

MUTUAL GAINS NEGOTIATION

STATUS REPORT

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ACEC/PA

AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Pennsylvania

What is Mutual Gains Negotiations?

Mutual Gains Negotiations is a collaborative approach to negotiating contracts; involving a consensus-building team approach to developing scope and associated level of effort.



Traditional Negotiations

- Establish Extreme Positions: Always start at one end or the other and work toward the middle
- Always be skeptical of the other side
- Becomes a contest of wills, strains relationships
- If you concede, concede reluctantly

Productive Negotiations

- Focus on and achieve set goals
- Produce Agreements that benefit all parties
- Improve and sustain healthy relationships

Goals of Negotiation

- Resolve differences and achieve an Agreement that is acceptable to all- no one feels taken
- Explore all options and select the best option using legitimate criteria to achieve set goals
- Establish an Agreement that can succeed

Benefits to Mutual Gain Methodology

- Significant time/energy savings
- Fair and reasonable Agreements
- Fosters a sense of true partnership

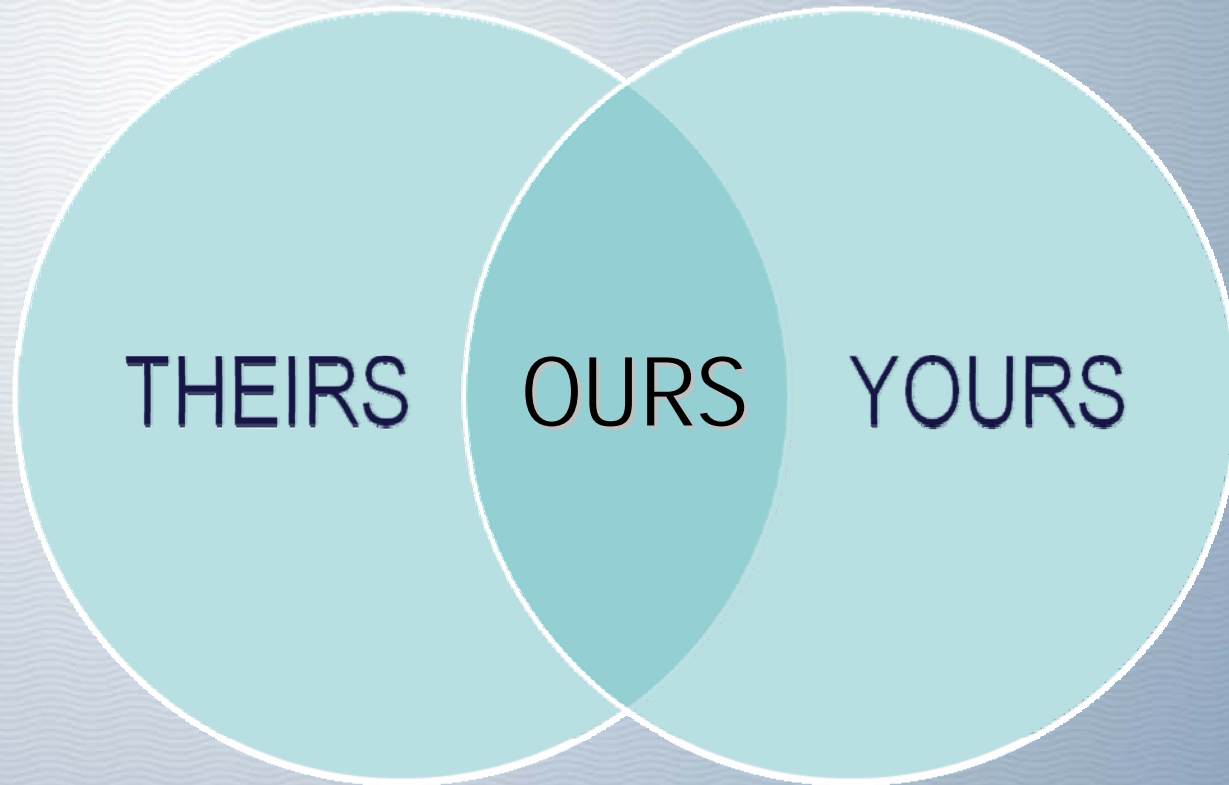
Mutual Gain Methodology

- Mutual understanding of scope, deliverables, schedule, range of hours, project complexity
- Focus on Interests- not Positions
 - Interest: “we have to really watch our budget”
 - Position: “there’s no way we are going to pay more than...”
- Use Mutual Gains Techniques
- Use agreed upon legitimate criteria/tools to evaluate interests

Focus on Interests

- Identify the interests of all the stakeholders
- Analyze and prioritize the Interests
- Communicate the Interests in a clear and concise manner
- Identify conflicting and compatible Interests to establish common ground

Estimate Interests



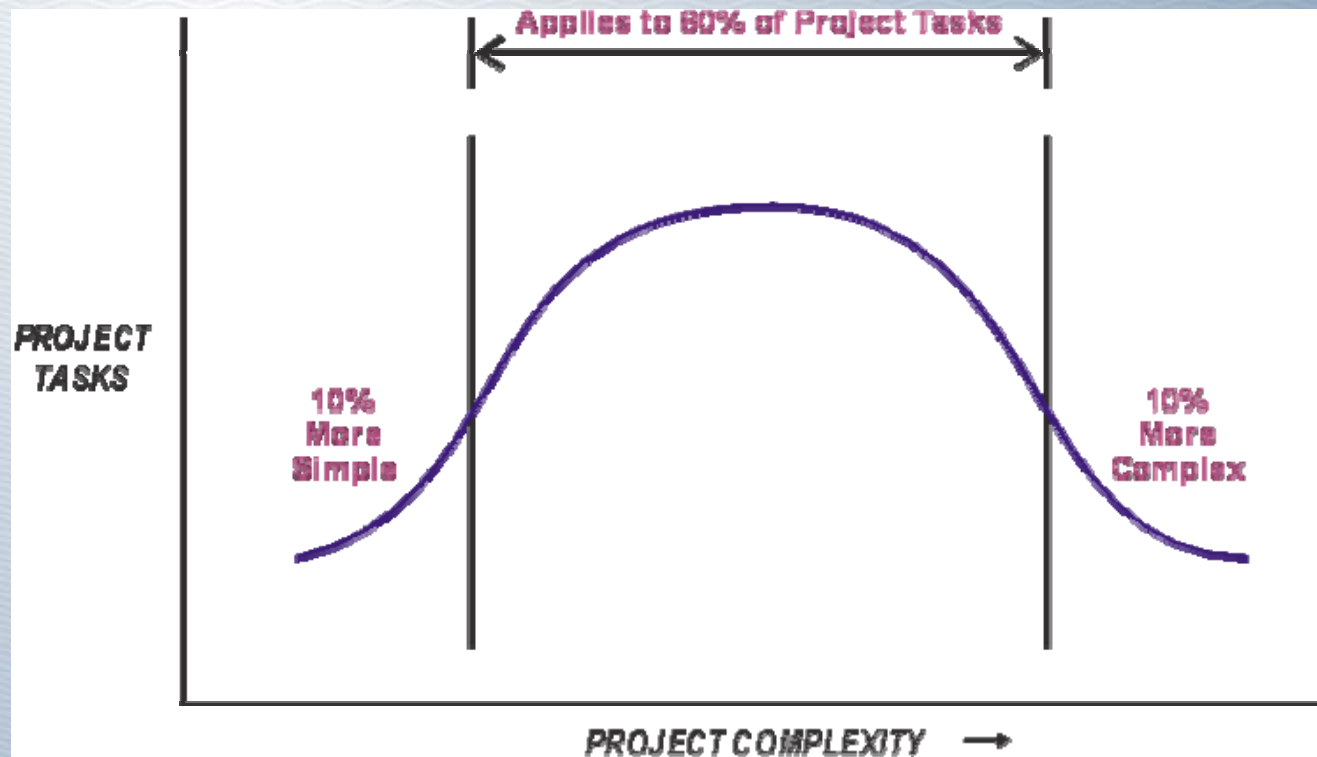
Mutual Gains Techniques

- Think about negotiations in a different light – **Build Partnership**
- Brainstorm, invite outside suggestions, be creative – **Create Value**
- List all options without judgment-using positive statements (recognize the down-side, but emphasize the up-side) – **Suspend Criticism**

Legitimate Criteria/Tools

- Staff Hour Estimating Guide

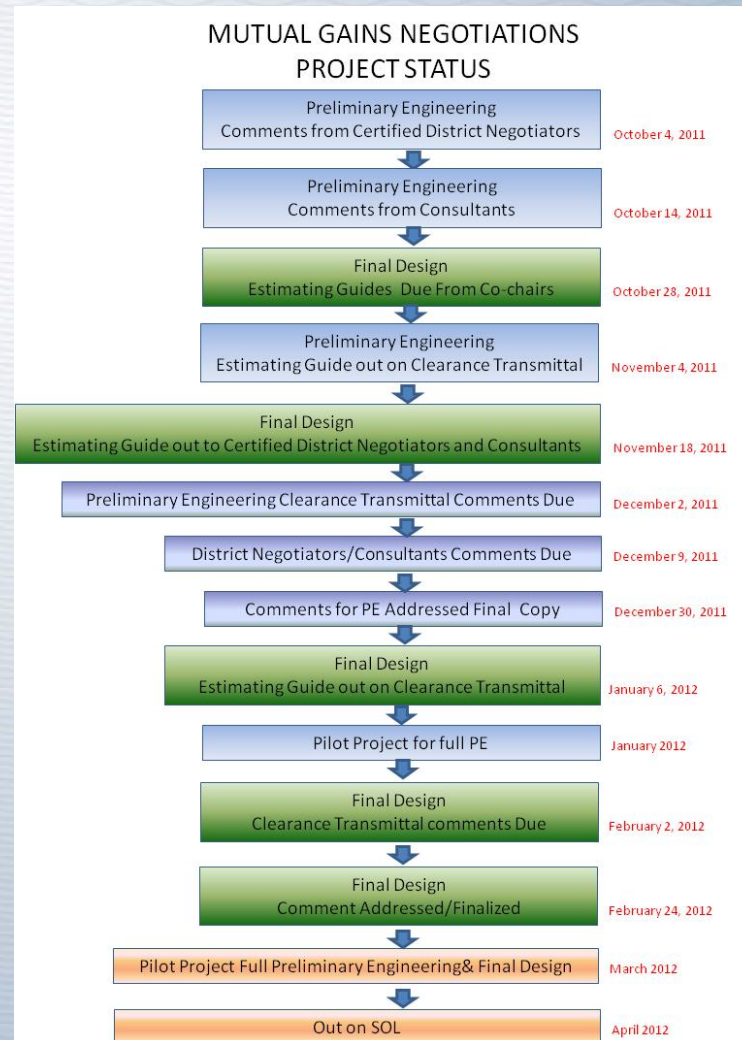
- Agreed upon **tool** used in the Mutual Gains process to establish the level of effort required to complete a particular work task



Staff Hour Estimating Guide

WBS Task	Task	Staff Hour Range		Narrative
2.4.8	Alignment Refinements			Staff hours are based on the refinement of the horizontal alignment, vertical alignment, cross sections, and cut and fill limits for each alternative, developed in WBS 2.4.11 Alignment Studies. Additional activities added under Department Detail will be negotiated separately.
		Minor	8-16 hrs	Assumes bridge replacement where multiple short alignments will be refined, approach lengths totaling 1000 feet with no side streets and few driveway adjustments required or minor roadway re-alignment refinements.
		Moderate	16-36 hrs	Assumes bridge replacement where multiple alignments will be refined, approach lengths totaling 2000 feet with minimal side streets or projects with refinement of new alignment of an existing roadway.
		Complex	36-100 hrs	Assumes a new roadway on new alignment, a new or improved alignment in urban or congested settings with multiple intersections, or a major bridge project requiring an alternatives refinement with multiple alignments. <i>For estimating hours on lengths in excess of 2000 If use the following:</i> <ul style="list-style-type: none"> • Refine horizontal and vertical alignment - 6 to 14 hours per 1000 lf • Revise cross sections and cut and fill limits - 1 to 4 hours per 1000 lf • Re-evaluate impacts- 1 hour per 1000 lf

Estimating Guides - Implementation/Validation Plan



Project Team Co-Chairs

- Highway Team A: William Gross; HDR
Karen Michael; D2-0
- Highway Team B: Vince Greenland; D9-0
Eric Veydt; GF
- Structures Team: Ralph DeStefano; D9-0
Joseph Pegnetter; ORA
- Traffic Team: Paul Archibald; MT
Matt Depaoli; BHSTE
- Environmental Team A: Mark Lombard; EQAD
Richard Shannon; MT
- Environmental Team B: Sandy Baseshore; S&L
Mark Young; D11-0

Mutual Gains Activities

- Methodology and concept developed ✓
- Estimating Guide (PE & FD) developed ✓
- Training developed ✓
- ***PE Estimating Guide under review and validation***
- ***FD Estimating Guide in for final formatting***
- ***Statewide Outreach Program (FTP/Website)***
- ***Pilot Projects***
- ***Implementation***

Keys for Success in the Future

- Focus on problem solving and project goals;
- Develop innovative/new strategies;
- Ask why (why not) to overcome past positions and focus on Interests;
- Foster cooperative/partnership atmosphere;
- Utilizing Mutual Gains Techniques

QUESTIONS?

DISCUSSION?