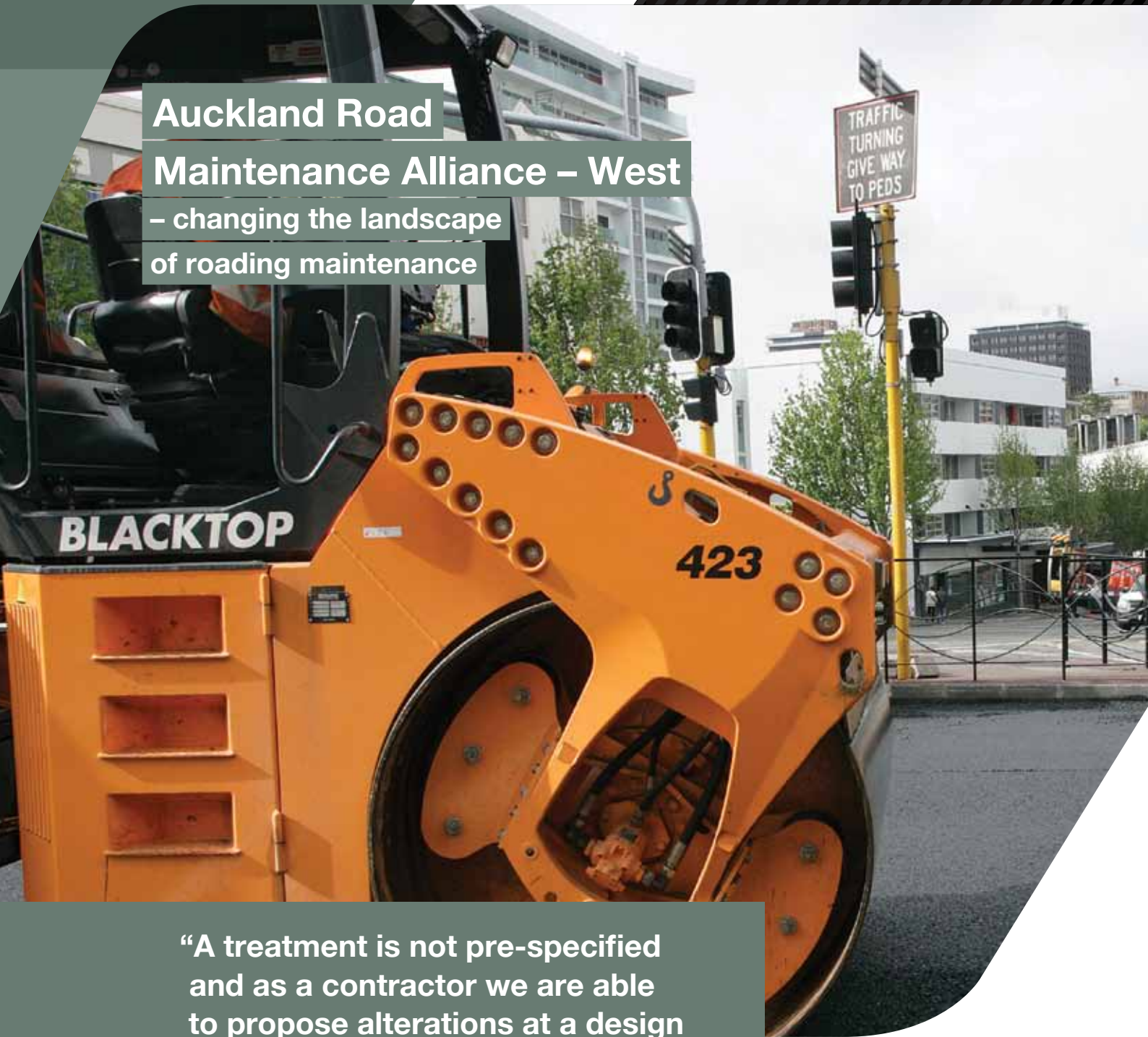


# Auckland Road Maintenance Alliance – West – changing the landscape of roading maintenance



“A treatment is not pre-specified and as a contractor we are able to propose alterations at a design stage and challenge options to collectively achieve a better result.”



Analyse | Solve | Construct



Research | Design | Analysis



Recycle | Produce | Aggregate

CLIENT Auckland Transport Agency (Auckland City Council)

PARTNERS Leighton Contractors Pty; MWH Consultants

**“There is a real incentive to seek the best outcome within the alliance due to the pain share / gain share risk management process.”**

### ARMA is a ‘game-breaker’ altering the landscape for maintenance contracts

While alliances have been in place for major state highway construction projects for some time the Auckland City led Auckland Road Maintenance Alliance is transferring this approach to the management of its western roading maintenance contract.

ARMA-West is an Auckland City Council led initiative, with alliance partners MWH New Zealand, Leighton Contractors and Blacktop Construction. The roading alliance is responsible for the maintenance of the western third of the Auckland City road network, including the CBD – the most intensive part of the network. It also includes the Britomart transportation precinct and is characterised by a high level of bus routes and pedestrians commuting between internodal transport links (bus, ferry, train).

The network area incorporates a wide variety of stakeholders – retailers, ratepayers, homeowners, the Auckland Regional Transport Authority, bus companies and emergency services.

The key driver behind establishing the alliance was to create a different alternative to the traditional contract management model as specified in NZS3910.

Better performance has been achieved with an alliance team, than what would have occurred with a traditional contract due to:

- Increased sharing of knowledge, IP and experience
- Shared values between asset owner, consultant, contractor (with elimination of silos, less disconnect between parties)
- A collaborative leadership team providing unified governance and management
- More rigorous processes with peer reviews applied at all stages of a project from conception to completion
- More integrated processes
- Scope is provided for innovation, research and development projects.

### No barriers to innovation

As opposed to a traditional scenario where a consultant decides on a rehabilitation project, specifies a methodology or treatment and the contractor delivers this based on a schedule of rates and/or chases extras for modifications, an integrated approach has led to more innovative methodologies, with alterations being made at the design stage resulting overall in more cost-effective outcomes.

Upstream activities	Innovation	Control of design	Management of risk
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ARMA has proven to be an incubator for new product innovations; emulsion treated basecourse has been trialled and crumbed rubber sealing (the use of chipped tyres in bitumen to increase plasticity and to form a bond over a crack and join it together) is currently being evaluated.



### Gain share /pain share approach key to better performance management

Work planning is approached holistically based on a performance management framework. For each financial year the annual maintenance programme is scoped and a total outcome price calculated. Price risk is factored in and a risk pool negotiated to reach a Target Out-turn Cost (TOC).

With a clearly defined budget of x work / x dollars and joint responsibility for project success, there is equal incentive for all parties to maximise project successes and share the gains, or subsequently split the losses.

The ARMA-West road maintenance alliance, within Auckland City has been one of the highest performing contract teams in terms of quality, service outputs and health and safety standards, making this first local government road maintenance alliance a stand-out success.