

A grayscale photograph of a construction site at night. In the foreground, a worker in a hard hat and safety vest stands on a metal structure, holding a rope. In the background, a large concrete structure is being lifted or positioned by a crane. The scene is illuminated by bright work lights, creating a high-contrast, industrial atmosphere.

Roading New Zealand

Presentation to the RCA Forum

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Overview

- Rebuilding Christchurch Infrastructure
- Bitumen Price Fluctuation Formula
- GPS



The Alliance Includes

Christchurch City Council

Christchurch Emergency Response Authority

Fulton Hogan

Downer NZ

Fletcher Construction

McConnell Dowel

City Care

How Will The Alliance Work

Firstly its objectives

- Safety with zero harm as a target
- Value for money and environmental responsibility
- Open and honest communication with the public
- High levels of customer service
- Establishment of interim levels of service
- Protection of environment and reduce future hazards



How Will The Alliance Work

Objectives continued

- Completion of work to standards, minimal rework
- Resilience in the rebuilt infrastructure
- Innovation
- Coordinate with other rebuilding work
- Maintain a sustainable market condition
- Increase sector capability

The Alliance Structure Has Two Parts

Integrated management team

- Identifies the work required
- Carries out planning and design
- Distributes work to contractors
- Monitors delivery of work

The Alliance Structure Has Two Parts

Delivery; A number of modes

- Head contractors with direct labour workforce
- Head contractor with sub contractors
- Direct to specialist contractors
- Each package has a TOC and KPIs
- Work awarded based on performance, capability & resources

The Alliance Gearing Up

- Traditional procurement requires contract to be let before contractor gears up
- An Alliance contract know the work required and which contractor will deliver
- Contractors have confidence and certainty under an Alliance
- WINZ engages with employers and InfraTrain to move the unemployed into the sector through the “Straight to Work Programme”
- The “Straight to Work programme” prepares the unemployed through pre-employment programmes
- New pre-employment training being developed covering vertical and horizontal sectors

Bitumen Price Fluctuations

Problems with the existing Index approach include

- Input cost weightings usually incorrect (eg 40% bitumen)
- Get a different fluctuation amount depending on the absolute price of bitumen at the time

RNZ is proposing a volumetric approach to address this, ie

- $\text{Fluctuations} = \text{Tonnes of bitumen used} \times \$\text{change from tender}$

NZTA would set up a web calculator for fluctuations

- Date tenders close
- Month being considered
- Tonnes of bitumen used

Proposed Government Policy Statement

State highway and local roads maintenance and renewal funding

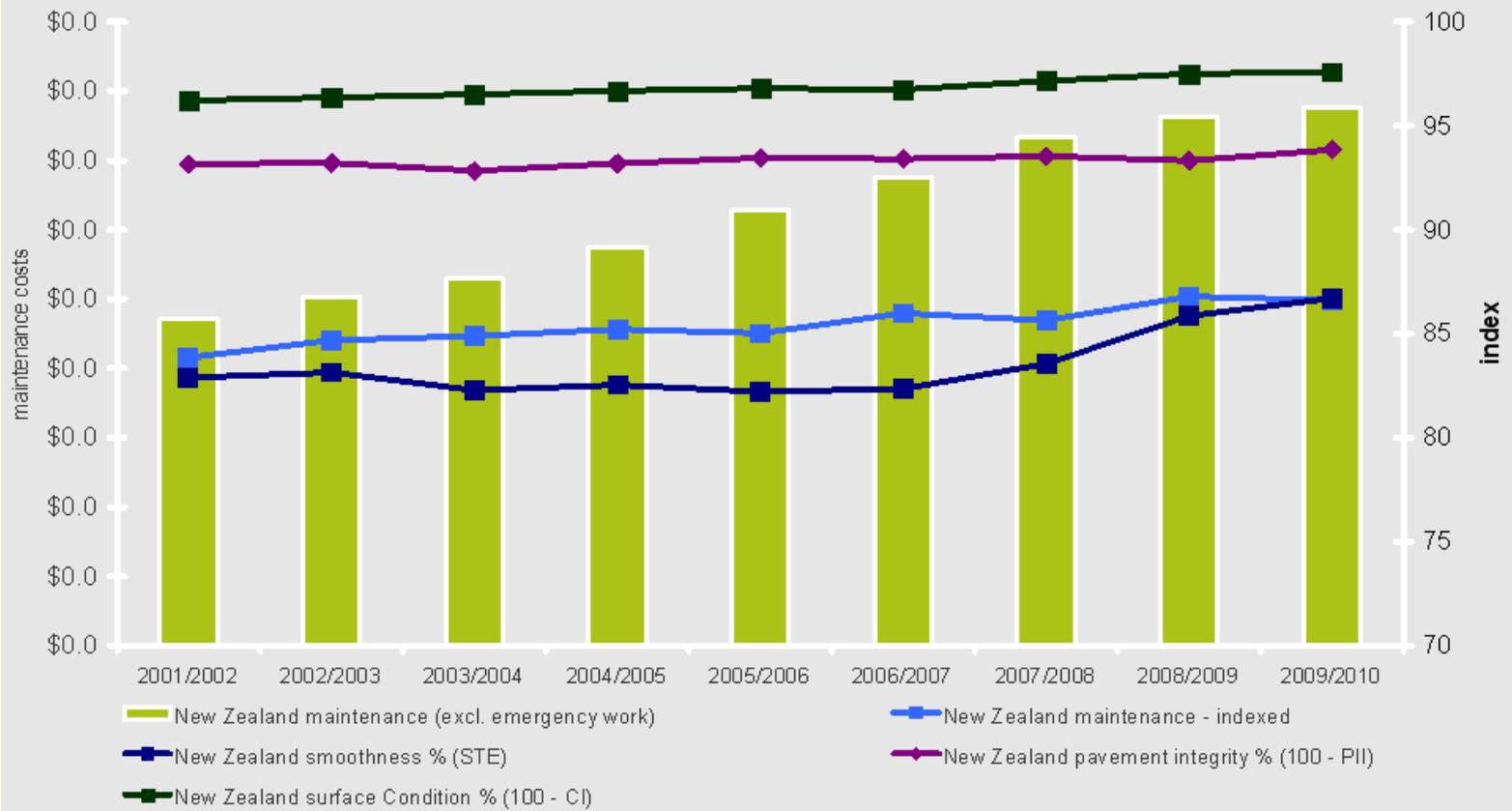
- Proposed to drop 10% from 2011/12 to 2012/13
- Proposed to be essentially flat over the next 10 years
- This compares with a 69% increase over the last 10 years
- Or a real inflation adjusted increase of 20% over the last 10 years

Overall local roads network condition (according to PII) has increased by 1% over the last 10 years which is less than margin of error and therefore not reliable

State highway construction goes from \$1.1billion to \$1.7billion over the next 10 years



New Zealand indexed maintenance cost



Thank you

www.roadingnz.org.nz