



A monthly newsletter of the Energy Facility Contractors Group's Project Delivery Working Group

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Thankful for the PDWG Team, old and new

Greetings to the entire EFCOG Project Delivery Working Group (PDWG) Team, and welcome to all of our new members.

This edition of the *Practitioner* finds us in at a time in the year where we traditionally take stock of all we have to be thankful for: Family, friends, loved ones, faith, future, opportunities, successes, and the wisdom of what we might do differently next time.

On behalf of the entire EFCOG PDWG Leadership Team, we hope you enjoy this edition of the *Practitioner* and wish you all a happy holiday break.

Topics included in this month's edition include: an article on "Organizational Culture" and its "... Definition and Characteristics". We will also explore "5 Delivery Methods for Construction Projects."

Organizational Culture

WHAT IS ORGANIZATIONAL CULTURE?

Organizational culture is defined as the underlying beliefs, assumptions, values and ways of interacting that contribute to the unique social and psychological environment of an organization.

ORGANIZATIONAL CULTURE DEFINITION AND CHARACTERISTICS

Organizational culture includes an organization's expectations, experiences, philosophy, as well as the values that guide member behavior, and is expressed in member self-image, inner workings, interactions with the outside world, and future expectations. Culture is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid (The Business Dictionary).

Culture also includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits (Needle, 2004).

Simply stated, organizational culture is "the way things are done around here" (Deal & Kennedy, 2000). While the above definitions of culture express how the construct plays out in the workplace, other definitions stress employee behavioral components, and how organizational culture directly influences the behaviors of employees within an organization.

Under this set of definitions, organizational culture is a set of shared assumptions that guide what happens in organizations by defining appropriate behavior for various situations (Ravasi & Schultz, 2006).

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Organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. Also, organizational culture may influence how much employees identify with their organization (Schrodt, 2002).

In business terms, other phrases are often used interchangeably, including “corporate culture,” “workplace culture,” and “business culture.”

HOW IS ORGANIZATIONAL CULTURE CREATED AND COMMUNICATED?

Business leaders are vital to the creation and communication of their workplace culture. However, the relationship between leadership and culture is not one-sided. While leaders are the principal architects of culture, an established culture influences what kind of leadership is possible (Schein, 2010).

Leaders must appreciate their role in maintaining or evolving an organization’s culture. A deeply embedded and established culture illustrates how people should behave, which can help employees achieve their goals. This behavioral framework, in turn, ensures higher job satisfaction when an employee feels a leader is helping him or her complete a goal (Tsai, 2011). From this perspective, organizational culture, leadership, and job satisfaction are all inextricably linked.

Leaders can create, and also be created or influenced by, many different workplace cultures. These differences can manifest themselves in a variety of ways including, but not limited to:

Person Culture and Market Culture — How members of an organization conduct business, treat employees, customers, and the wider community are strong aspects of person culture and market culture. Person culture is a culture in which horizontal structures are most applicable. Each individual is seen as more valuable than the organization itself. This can be difficult to sustain, as the organization may suffer due to competing people and priorities (Boundless, 2015). Market cultures are results-oriented, with a focus on competition, achievement, and “getting the job done” (ArtsFWD, 2013).

Adaptive Culture and Adhocracy Culture — The extent to which freedom is allowed in decision making, developing new ideas and personal expression are vital parts of adaptive cultures and adhocracy cultures. Adaptive cultures value change and are action-oriented, increasing the likelihood of survival through time (Costanza et al., 2015). Adhocracy cultures are dynamic and entrepreneurial, with a focus on risk-taking, innovation, and doing things first (ArtsFWD, 2013).

Power Culture, Role Culture, and Hierarchy Culture — How power and information flow through the organizational hierarchy and system are aspects of power cultures, role cultures, and hierarchy cultures. Power cultures have one leader who makes rapid decisions and controls the strategy. This type of culture requires a strong deference to the leader in charge (Boundless, 2015). Role cultures are where functional structures are created, where individuals know their jobs, report to their superiors, and value efficiency and

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accuracy above all else (Boundless, 2015). Hierarchy cultures are similar to role cultures, in that they are highly structured. They focus on efficiency, stability, and doing things right (ArtsFWD, 2013).

Task Culture and Clan Culture — How committed employees are towards collective objectives are parts of task cultures and clan cultures. In a task culture, teams are formed with expert members to solve particular problems. A matrix structure is common in this type of culture, due to task importance and the number of small teams in play (Boundless, 2015). Clan cultures are family-like, with a focus on mentoring, nurturing, and doing things together (ArtsFWD, 2013).

HOW AND WHY DOES ORGANIZATIONAL CULTURE CHANGE?

Organizational culture is not stagnant. Members of an organization develop a shared belief around “what right looks like” as they interact over time and learn what yields success and what doesn’t. When those beliefs and assumptions lead to less than successful results, the culture must evolve for the organization to stay relevant in a changing environment.

Changing organizational culture is not an easy undertaking. Employees often resist change and can rally against a new culture. Thus, it is the duty of leaders to convince their employees of the benefits of change and show through collective experience with new behaviors that the new culture is the best way to operate to yield success.

WHAT ARE ORGANIZATIONAL SUBCULTURES?

Rather than changing an entire organization’s culture, an organization can be adaptable and agile by allowing certain types of subcultures to emerge. Organizational subcultures are groups whose common characteristic is a shared norm or belief (Boisnier & Chatman, 2002).

Subcultures are classified as enhancing, orthogonal, or counterculture, each exemplifying a different level of congruence with the dominant culture’s values (Martin & Siehl, 1983). Members of enhancing subcultures adhere to dominant organizational culture values even

CUMMINGS & WORLEY SIX GUIDELINES FOR CULTURE CHANGE

1. **Formulate a clear strategic vision** — This vision gives the intention and direction for the future culture change.
2. **Display top-management commitment** — The top of the organization must favor the culture change in order to actually implement the change in the rest of the organization.
3. **Model culture change at the highest level** — The behavior of the management needs to symbolize the kinds of values and behaviors that should be realized in the rest of the company. Change agents are keys to the success of this cultural change process and important communicators of new values.
4. **Modify the organization to support organizational change** — This includes identifying what current systems, policies, procedures and rules need to be changed so alignment with the new values and desired culture can be achieved.
5. **Select and socialize newcomers and terminate deviants** — Encouraging employee motivation and loyalty to the company will create a healthy culture. Training should be provided to all employees to help them understand the new processes, expectations, and systems.
6. **Develop ethical and legal sensitivity** — This step can identify obstacles of change and resistant employees, and acknowledge and reward employee improvement, encouraging continued change and involvement.

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more enthusiastically than members of the rest of the organization. Members of orthogonal subcultures both embrace the dominant culture's values and hold their own set of distinct, but not conflicting, values. Finally, members of a counterculture disagree with the core values of the dominant culture and hold values that directly conflict with core organizational values.

While having a deeply embedded organizational culture is usually associated with higher performance, these organizations may not be adaptive enough to ensure their long-term survival. Organizations may, therefore, become more agile by allowing subcultures to emerge.

CONCLUSION

While there is widespread agreement that organizational cultures do exist and that they are a key driver in shaping organizational behaviors, pinpointing an exact definition of the concept is a difficult undertaking.

An absolute definition would allow not only for a more rigorous study of organizational culture, but also increase our understanding of how it influences other organizational outcomes such as productivity, employee engagement, and commitment. One thing is undoubtedly known about culture: It is constantly being created, changed, and splintered to ensure the success of its parent organization.

— Cancialosi, C. (2017, July 17) *What is Organizational Culture?* Retrieved from <https://gothamculture.com>

It is Not One World — What We Do and How We Do it Matters!

Let me count the ways...

Comparing 5 Delivery Methods for Construction Projects

By [Gordian](#)

Job Order Contracting is only one of many methods for procuring construction services. Each one was designed for specific purposes and is best utilized for certain types of projects. Knowing the differences between them and when to use each delivery method can determine a projects' success.

Let's take a look at a few of the most widely used project delivery methods in the construction industry: Design-Bid-Build,



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Design-Build, Construction Manager at Risk, Job Order Contracting and Multiple Award Task Order Contract.

1. Design-Bid-Build (Traditional Building)

Design-Bid-Build is the most commonly used method for completing construction projects and is probably what comes to mind when most people think about the construction process. As its name suggests, this delivery method consists of three distinct phases: the design phase, the bid phase and the build phase. Design-Bid-Build is a good option for new commercial construction. Although it's a lengthy process, it allows owners to work in tandem with architects and engineers to get the best price for their project.

The design phase begins with an owner hiring a designer, either an architect or an engineer, to design a new facility. While designing the new building, the architect or engineer will prepare any necessary drawings and specifications that the contractor's team will need to complete the construction work. Once the design work is finished, the project is opened for bids.

During the bid phase, general contractors will review construction documents, confer with any needed subcontractors and ask the architect or engineer clarifying questions in order to prepare their bid. Each bid represents a general contractor's best price for a project, and multiple bids for the same project can vary greatly. After all of the general contractors have submitted their respective bids, the designer will review each bid, ask the contractors for any additional information and, ultimately, choose the bid they think best fits the owner's needs.

Once the winning bid has been selected, the build phase begins, and the general contractor's team can get to work constructing the new facility. A unique feature of the Design-Bid-Build method is that the designer will oversee the work of the general contractor and subcontractors. This helps ensure that the owner receives a quality end product.

2. Design-Build (D-B)

The Design-Build method was created to reduce the lengthy timeline that often accompanies Design-Bid-Build. It does so by replacing the designer and the contractor with a single party who fills both of these roles, called a design-builder. The design-builder, who is usually an architect, engineer or contractor, serves as the owner's single contact for the entirety of the project. And while this allows for efficient communication, it also means that the design-builder is singularly accountable for the outcome of the project.

The D-B process begins with an owner drafting an initial project design and asking for project proposals from various design-builders. These proposals, like bids in the Design-Bid-Build method, generally represent a design-builder's best price for the project. The key difference between a bid and a proposal is that proposals include notes on the project design, whereas bids don't alter the project design. Owners typically select the proposal that provides the best value for the project without sacrificing design elements.

After the owner has chosen a specific proposal, the design-builder's team can get to work securing permits and beginning construction immediately. The project can also be completed in phases, where the first phase is designed and construction begins while the second phase is designed, again allowing for a faster start to construction. This makes Design-Build ideal for large projects that require an accelerated timeline. But the benefits of D-B also add some risk to the owner. Owners who choose the D-B delivery method for their projects lose the advantage of having a separate party oversee the quality of construction. Instead,

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the design-builder has complete autonomy in the construction phase. So choosing a trustworthy design-builder is integral to success in Design-Build.

3. Construction Manager at Risk (CMAR)

Construction Manager at Risk, also called CM at Risk or simply CMAR, is also a derivative of the Design-Bid-Build process. But instead of the designer overseeing the design process and construction quality, a construction manager (CM) is hired by the owner to oversee the entire project. In fact, once hired, the CM stands in as the owner's representative and advocate in every step of the construction process from pre-construction, to design and bidding, through construction. This makes CMAR ideal for project owners who want an expert's help managing their project or communicating between parties, and sometimes CMAR allows owners to remove themselves from the majority of the construction process altogether.

When an owner decides to use the CMAR delivery method for their project, they'll bring an initial design to a CM, who will then begin consulting with designers to draw up plans. During the design phase, the CM will work on the owner's behalf to value engineer and find cost-saving opportunities where possible. About halfway through the design phase, the CM will present the owner with their Guaranteed Maximum Price (GMP). With their GMP, the CM sets a price threshold that they promise the owner's project will not exceed. If the project comes in under this threshold, the CM will likely be rewarded by the owner through a cost-sharing agreement. But if the project exceeds the GMP, then the CM takes on the risk of making up the difference.

Once the design phase is finished, the CM will take bids from contractors for the project and select the bid they believe best meets the owner's needs without crossing the GMP threshold. Once construction begins, the CM will work with the contractor to schedule construction phases, oversee the quality of the contractor's work and coordinate any needed change orders.

4. Job Order Contracting (JOC)

Job Order Contracting is an indefinite-delivery, indefinite-quantity (IDIQ) project delivery method. This means that multiple projects can be completed over the life of one long-term contract, as opposed to the single-project contracts used in the three previous methods. The long-term contract makes JOC an ideal choice for owners who complete a high volume of construction projects over the course of each year. Rather than needing to take each project to bid, owners take bids from contractors at the beginning of the contract, then can access their services without having to re-bid throughout the entire life of the contract.

The JOC project delivery method is predicated on a catalog of construction Tasks with preset prices, which we call the Construction Task Catalog (CTC), that lives for the entirety of the contract. Having the CTC set at the beginning of the JOC contract allows owners to access contractor services at any point during the agreed timespan without having to renegotiate prices for each project. Rather than bidding on individual projects, contractors will place bids by adding an adjustment factor to the CTC to account for their overhead, profit and other operating costs. Owners will typically award the contract to the lowest responsive, responsible bidder.

After the contract is awarded, the winning contractor can perform work for the owner at any point needed. Each project will be preceded by a Joint Scope Meeting to make sure all parties agree on what work needs to be completed and to set a Detailed Scope of Work for the project. Once the scope is set, the

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contractor will submit a Price Proposal for the total project cost, the owner will review the Price Proposal and work will get started. Procurement for traditional projects can take six months or more. JOC cuts that down to a few weeks. That time savings also brings significant cost savings by reducing administrative work. And the preset pricing makes sure that cost overruns are minimized.

Because the JOC method is designed to complete a succession of pre-defined construction tasks, it's perfect for a variety of small to medium construction projects including repairs, renovations and maintenance work, especially when short timelines or fixed budgets are involved. JOC, however, isn't typically an ideal choice for new construction. Building a catalog of Pre-Priced Tasks for constructing an entire building would be burdensome, and the length of the project would negate the timesaving benefits of completing smaller projects in quick succession.

5. Multiple Award Task Order Contract (MATOC)

Like Job Order Contracting, MATOC is an IDIQ method that's commonly used by the military and the Federal government. It sets a long-standing contract under which multiple projects can be completed. MATOC is distinct, though, as it houses multiple contractors under a single master contract. While JOC doesn't prohibit the use of multiple contractors under one JOC program, it doesn't necessitate it. Because of this, the terms JOC and MATOC can be used interchangeably for certain projects.

The MATOC delivery method begins with a master contract, sometimes called an umbrella contract, which defines the parameters of work that can be completed under the program. The owner will select a pool of contractors they want to participate in bids for projects. When the owner is ready to start a project, they'll take bids from only the contractors pre-selected to participate in the MATOC program. When a winner is selected for a project, a smaller, project-specific contract will be written between the owner and the contractor who will complete the project. Although a separate contract is written for each project, the details in the master contract reduce the number of details that need to be re-negotiated for the project contract.

The benefits of MATOC largely mirror those of JOC – reducing the procurement timeline and controlling costs. However, because MATOC is used most often by the Federal government, which generally prefers to set contracts with longer timeframes than just a year or two, it can be hard for smaller, local contractors to enter into MATOC contracts. In contrast, JOC, which is used in a variety of industries, normally encourages the participation of local contractors.

Each of these project delivery methods has its own merits and potential shortcomings. So being aware of their differences and respective advantages will help you better plan your next project. Even if you've only utilized one of the above methods before, it can be worth looking into others. Who knows, you could discover newfound savings in time, energy and costs.

UPCOMING EVENTS

ASU STUDY RESULTS AND APPLICATION OF IP2M METRR USING EVMS

Sessions to be held from 2-4 p.m., EST on December 7 and again on December 14, 2021. Please register here: [ASU Study Results and Application of IP2M METRR using EVMS – EFCOG.org](https://www.asu.edu/evms)

College of Performance Management (CPM) "Champions Series"

Session 1 - Thursday, December 9, 1-4 p.m., EST: System Validation, IBRs, and Surveillance Reviews led by Champion Gary Humphreys, President/CEO, Humphreys & Associates. Please register here: [Register for CPM Champion Series](https://www.cpm.asu.edu/champions-series)

Just for Fun: November's Notable Events and Famous Birthdays

1 — Parliament enacted the Stamp Act (1765), John Adams became the first U.S. president to live in the White House (1800), an attempted assassination of President Truman was foiled (1950), the U.S. tested the first hydrogen bomb (1952), singer Lyle Lovett was born (1957), and Jacques Plante became the first hockey goalie to wear a facemask (1959).

2 — Frontiersman Daniel Boone (1734), President James K. Polk (1795), and President Warren G. Harding (1865) were born, the **Spruce Goose—the largest aircraft ever built—flew briefly** (1947), and the Martin Luther King Jr. holiday became official (1983).



3 — Texas founder Stephen Austin was born (1793), Harry Truman was elected president (1948), comedians Roseanne Barr (1952) and Dennis Miller (1953), and quarterback/sportscaster Phil Simms (1956) were born, the Soviet Union launched the first animal into space (1957), Lyndon B. Johnson was elected president (1964), and the Iran-Contra affair was revealed (1986).

4 — TV journalist Walter Cronkite was born (1916), King Tut's tomb was discovered (1922), actor Matthew McConaughey was born (1969), the Iran Hostage Crisis began (1979), Israel's prime minister Yitzhak Rabin was assassinated (1995), and Barack Obama was elected president (2008).

5 — The gas-powered car was patented (1895), singing cowboy Roy Rogers was born (1911), Woodrow Wilson was elected president (1912), Richard Nixon was elected president (1968), and 45-year-old George Foreman became the oldest heavyweight boxing champ (1994).

6 — March composer John Philip Sousa was born (1854), Abraham Lincoln was elected president (1860), Jefferson Davis was elected president of the Confederate States of America (1861), the Bolshevik Revolution began in Russia (1917), and the Cleveland Browns announced their move to Baltimore (1995).

7 — Scientist Marie Curie (1867) and evangelist Billy Graham (1918) were born, the **Tacoma Narrows Bridge collapsed** (1940), singer Joni Mitchell was born (1943), Franklin D. Roosevelt was re-elected president (1944), Richard Nixon was re-elected president (1972), actor Steve McQueen died (1980), and Magic Johnson announced he was HIV-positive (1991).



8 — Abraham Lincoln was re-elected president (1864), X-rays were discovered (1895), Adolf Hitler survived an assassination attempt (1939), and John F. Kennedy was elected president (1960).

9 — A fire destroyed much of Boston (1875), astronomer Carl Sagan was born (1934), the Nazis launched "Kristallnacht" against Jews (1938), rapper Puff Daddy was born (1969), and the Berlin Wall opened up (1989).

10 — The windshield wiper was patented (1903), Sesame Street made its debut (1969), and the cargo ship Edmund Fitzgerald sank in Lake Superior (1975).

11 — Gen. George Patton was born (1885), World War I ended (1918), the Tomb of the Unknowns was dedicated (1921), and actors Demi Moore (1962) and Leonardo DiCaprio (1974) were born.

12 — The first meteor shower was recorded (1799), Pudge Heffelfinger became the first professional football player (1892), rocker Neil Young was born (1945), Ellis Island closed (1954), and actor David Schwimmer (1967), baseball player Sammy Sosa (1968) and figure skater Tonya Harding (1970) were born.



13 — Actress Whoopi Goldberg was born (1955), **NBA star Darryl Dawkins shattered his first backboard** (1979), and the Vietnam Veterans Memorial was dedicated (1982).

14 — Steamboat inventor Robert Fulton (1765) and painter Claude Monet (1840) were born, *Moby Dick* was published (1851), outlaw Billy the Kid was killed (1882), composer Aaron Copland (1900), Prince Charles (1948) and politician Condoleezza Rice (1954) were born, Apollo 12 was launched to the moon (1969), and a plane crash killed most of the Marshall University football team (1970).

15 — The first stock ticker made its debut (1867), and Elvis Presley made his movie debut (1956).

16 — Oklahoma became a state (1907), Oklahoma University's record 47-game football winning streak ended (1957), and the first Harry Potter movie premiered (2001).

17 — Congress submitted the Articles of Confederation to the states for ratification (1777), the Suez Canal opened (1869), director Martin Scorsese (1942), actor Danny DeVito and pitcher Tom Seaver (1944) were born, President Nixon told a group of reporters, "I am not a crook" (1973), and actor Arnold Schwarzenegger was elected governor of California (2003).

18 — Time zones were created (1883), former President Chester Arthur died (1886), astronaut Alan Shepard was born (1923), Mickey Mouse was created (1928), and a mass suicide took place at Jonestown, Guyana (1978).

19 — Explorer George Rogers Clark (1752) and President James A. Garfield (1831) were born, President Lincoln delivered the Gettysburg Address (1863), talk show host Larry King (1933) and actresses Meg Ryan (1961) and Jodie Foster (1962) were born, and soccer **legend Pele scored his 1,000th goal** (1969).



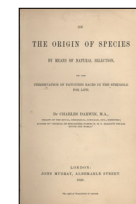
20 — New Jersey was the first state to ratify the Bill of Rights (1789), the three-position traffic signal was patented (1923), politician Robert F. Kennedy was born (1925), and the Nuremberg war-crimes trials began (1945).

21 — Satirist Voltaire was born (1694), the first untethered hot-air balloon flight was made (1783), Edison invented the phonograph (1877), baseball star Stan Musial (1920), actress Goldie Hawn (1945), football star Troy Aikman (1966) and baseball star Ken Griffey Jr. (1969) were born, and the movie Rocky premiered (1977).

22 — Notorious pirate Blackbeard was killed (1718), the first Mercedes was produced (1900), comedian Rodney Dangerfield (1921) and tennis star Billie Jean King (1943) were born, President John F. Kennedy was assassinated (1963), tennis star Boris Becker was born (1967), 20-year-old Mike Tyson became the youngest heavyweight boxing champ (1986), and the B-2 "stealth" bomber was introduced (1988).

23 — President Franklin Pierce was born (1804), outlaw Billy the Kid was born (1859), and *Life* magazine was first published (1936).

24 — President Zachary Taylor was born (1784), **Darwin published his theory of evolution** (1859), former NFL commissioner Paul Tagliabue was born (1940), Wilt Chamberlain grabbed a record 55 rebounds (1960), and Jack Ruby killed alleged JFK assassin Lee Harvey Oswald (1963).



25 — Baseball star Joe DiMaggio (1914), JFK Jr. (1960), and Barbara and Jenna Bush (1981) were born, and the floating bridge over Lake Washington sank (1990).

26 — Cartoonist Charles Schulz was born (1922), the first "cloverleaf" interchange was designed (1931), singer Tina Turner was born (1939), President FDR established the modern Thanksgiving Day holiday (1941), the movie Casablanca premiered (1942), and MTV Unplugged made its debut (1989).

27 — Martial arts legend Bruce Lee (1940) and guitarist Jimi Hendrix (1942) were born, and Gordie Howe scored his 600th goal (1965).

28 — Ferdinand Magellan became the first European to reach the Pacific Ocean (1520), Frank Duryea won the first "horseless carriage" race (1895), the Grand Ole Opry begins broadcasting (1925), and nuclear pioneer Enrico Fermi died (1954).

29 — The first flight over the South Pole was conducted (1929), and the Warren Commission was established to investigate JFK's assassination (1963).

30 — Author Mark Twain (1835), British statesman Winston Churchill (1874), TV personality Dick Clark (1929), and football coach Bill Walsh (1931) were born, a woman in Alabama was hit by a meteorite (1954), and singer Billy Idol (1955), athlete Bo Jackson (1962) and actor Ben Stiller (1965) were born.

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