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Generating Value in Alliance Contracts through Productivity Improvements

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Abstract

Alliance contracting is a procurement approach which involves the collaboration of a project owner and non-owner participants to share the responsibility for project risks and for achieving project objectives. There is evidence to suggest that in spite of significant benefits in this procurement system, there exist challenges that need to be overcome, particularly in relation to process improvements. The study will approach the problem from a 'lean construction' perspective. The objective of this research is therefore to investigate the potential for the application of lean production philosophies in alliance contracts in order to minimise waste.

This study focuses on alliance projects which are comparatively large and complex in nature. It involves focusing on contextual and complex multivariate conditions which would necessitate the reliance on multiple sources of evidence. As such, it is envisaged that this study would benefit by undertaking the case study methodology to advance knowledge.

The benefits are not difficult to understand because of the potential to reduce direct and overhead costs through reduction in time thereby increasing value through higher productivity. The study will provide the understanding of why productivity growth is hindered and how growth can be facilitated in an alliance contracts.

Keywords-Lean construction, Waste, Alliance contracts, Productivity, Case Study