

The City of **Turku** Alliance Contract model in routine maintenance

Mari Helin, Mikko Kuusisto, Maintenance Manager, Turku Project Manager, Desentti / Destia Ltd





Presentation Table of Contents

- Why Alliance Contract model
- Customer Service Goals
- Commercial Model
- The Stages in Procurement Process
- Service Design
- Contents of the Project
- Core group integration
- Risk Management
- Summary and Conclusions, so far







Why Alliance Model for Central City Area

- The central city area is of great importance for city residents and business
- Continuous change is very typical phenomena for the city area. Something new is coming, old ones need repairing. Timetables are shifting
- Seeking for new ideas and service-models
- Traditional ways of doing are inflexible. Customer's / Client's own expertise are badly utilized for development of the contract



Customer Service Goals

Comfortable and diverse living environment

Functioning, healthy

and tidy town

High Satisfaction level of residents and business actors



Member of accessibility team testing goals in practice



Economics







Briefly about Commercial model

- Alliancing is contract model with target outturn cost but all project cost made payable against open book documents
- Financial incentives: when goals are achieved the is bonus if not sanction
- When actual cost is under target cost is the profit is shared with customer and contractor in predetermined way
- Ta When actual costs exceed the target contractor may loose part or whole reward





Procurement phases



Service modelling: Developing and Evaluating ideas together with end-customer groups

Goal

- Evaluating ideas with customer groups is one part of good environmet development governance
- Challenge How to develop winter maintenance in the city area

Implementation:

- Different influence groups (18 pct) develop ideas together
- Examples of groups: bus and taxi companies, small to large business actors, Property maintenance service companies
- Total number of participants 424 pct
- Panel of Average residents for supporting service modelling, total 10 persons



Service modelling – Targeting Winter Maintenance





- Communication
- Snow removal of residential streets with continuous onstreet parking
- Cooperation with property maintenance service companies
- Redesign services in sense of accessibility









City Centre Alliance Service Contract, versatile infra maintenance



Numbers

- Streets
 - 135 km
 - II 24 km
 - III 53 km, of gravel 5 km
- Bicycle lanes 67 km
- Pedestrians only 38 km
- Parks
 - A1 3 ha
 - A2 48 ha
 - A3 46 ha
- Playgrounds 30 pct
- Trees 10 200 pct
- Park Bench 850 pct
- Litter bins 860 pct
- Staircases, winter maintenance 90 pct





Maintenance and other works Streets and Parks

Winter maintenance

- Streets, areas, pedestrians
- Park passages
- Snow piling and dumping areas

Street routine maintenance

- Asphalt patching
- Markings
- Minor repairments



Green works

- Parks and other areas
- Tree maintenance, trimming, surgeon
- Flowers, Plant watering

Playgrounds

Traffic service

- Accidents
- Guidance
- Events

Cleaning works

- Litter picking and bins
- Washing and sweeping
- Graffiti removal
- Market square

Small repair and replacements





Integration







Key Participants of Collaborative Team New ideas for best serviceworkshop









Risk management principles

- A. Alliance is full responsible for normal level risks
- B. Shared responsibility for some cases
- C. In some rare but expensive cases more share for client

For cases in B and C alliance can't make much for reducing risks

Target cost includes allowance for specific risks, it doesn't occur the allowance is free for other subjects







Winter maintenance, Snow dumping and piling

Teoretical calculation, history from FMI-data

- In the city of Turku very high variation for snow dumping costs 1:10
- Alliance bears the cost of medium winter
- After that shared risk calculation is used
- Possible savings can be allocates for other important duties, minor repairments etc







Conclusions, so far

- Development phase time table was very critical. Target Cost and Legal agreements must be solved faster. Only after that can Alliance make legal agreements for machines, storages, services and materials
- Not every detail needs to be ready in development phase, Service phase takes 8 years
- Project management tools for activities done, costs, billing, forecasting etc are still under development. Traditional project management systems don't fit for Alliancing contracts.
- Getting rid of obligatory time wasting but boring gatherings, now implementing more focused goal oriented meetings. Benefiting from exchange of new ideas, and know-how of customer and producer
- Cooperation is the most important thing and still more to find in it.
 Service design had a good start, more to come
- Next time Yes or No ?





