turnover within the government and/or industry can potentially undermine the success of the Partnering relationship. It is, therefore, imperative that when personnel changes are experienced, particularly among the “champions” or primary stakeholders, the new Partnering participants be familiarized immediately with and embrace the process, especially the necessity for open and continuous communication. Follow-up workshops can be employed to reinforce the critical components of the process (e.g., goals and objectives; “Rocks in the Road”; and Conflict/Issue Escalation Procedure) and to assure the continuing commitment of the parties.

**Q-28 Is the Partnering process consistent with the requirements of the Competition in Contracting Act?**

**A** Yes. Although the Partnering process is based upon trust, open communications, and the development of a close working relationship between the government and industry, it is not an exception to the Competition in Contracting Act (CICA) nor a mechanism through which the requirements of CICA can be circumvented.

**Q-29 Is it imperative that a facilitated Partnering Workshop be conducted?**

**A** Yes. It is imperative that a facilitated Partnering Workshop be conducted to ensure the successful implementation of the Partnering process. Furthermore, it is imperative that the facilitator be experienced in the Partnering process and familiar with the AMC Partnering for Success Model. The facilitator is an objective, neutral, “honest broker” whose participation accelerates the successful implementation of the Partnering effort by minimizing skepticism and bias, keeping the parties focused on the Partnering process and playing a pivotal role in the development of the Charter, the “Rocks in the Road”, the
Conflict/Issue Escalation Procedure, and metrics for the assessment of program success.

Q-30 When is the best time to conduct the Partnering Workshop?

A The best time to conduct the Partnering Workshop is as soon as possible after contract award. The Workshop can often be held in conjunction with the Post-Award Conference.

Q-31 Who should attend the Partnering Workshop?

A The Partnering Workshop must include, at a minimum, all “stakeholders” within both government and industry. Stakeholders are individuals who play a critical role in ensuring program success. This includes anyone who is in a position to disrupt contract performance or “throw a monkey wrench” into the process (e.g., Program Manager, Procuring Contracting Officer, user representatives, the testing community and contract administration personnel).

Q-32 Where should the Partnering Workshop be held?

A It is recommended that, where feasible, the Partnering Workshop be conducted at a neutral site away from the workplace. This approach contributes to the parties’ uninterrupted focus on the Partnering initiative, negates any concerns over favoritism or “turf”, and minimizes the potential for participants to be called away for other work-related matters.

Q-33 Who pays for the Partnering Workshop?

A The source of funding for the Partnering Workshop must be determined on a case-by-case basis. Generally, however, the partners share the costs of conducting the workshop (e.g., hiring the facilitator, renting the workshop facility) and pay their own costs related to transportation, lodging, per diem and salaries.

Q-34 Can an offeror’s willingness to partner in the future or its prior experience with the Partnering process be evaluated in conjunction with the source selection process? Should Partnering be specifically identified as an evaluation factor or sub-factor?

A Since Partnering is neither a contractual requirement nor a process whose use should ever be mandated by the government, it should not be identified as an evaluation factor or sub-factor in the source selection process. Depending upon the structure of the evaluation scheme in negotiated acquisitions, however, an offeror can and should be given evaluation “credit” for successful prior Partnering efforts as part of the evaluation of the Performance Risk/Past Performance Factor. This can be accomplished either through direct recognition of the benefits derived from the offeror’s previous Partnering experiences or indirectly through an overall assessment of the offeror’s performance on prior contracts that were partnered. Furthermore, the offeror’s desire to engage in Partnering during the contract to be awarded, as well as its approach for the implementation of the process and strategy for the enhancement of communications and timely contract performance, could be appropriate for consideration in the evaluation of the Management Factor.