

A ROAD LESS TRAVELLED

Although only at tendering stage, this Pathfinder project bypasses the traditional and takes a less travelled route to ensure client objectives are met.

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East Coast Road is one of North Shore City's major arterial routes, carrying more than 23,500 vehicles per day. This project will upgrade and widen a 1 km stretch of road from Hastings Road to Rosedale Road to improve capacity and safety. Cycle lanes will be added in each direction, along with a median strip and intersection upgrades. Significant relocation of services, stormwater reticulation upgrades and new retaining walls, street lighting and footpaths are also part of the project.

Gaps and hidden complexities

A seemingly simple road-widening exercise to accommodate the addition of an urban cycleway revealed hidden complexities. The road has New Zealand's largest secondary school, a church, a shopping centre and residential homes, so there were many ramifications associated with such varied infrastructure.

On top of managing the full spectrum of stakeholder engagement, the project, which started its design phase 3–4 years ago, went through several project managers within North Shore City Council. It eventually landed on Benji Potvin's desk with an 'all go' tag. Thanks to Potvin's previous

experience, both as a private client and contractor, he delved below the surface and found many gaps and unanswered questions.

Risk management workshop

Potvin had worked on the Northern Busway Stations project (see *Build* 111, April/May 2009, pages 28–29) where collaboration and innovation was key. He organised a risk management workshop with all internal council stakeholders – the first time they had met together on the project. Forty-two key items of risk were identified, such as communication, infrastructure services coordination, traffic management and political engagement. These risks during the construction phase highlighted the need for the contractor to have a high level of understanding and involvement in risk mitigation strategies.

The openness of communication experienced during the Northern Busway project convinced Potvin that a similar proposition was required here. Hence, the departure from the traditional open tender process and adoption of a modified early contractor involvement process, while still maintaining the competitive tender process as part of the council's policy.

Way forward using modified process

A memorandum outlining a way forward was prepared for the council. Coincidentally, 2 days later at the launch of the New Zealand Transport Authority's (NZTA) new procurement manual, Potvin talked through his ideas with Bernie Cuttance, NZTA's principal advisor on procurement strategy. Cuttance supported North Shore City Council's proposal and its adherence to the new procurement environment the NZTA is hoping to guide the industry towards.

The NZTA recommended strategies to deliver consistency and highlighted areas that required careful planning to maintain a fair tender process. As a significant funder towards this project, their active support helped the council accept this modified procurement process.

Typically, early contractor involvement is undertaken well before the detailed design stage and involves only one contractor, but for this project the modified early contractor involvement methodology involved three competitive tenderers collaborating with the client, individually reviewing the specimen design and producing comprehensive project delivery plans (see Figure 1).

What makes this different to a traditional tender?

For this project, tenderers are invited to suggest alternatives to the client's complying specimen design to address the risks and optimise the construction process.

Here, the particular focus for innovation is around minimising disruption to all road users and others affected by the works.

Project	East Coast Road widening – Hastings Road to Rosedale Road
Client	North Shore City Council (Benji Potvin, project engineer/manager)
Partial funder	New Zealand Transport Agency
Design consultants	GHD (Tom Cripps, design manager)
Project facilitators	Resolve Group (Rob Lorden, senior consultant, Michael Kwok, principal consultant)
Region	Auckland, North Shore
Sector	Transport infrastructure services – major corridors
Type	Road widening and rehabilitation
Anticipated construction value	\$7,655,000 physical works
Approximate project value	\$12 million
Current stage	Tender
Procurement method	Early contractor involvement modified
Form of contract	NZ 3910 adopted to accommodate interactive tendering process

A further key difference is the duration of the tender process, which is set at 9 rather than 3 weeks. During this extended time, the tenderers have several opportunities to meet with the client and to organise other meetings with consultants and key stakeholders, such as Rangitoto College.

Apart from the first meeting, where the client had the opportunity to outline their key objectives, each tenderer sets the agenda. To assist the collaborative process, the council is endeavouring to be as open as possible by providing their internal risk register to the tenderers.

Finally, the request for a project delivery plan (see Figure 2) is part of the tender package. While items within it are generally requested by North Shore City Council, the difference is in its cohesive approach. The strategy must encompass the entire programme, including addressing all the adverse project impacts, not just individual aspects.

Positive anticipated benefits

Removing prescriptive approaches and encouraging contractor initiative gains greater buy-in to the design and construction methodology. Other anticipated benefits are:

- innovation and improvements proposed by each tenderer
- better understanding of risk, leading to better allocation of risk mitigation
- extended tender time gains greater certainty due to more time to understand and plan
- tenderers are more knowledgeable about the project and therefore able to provide a better price with fewer tags, and the proposed tender price is therefore more accurate
- realistic timeframes for construction
- ability to build early relationships with key stakeholders and engage with the community
- minimal disruption to the road network through considered traffic management collaboration with all affected parties
- functional continuity of utility services throughout the construction period
- greater awareness of the project and its impact on the community via communication between different parties
- clear methodology for the successful tenderer

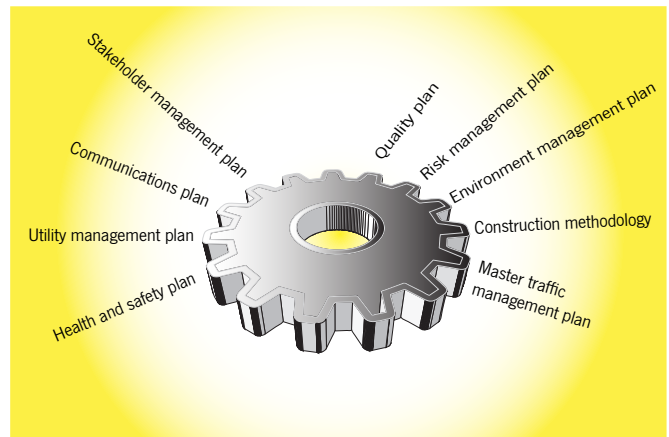


Figure 2: Whole of project delivery plan.

- optimisation of productivity and adequate resource allocation for the work
- efficient sequencing and programming.

Positive feedback so far

In early December, with only 2 weeks to go, the feedback from the three tenderers was overwhelmingly positive. They appreciated the more collaborative, open process with the positive spin-off in programme and cost reductions and greater certainty and minimisation of risk. Their proposed innovations and improvements include optimisation of productivity, construction sequencing, traffic and stakeholder management and appropriate resource allocation for the work.

That a council is willing to be innovative and adopt a new approach is a sign that public organisations are prepared to change and move towards a new procurement environment that supports best practice. This hybrid methodology is potentially one of the stepping stones leading away from a culture that distances relationships between client, contractor and key stakeholders towards a culture of open communication, where everyone starts a project with their eyes wide open.

A detailed report is available at www.constructing.co.nz, see Pathfinder projects. ◀

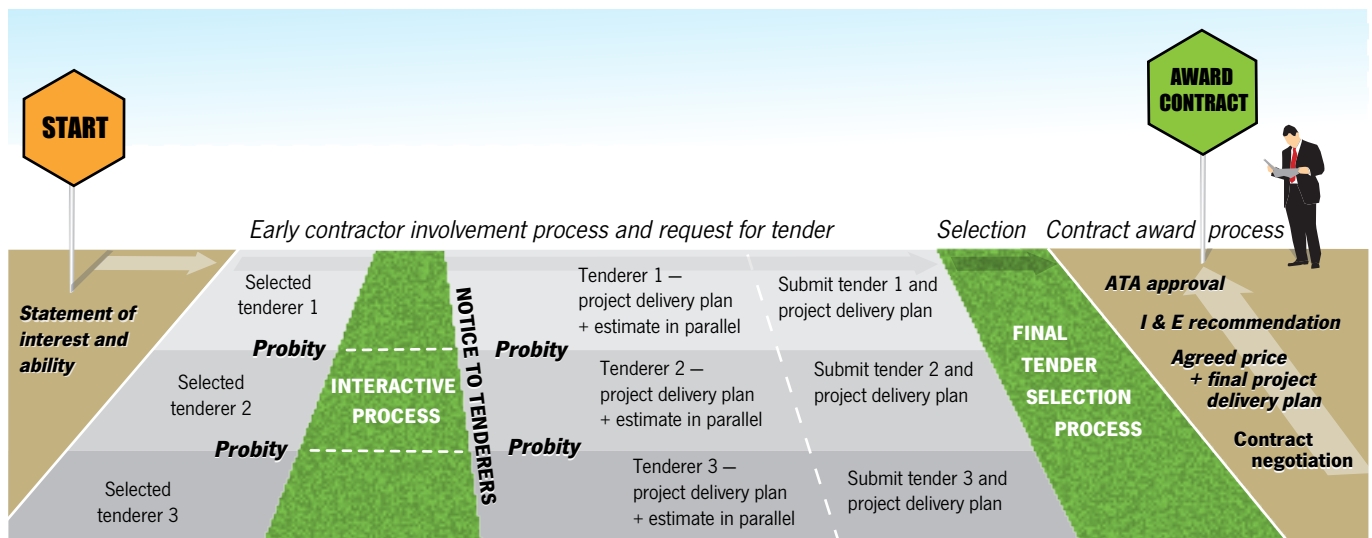


Figure 1: The modified early contractor involvement methodology used.