

THE CHALLENGE OF ESTABLISHING A PARTNERSHIP FOR THE DELIVERY OF LOCAL INFRASTRUCTURE

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Paper Summary

The long-standing paradigms associated with Local Government procurement for community infrastructure are being challenged. New models are emerging that provide better flexibility, are cost effective and provide immediate access to expert advice for project development and design. These models are based on a partnering relationship where skill sharing, productivity and resource balancing are quickly realised benefits.

Council identified that it needed a more flexible and responsive vehicle with which to manage project development that capitalised on its internal skills and experience complemented by flexible external support. The model chosen by Gold Coast City Council is a partnering relationship that provides Council with access to a pool of professionals across a broad spectrum of disciplines who can respond to Council requests in a cohesive, consistent, professional and prompt manner. Innovative solutions result from a very flexible and fluid inter-disciplinary team of professionals including Engineers, Architects, Landscape Architects, Project Managers and Planners.

The result has been a service delivery model where projects are well planned and successfully delivered. The services under the partnership commence at a needs analysis and extend through to detailed design. The infrastructure delivered has included, bicycle networks, roads, bridges, parklands, flood mitigation, stormwater, skate parks, WSUD and community facilities.

Establishing such a partnership presented a number of challenges including procurement compliance, internal retention of skills, probity concern regarding cost effectiveness and finding a resource with aligned values to ensure the partnership model was a success.

Introduction

Local Government is subject to constant pressure to supply services with limited resources. These pressures mean Local Government staff seek new ways to supply those services, by looking for increased quality, and increased efficiencies. Procuring services competitively has long been accepted as a way of using the open market to achieve efficiency, and legislation exists to ensure probity and equity.

One area of procurement perhaps needing further consideration is the strategic approach taken; this can lead to much greater efficiencies than simply following a competitive process alone.

Rather than test the market for individual project services, consideration can be given to testing the market based on the program of services. This may be a better way of proceeding.

This approach has been successfully used in Australia to a limited extent however the

approach is already used extensively in countries such as the UK and New Zealand.

Long term program partnerships provide efficiencies and alignments meaning more consistent and higher quality outcomes. This paper will discuss some of the structures and relationships used to establish a successful Long Term Program Partnership at Gold Coast City Council for Design Consultancy Services.

What was the need?

Council historically has found it challenging to meet program and expenditure targets. The initial Capital Works program often had extra projects added as the year progressed. This resulted in the development of a significant 'additional' program which often spread focus beyond the original goals targeted. In addition, Council had expected a very complex program of works to be developed, designed, contracted, constructed and made operational in one year. It needed to build an advanced stockpile of projects that had been

fully designed and passed through the development application process to allow projects ready to be built to flow from one year to the next.

The Gold Coast City is one of Australia's fastest growing cities. Development in the region is significant and Council have found it difficult to attract design personnel and retain them to match growth. Council required a significant and stable resource that could expand and contract to match fluctuations in design resource needs.

Council wanted to add supplementary services to their substantial in-house design and technical services unit. The in-house service provider consists of a staff compliment of 100+, while currently the COMPLETE staff compliment is approximately 30.

Introducing external services requires additional resources. Procuring such services regularly in the open market required a significant level of resources to manage the process, and the relationship between Council and the external resource frequently became adversarial. The quality of the design product is variable due to the challenges of educating and monitoring the many external providers.

The technology platforms and systems adopted by councils require constant management and updating. Design works rely heavily on these platforms and systems and are informed by them. Council uses the design works to update information in its archives and on spatial information systems. Again, the high number of external providers meant a significant amount of time was being invested by the Council to integrate external design into these systems. It is obviously more efficient to train and update one external organisation for compatibility than many external organisations. Council required external providers who used their technology platforms and provided design material without the need for additional adjustment.

Finally, the external design service was fragmented and distant. Council's projects rarely involve the input or engagement of just one profession – projects are often multi-disciplinary, meaning coordination of these disciplines is needed. The external provider is often required to engage sub-consultants for significant proportions of the service. In

addition, location sometimes forms a barrier to communication. These two aspects added another level of inconvenience and cost in coordination and travel.

The merits of Partnership

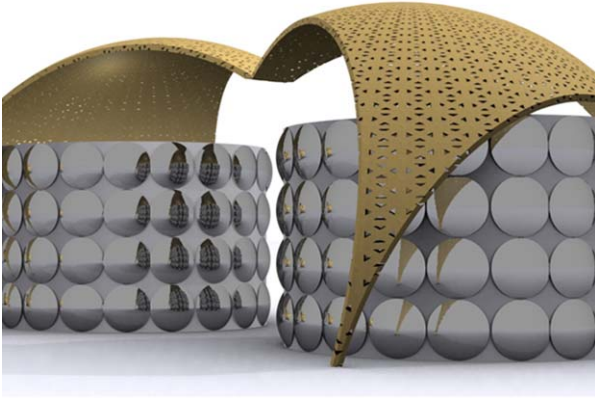
Council explored many options to resolve these issues. Partnership was collectively supported as an ideal approach. Partnership was considered to offer the flexibility and alignment to meet targets, whilst also meeting quality expectation. In short the partnership would:

- Allow the design phase to commence quickly
- Provide an opportunity for expertise to inform scope early in a projects development
- Reduce adversarial situations
- Reduce efforts spent on procurement
- Permit a scalable resource when needed
- Ensure technology platforms and systems were aligned and correctly and consistently used
- Reduce time required educating the external resource regarding quality and process



A way of obtaining the flexibility as well as the alignment and quality needed, is to develop a longer term relationship. Rather than contract services every time a *project* is undertaken, there are obvious benefits in contracting for the *services*, not the project. This saves time by eliminating the need to undertake a tender process each time. By establishing a long term contract, the contractor/consultant aligns

with the Client (Council) and establishes systems to support the quality and program constraints that the Council needs to meet.



Establishing the relationship

Courage was needed for Council to embark on a relationship contract. The documentation drafted to invite interest focused on the relationship rather than contractual obligations. This is an important point; the most important aspects in this method are understanding, communication and alignment, which build to a strong relationship. Contractual terms are important but secondary. Documentation should reflect this so that the real intention is clear.

A Partnering Charter was established. The Charter was a separate instrument to the Contract, and it focussed on the responsibilities of both Council officers and the design house staff, particularly with respect to approach. Many of the charters' terms are natural virtues of partnering, so it has become more a reflection of behaviour than a set of additional rules to live by.

Gold Coast City Council drafted documents that did emphasise the true intention of having a partnership. Certainly there have been lessons learned however a start has to be made in any endeavour and Gold Coast City Council had the courage to do that. Similarly, commitment and honesty was needed from the successful tenderer and a real understanding of local government definitely helps. The local government environment is not a simple one and the private sector often has trouble coming to terms with the internal and external politics,

the apparently changing priorities, variable or ill defined social outcomes, and budget uncertainties.

The intention of the partnership was to have a mutually beneficial relationship which was articulated in the documentation from the outset.

The new model

The Infrastructure Delivery Group (IDG) was established within Council to support this procurement and infrastructure delivery model. IDG project managers are often expected to take a project from concept development, through to the built stage. IDG are in effect engaged to provide these services by Asset Custodians who hold the budgets and are the real project owners. IDG are then able to use the in-house design services or engage COMPLETE to perform the design and technical components of the project.

The IDG unit is tasked with defining project scope and determining if the project is deliverable and in which year, so that budgets can be organised accordingly. IDG is projecting delivery of \$148m worth of projects in the 08-09 financial year. Currently IDG have in-hand and are managing projects to the value of \$162m.

Separating the project management tasks out of the traditional roles of 'project owner' and 'project deliverer' provides greater clarity in responsibility, which enables projects to be more independently assessed and set up. A more holistic approach to infrastructure delivery provides less opportunity for information distortion when a project is traditionally handed from one group to another.

The scope of the services within the current partnership contract between Gold Coast City Council and COMPLETE Urban is;

- Architecture
- Engineering
 - Civil
 - Structural
 - Traffic
 - Geotechnical
 - Hydraulic/Hydrological
 - Wastewater
 - Environmental
 - Electrical
 - Mechanical
- Landscape Architecture

- Public Art
- Recreational Planning
- Town Planning



Council saw a benefit in consolidating all the services in one contract. This certainly provides better accountability, and enables COMPLETE to provide more efficient services, it also allows more consistent results for Council.

Project quality also benefits because COMPLETE have integrated these various disciplines to provide multi-perspective solutions.

Resource Balancing

An important building block of this Partnership between GCCC and COMPLETE is the ability and flexibility to balance the ever fluctuating ebb and flow of critical deadlines, priorities and budget allocations. The GCCC Technical Services Team provides the baseline capacity for the Council's Capital Works Program. COMPLETE provide the infill and flexible extra effort when needed to get a major capital works program on the ground in a timely and cost effective manner. This allows the Council to meet its regular obligations without carrying the "high output" overheads at all times. The additional resources are available from COMPLETE all the time. This becomes cost effective to Council. COMPLETE can afford to do this with the term contract commitment established. The goal is to achieve lower contract fees compared with single project bids. It is hoped that this can be achieved through economies of scale due to the volume of the work provided. The long-term commitment provides for an opportunity to invest in improving processes and systems to better match Council's aspirations in a timely and cost effective manner. This involves innovative staff management systems and continuous improvement as an integral part of the management process and the use of

ground breaking technology to achieve timelier and higher quality project outputs.

Minimisation of Rework.

Within the partnering agreement a strict discipline has been developed to focus on a partnered outcome. Much time and money has been historically wasted on making claims and counter claims when something goes wrong on a contract. Effort is made to mutually work toward a better outcome whereby both parties effectively eliminate the time and cost of resolving disputes. The effort becomes focussed on both parties achieving a better solution.

Processes

An important part required for the success of this type of model is having support systems that work. COMPLETE developed their own software for tracking projects and costs for internal use by COMPLETE, the software was also developed to produce reports designed in consultation with GCCC.

Invoicing systems at GCCC are specific so rather than 6 or 7 consultants constantly trying to match the GCCC system; COMPLETE has consolidated it into one system. Similarly the standard required by GCCC for drawing formats is very specific; it has taken nearly 12 months to become familiar enough with the required standards to provide consistent results to GCCC. Previously, with the vast number of separate consultants for each of the projects or services, this was rarely achieved in a consistent way.

COMPLETE is often considered as part of the IDG team and ideas are discussed freely. This exchange of ideas and involvement creates innovation as well as the alignment required. Participation by COMPLETE in key meetings exposes the consultant to discussions that help the consultant understand the objectives and constraints of Council. This can affect many decisions that may lead to a better result for Council. The idea of excluding consultants or keeping them 'at arms length' is not an idea that will create a meaningful relationship or alignment. Regular meetings are established, weekly with senior management and coordination staff of IDG. The frequency may change, however the objective is to ensure that

projects are monitored and managed in an open way.

Relationship meetings approximately quarterly or 6 monthly, are established with senior management to resolve any major system problems or relationship problems.

Information exchange with GCCC technical services can be sporadic however strong connections between operational staff are the most effective way of ensuring a seamless flow of information. At this level the information is very detailed and important, so frequent and accurate information exchange is needed.

Attitudes

The politics of an external provider providing the same services as internal sections of Council is likely to cause issues. In our experience this results in perceptions of threat, sometimes hindering proper communications and information flow.

To get the best outcomes from such a venture, it is important to provide leadership to staff. Before a relationship can develop properly, a mature and well thought out approach must be taken. Staff should be guided into the interactions with the right approach. Often there are perceptions that create barriers to the use of external service providers. For whatever reason these perceptions exist, it should be accepted that they do exist. Any concerns should be anticipated (as much as possible), and addressed in such a way as to ensure staff are confident, and willing to engage in the relationship and understand the benefits of building the relationship.



Conclusion

As Local Government Engineers we are serious about serving the community and are serious about our social responsibilities. If partnerships can provide services to the community in an efficient and effective way, we should turn our considerable skills to learning how to create such partnerships.

Long term alliance partnerships are a viable and successful option for delivering infrastructure for the community. Mature and confident approaches as well as a good understanding of how to develop a real partnership relationship are important skills to have if this approach is to be taken.

The benefits outlined in this paper are realisable, provided attitudes are positive and there is no resistance to looking externally for advice and experience.

The model can also be applied to smaller Councils as long as the length of term is an integral component of the alliance partnership being planned.

References

Gold Coast City Council Partnering Charter.

Author Biography



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Wayne Cooper has had 30 years experience in Local Government including some time as Corporate Manager, Assets and Infrastructure at Liverpool Council in Sydney and various management positions at Waverley Council, also in Sydney.

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Mark Bunch has 20 years in Local Government working in all areas of Local Government Engineering encountered in urban Councils. Mark has most of his experience in the Sydney region and has worked in a number of Councils. The most recent Local Government Post was as Director, Technical Services and Operations at the City of Canada Bay Council. Mark is now located on the Gold Coast working for COMPLETE Urban, who assist Gold Coast City Council supply design services that in turn create infrastructure for services to the community.

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