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Discussion: Alliancing in Australia: competing for thought leadership

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Contribution by J. Broome

The contributor found the paper by Tamburro and Wood (2014) very interesting and the history and development were insightful. However, single-reason causes to problems cause the contributor to be wary and he wonders to what extent the following might also apply

- lack of a proper business case, which defines and bounds what the desired project benefits are; what its defined objectives are in terms of time, cost and performance; and what is physically in or out of the scope
- lack of proper governance in terms of not allowing uncontrolled changes to the above point
- when single sourcing a client who does not know the cost of hat they want, thus allowing the contracting fraternity to bamboozle the client in to agreeing to a high alliance target which can then easily be beaten.

To quote Sir Peter Gershon (best known for conducting the Gershon Review (Gershon, 2004) and former chair of the Office of Government Commerce) at the 2010 Association for Project Management's conference: 'projects continue to fail for the same boringly repetitive reasons'. Doing these 'project management basics' as a client is, in the contributor's experience, far more important than being a thought leader. Could the authors clarify to what extent these and other factors were considered and the reasons for not mentioning them?

Authors' reply

The authors are also interested in understanding the root cause of problems and issues. In this case, the non-price competitive model of alliancing developed in such a way that created a mindset where these three points were effectively worked up with the sole alliance contractor. That is, the alliance contractor could be placed in a position to complete the business case and the project definition, define value for money and develop the project/contract cost with the client. Moreover, in relation to governance, the contractor is also part of the decision making on par with the client during the delivery of the project, with all guided on the principle of 'best-for-project'. The authors would agree with the quote from Sir Peter; however, they suggest a different list of what constitutes the boring repetitive reasons. One consideration, among many others, is that contracting for infrastructure is a complex commercial transaction, and the authors would say that a project may be delivered successfully on quality measures, scope, time and so on and still be a 'failure' if too much has been paid for it. Too often (although perhaps not so in the UK with its push to achieve a 20% cost reduction), people do not see the word 'money' in 'value for money'. Thought leadership is critical, including the capability to ask the right questions and to assess the validity of the answers.

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Tamburro N and Wood P (2014) Alliancing in Australia: competing for thought leadership. *Proceedings of the Institution of Civil Engineers – Management, Procurement and Law* **167(2)**: 75–82, http://dx.doi.org/10.1680/mpal.13.00012.