

Alliance contracting in maintaining public areas in Helsinki

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Introduction:

The economic situation forces municipalities to be more cost effective. This can be achieved through evaluation and enhancement of current processes and procedures. In addition the expectations of citizens regarding the quality of service provided have been increasing and the people would like to participate more in the decision-making than before. The field of maintenance needs new methods and new ways to operate.

Therefore the city of Helsinki has used alliance contract concerning maintenance of public areas, streets and parks since 2014. Targets of the alliance contract is to improve satisfaction of citizens, allocate the funds more effectively and develop the new methods for maintaining public areas.

The alliance contract:

The alliance contract area is the neighbourhood of Pakila with 30 000 citizens and the contract includes all maintenance work on street and park areas with 115 km of streets and 52 ha of parks (including playgrounds and dogparks). The area is mostly residential area consisting of detached houses, kindergartens, schools, hospitals and industrial area. Winter maintenance including ploughing, de-icing and snow removal takes up the majority of the budget.

One important part of the alliance model is to establish a collective organisation which puts the contract into action. The leadership team makes all the strategic decisions and the alliance project team is responsible for daily activities.

In the alliance model risks as well as benefits are collectively shared with the owner and the contractor. Commercial framework consists of direct costs and project specific overheads, normal profit and corporate overheads and a performance pool. (Morwood R., et. al. 2008).

References:

Morwood R., Scott D., Pitcher I. 2008. Alliancing a participant's guide. Aecom. ISBN 978-0-646-50284-7, pages 161.