

IMPORTANCE OF COOPERATION AND BUILDING COOPERATION IN THE NEW ROAD MAINTENANCE CONTRACT MODEL

Ilkka Nissilä, Joonas Peltoniemi

12 February 2020

YIR



Elinkeino-, liikenne- ja ympäristökeskus
Närings-, trafik- och miljöcentralen
Centre for Economic Development, Transport and the Environment

New road maintenance contract model

- Widely introduced in state-owned road maintenance contracts that began in October 2019 (17 contracts)
- Target price = procurements + management and administrative compensation + maintenance management fee
- Quality 35%, price 65%

New road maintenance contract model

Objectives

- The customer and the contractor are “in the same boat” and rowing in the same direction
- Areas of key importance are road users and the provision of flexible services to them
- Develop interaction between the contractor and the customer and increase cooperation
- An increase to the customer’s cost-consciousness and a cut in waste
- Better subcontractor chain management
- Support for development work

New road maintenance contract model

New characteristics

- Open book keeping on costs, the customer is involved in the subcontracting process
- A total contract with annual target and ceiling prices → Moderation of risk-sharing
- Quality promises (subcontracting, project management, communications and customer satisfaction) The contractor determines in its tender the level of promise, the fulfilment of which is monitored during the contract.
- A bonus system for subcontractors

Importance of cooperation from the perspective of the customer

- Our goal is to ensure a state of permanent confidence
- The objective will be attained once
 - Interaction is continuous
 - All matters can be discussed
 - Activities are transparent
- The customer is committed to working in the contractor's facilities for one day a week

Importance of cooperation from the perspective of the contractor

- Effective cooperation increases trust in the other party
- Develop the activities of the customer and the contractor
 - Planning jobs and allocating resources together
 - Everyone's opinions will be better taken into account
- Transparency in open discussion
 - Reduces the amount of assumptions about the activities of the other party
 - Challenges and problems on the same table
- Working life requirements and pressure from the environment have increased
 - Cooperation promotes a good working atmosphere and improves coping at work
- However, the roles of the regional manager and supervisory personnel must not be confused

Building cooperation, kick-off meeting 4 months before the start of the contract

- Participants Contract organisation and senior management
- On the agenda:
 - Procurement tendering
 - Financing and instalments
 - Quality promises
 - Quality management
 - Cooperation
 - Scheduling



Building cooperation, summer time

- Regular meetings in Kuusamo and via Skype were agreed on in advance
 - Winter procurements played a key role
 - Details added to and a review of the maintenance plan
 - A joint review of the contract documents
 - Agreement on operating methods and reporting models

Building cooperation, contract Kick-Off

The contract organisation and senior management met on 11-12 October 2019 in Kuusamo

- Exchange of views on cooperation and its importance with the assistance of an external advisor
- Quality promises were reviewed in detail - > mutual understanding was ensured and reporting methods were agreed upon

Work was carried out in small groups, which were discussed together



Cooperation at the start of a contract

- Before the start of the contract, we were in contact with the contractor's procurement manager weekly → winter maintenance procurements
- After the launch of contract, we have been in contact with the Contractor's supervisory personnel daily, mainly via phone or email
- We've sat down together at least once a week for a day to discuss the following topics → e.g. topical issues, planning of maintenance work, quality issues, procurements
- The contractor has reported on problems and development targets openly
- The implementation of the management plan, quality and promises have been discussed at monthly work site meetings

Future expectations, customer

- The new contract model provides a good basis for open cooperation, which will lighten the burden of both parties
- Challenging for customers with regard to time use
- Learning something new will take up a great deal of resources at the beginning, while an old contract must also be completed
- Being involved in the procurement process is eye-opening
- Awareness of the status, problems and development targets of the contract will increase due to open bookkeeping and transparency
- New customers' break-in model will create excellent opportunities
- Too early to draw conclusions, but placing an emphasis on cooperation and transparency is a good improvement

Future expectations, contractor

- The new contract model provides better conditions for the development of the sector
- Breaking down old role models and practices
- The nature of the work will change and this will activate us in a new way
- Expectations for further development
 - Locking of human resources proving to be a challenge (staff testing and commitment)
 - What we do on the road safely is the service we provide for road users

Kiitos ja hyvää talven jatkoa



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