



East Hall Extension, Terminal Building - Hong Kong International Airport (Contract 312)



1. Key Points
 - High-risk project involving major construction in the busiest part of one of the world's major airports.
 - Partnering started between Airport Authority and design team and then moved on to include main contractor and subcontractors. Care was taken to include interfacing departments within AA such as Airport Operations, Retail and Technical Services Departments.
 - Construction procurement process emphasized partnering and enabled early involvement for a short list of bidders.
 - Partnering strategic advice, facilitation and coaching was provided by John Carlisle Partnerships.

2. Description of Project
 - Project objectives were to provide a 'unique and high quality shopping experience' and double the size of retail area in the East Hall at Hong Kong's International Airport. This involved building full height extensions either side of the existing main retail area at the heart of the terminal building and replacing the existing single level outlets with a new two level 'shopping experience'. All had to be done without disrupting the airport operation and maintaining a smooth flow of 33 million passengers a year through the site;

- Contract Value HK\$450m;
- Contract period 2 years;
- Traditional contract, with some design-build elements. Bidding contractors were invited to suggest amendments to the AA Standard Form of Contract and many of these were accepted;
- Construction started early 2002;
- Client was Airport Authority Hong Kong, project managers were AAHK Project Services Unit, designers were Meinhardt (HK) Ltd., and main contractors were Balfour Beatty Group Ltd.

3. Project Highlights

- This was a very demanding project requiring high quality work in very difficult circumstances. Building in such a busy space needed a special degree of cooperation from all concerned especially between the contractor and the AA departments responsible for operating the airport.
- AA Project Services were keen to learn from their experiences gained in building the initial phases of the airport and also to update their procurement and project management practices to reflect improvements in the industry both overseas and in HK.
- Partnering offered a way of getting improvement and it was implemented from the commencement of the design, using the partnering consultants **John Carlisle Partnerships**. Workshops were held with the design team from Meinhardt, AA Project Services Group, AA Retail and Operations Departments. The design team was also established on site next to the AA project team. The design period was tight, just 6 months but achieved whilst still evaluating several alternatives and incorporating amendments.
- Potential contractors were first short listed to three bidders on the basis of technical submissions. They were then invited to base themselves on site and work alongside the design team for 2 months so that they could become fully familiar with the site conditions and restrictions and exchange opinions with the design team on alternative approaches to the project. The winning bid included an alternative programme which although longer in duration than that requested, enabled a greater area of retail space to be kept in operation and maximized rental income for the Authority.
- Partnering continued after appointment of the main contractor with management level workshops first to establish mutual objectives and build cooperative attitudes and behaviours. A Steering Group was established to manage the introduction of partnering and there followed cascade workshops for supervisors and subcontractors help them to buy in to the mutual objectives and adopt the cooperative style of working. Review workshops were held during and at completion of the project.

4. Partnering Performance

- The AA Project Team worked hard to develop a new, partnering based style of project management and this project was the first on which these techniques had been fully implemented. There were some difficult times to begin with but open discussions around the mutual objectives scoring help each party to gain a better understanding of issues and establish common agreement and commitment to corrective actions.
- There was a good team spirit. The project was completed in December 2003, two months ahead of schedule, within budget and with no claims despite many changes being incorporated by the team along the way. Final account was settled 3 months after practical completion.
- In addition to scoring the objectives set out in the charter. Key performance indicators were established for: safety, being invisible (minimizing disruption), quality, programme, rental revenue and costs (for the client and contractor).

Reference: Association for Project Management (Hong Kong) – Partnering Guidelines for Construction Projects in Hong Kong