Ethical Leadership: Why Ethics, Trust & Integrity Are Essential When Using Alternative Delivery Methods

John Mahoney, PE, PMP, DBIA
Tanner Pacific, Inc.
Key Topics of Discussion

- Principles of Ethical Leadership
- Code of Ethics
- Alternative Delivery Methods
- Value Based Leadership & Decision Making
- Closing Thoughts

This presentation is not meant to advocate for using Alternative Delivery methods but shows the difference in TRUST that is founded in ethical behavior.
PRINCIPLES OF ETHICAL LEADERSHIP

- Integrity
- Honesty
- Fairness
- Justice
- Responsibility
- Accountability
- Empathy
- Equity

TRUST = Reliability + Credibility + Integrity

Self Interest

- Travis Millhollin
#1 Reason Why Projects Using Alternative Delivery Methods Fail?

Inability to Achieve and Maintain TRUST
Ethics is about making the best possible decisions concerning people, resources and the environment. Ethical choices diminish risk, advance positive results, increase trust, determine long term success and build reputations. "

--Project Management Institute
# Alternative Delivery Methods & Attributes

## Traditional Delivery Methods
- Design-Bid-Build
- Multi-Prime

## Attributes
- Owner bears all design & functional risk
- Rigid
- Combative
- Most litigious

## Alternative Delivery Methods
- CM/GC
- Design-Build
- Progressive Design-Build
- P3

## Attributes
- Schedule is a critical factor
- Transfers risk of design & functionality
- Agile & flexible
- Based on mutual trust, respect, & team concept
- Collaborative & common commitment

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Integrity, Ethics, and Trust Takes Work Through All Phases of Project Delivery

Establish | Restore | Sustain | Extend
Alternative Delivery Primary Phases

Procuring

Contracting

Implementing
Procurement Phase - Considerations for the Owner

- Issue a Reasonable Budget
- Reliable Bridging Documents
- Parity

Organizational Preparation | Establish and Maintain a Level Playing Field | Be Clear About What You Want | No Conflicting Requirements
Establish An Evaluation Method of Parity When Evaluating Proposals | Maintain Confidentiality
Procurement Phase – Considerations for Proposer

- Accurate Representation
- Don’t Distort or Misrepresent
- Respect Confidentiality Agreements

Accurate Representation | Don’t Distort or Misrepresent

Full and Accurate Disclosures | Respect Confidentiality Agreements

Value-Based Decision Making | Charter, Organizational Structure, Teaming Agreements, Communications Matrix, and Issue Resolution Ladder | Liability
Contingencies, Allowances & Incentives

Reasonably Allocate Risk | Collaboratively Develop the Risk Matrix
Use Fair, Balanced & Clear Contract | Roles, Responsibilities, & Relationships
Performance Guarantees

- Invest in Partnering
- Performance vs Prescriptive Requirements
- Document Decision and Dispute Resolution Process
- “Open Book” Pricing
Contracting Phase – Considerations Proposer & Subs

Use Fair, Balanced & Clear Contract

✓ Flow Down Requirements
✓ Discuss “what if” Scenarios
✓ Assignment of Liability

Finalize and Develop Productive Organizational Assets that Reinforce Value-Based Decision Making | Finalize Roles, Responsibilities & Relationships
Contractors Incentives & Performance Guarantees
Delivery Phase

- Use Partnering
- Owner’s Representative/Project Advocate
- Be Accountable

All Team Members Should be Properly Trained | Commit at all Levels | Collaborate
Transparency of Issues | Availability & Use of Data | Open Book Pricing for Change
Orders | Value Engineering | Oversight, QA/QC | Betterment
Value-Based Decision Making

Leaders Make Tough Decisions

It’s what we DO!

- Recognize the Ethical Issue
- Get the Facts & Breakdown the Problem
- Evaluate the Options
  - Use Your Code of Ethics
  - Get Input
- Make the Decision with Established KPI’s
- Monitor, Test and Adjust to Obtain the Solution
- Share Learned Lessons

Be Transparent | Be Supportive | Be Accountable
Closing Thoughts

How to Ensure Value-Based Decision Making

✓ Get trained – everyone on the team
✓ Define and align your values
✓ Hire people with similar values
✓ Promote open communication
✓ Invest in partnering
✓ Find your role models

LEAD BY EXAMPLE
Leadership in Ethics and Integrity
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Thank you and stay safe

For Questions:
John Mahoney, PE, DBIA, PMP
Jmahoney@tannerpacific.com
www.tannerpacific.com