

# PURCHASER/PROVIDER ARRANGEMENTS IN THE BRISBANE CITY COUNCIL: THE CORONATION DRIVE BUSLANE PROJECT

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## Abstract

The Brisbane City Council has been through some significant structural changes in recent times culminating in the establishment of a series of purchaser/provider partnerships throughout Council in order to deliver its services to the customers. These relationships have also allowed the provider groups to compete in the marketplace for projects outside the Brisbane City Council. This competition benefits both the purchaser and provider in that it demonstrates value for money to the purchaser and exposes the provider to commercial practices.

This paper will examine the experiences of one purchaser provider relationship within the Brisbane City Council highlighting advantages and pitfalls that have been discovered so far and will use a large project as example of the relationship working to deliver a result for the overall benefit of the community.

**Key Words:** partnership, deliver, customers, value, commercial, community

## Introduction

Brisbane City Council is Australia's largest local government organisation. It has an annual budget of \$1.5 billion and infrastructure assets of \$15 billion.

In recent times, Brisbane City Council has undergone major structural changes, primarily in response to the National Competition Policy. However, these changes weren't completely driven by the competition agenda. The organisation was realigned using a Purchaser/Provider model, which was designed to:

- Enhance customer focus;
- Separate purchaser/policy role from doing "provider" role to allow corporate outcomes to be clarified and strengthened;

- Greater business focus on commercial activities;
- Separate regulation from operations.

In 1996, Brisbane Transport became the first commercialised business unit of the Council, which was formed to operate the City's bus and ferry operations. Since then, a plethora of business units have evolved, most notably to this paper, City Design and Brisbane City Works.

Figure 1.1 illustrates the governance arrangements relating to purchaser/provider arrangements in Council.

The specific partnership being examined is that of Transport and Traffic section (purchaser) within the Urban Management Division and City Design (provider), within the City Business Division.

The partnership is responsible for the delivery of all major transport infrastructure within the City of Brisbane, Australia's largest local authority. The City will deliver up to \$100 million dollars in transport infrastructure in 1999/2000 financial year. The majority of this will be delivered via the Transport and Traffic/City Design partnership. Brisbane City Works, the City's construction business unit is an important third member of the partnership. The paper gives some background to both groups and uses a case study to describe the mechanics of the partnerships.

### **Provider – City Design**

City Design is the provider of design services within the Brisbane City Council. It operates as a commercial provider and does work externally for clients other than the Brisbane City Council. The unit provides design services in the areas of Architecture, Landscape Architecture and Urban Design, Geotechnical and Environmental Engineering, Water Engineering, Transport Engineering, Structural Engineering, Cadastral and Engineering Survey. Current staff levels in City Design are approximately 300. This equates to the largest of private design firms with the exception of Project Services, which is a commercial design unit within the State Government, numbering approximately 700.

City Design has been in operation for approximately 18 months and has been relatively successful in that time, particularly in developing workable partnerships with purchasers with the support of the administration. City Design also competes in the market place with the support of the organisation, for the purpose of demonstrating competitiveness to the major client (BCC purchasers), and giving City Design staff exposure to commercial design practices.

City Design's entry into the market has been very gradual. The unit will generally enter into partnerships with other consultants rather than compete head to head. City Design still relies on the market place to handle relatively large amounts of peak load

work let via tender as per the City of Brisbane Act. This is generally the basis on which partnerships are developed. Partnerships in the market place are developed via Brisbane City Enterprises (BCE), a propriety limited company wholly owned by Brisbane City Council. BCE assist City Design in forming strategic alliances, which will not only have long term benefits for City Design but other units within Council. They also help City Design identify project opportunities, particularly outside the South East Queensland area, put project teams together, and prepare bids and offers. Approximately 10% of City Design's income will be external to the Brisbane City Council in 1999/2000.

One of the success stories within City Design is the purchaser provider partnership between Transport and Traffic (purchaser) and the Transport and Structures Group within City Design (provider). This partnership delivers approximately \$5 million (design fees ) in transport engineering design and documentation for Brisbane City. This includes road design, bikeway design, intersection design, local area traffic management, traffic signal design, street lighting design, traffic safety audits and traffic and transport planning. Local area traffic management is a key area where the partnership has developed skills to efficiently produce designs specifically suited to the Brisbane community. Prior to the development of the purchaser and provider, this had been a problem area for Council with many conflicts arising between policy direction, road user needs and wants, traditional design standards and resident needs and wants. Resolution of these conflicts often incurred large time and cost implications. Since the development of the purchaser provider partnership, new non-traditional LATM standards have been developed with more emphasis on non-motorised vehicle road users. Our community communication consultation aspects have been carefully examined and been made much more efficient and effective by reducing the level of detailed consultation with the wider community and concentrating on directly effected residents.

Road design is generally the largest portion of work and City Design will often bring in

project assistance from the market place to cover peaks in workload. The partnership has developed the skills of City Design in areas of road design that are particularly suited to the Brisbane City Council requirements.

### **Purchaser – Urban Management (Transport and Traffic)**

Urban Management Division is the Council's largest purchaser group of assets and services for the city.

The Division is responsible for integrated strategic planning, infrastructure co-ordination and asset management of the City's land use, built environment, natural environment, waterways, traffic and transport, and water and sewerage programs.

The Division is a "purchaser" under Council's purchaser-provider model and it purchases goods and services to achieve its program goals from a variety of internal and external providers. Its major internal providers are City Design and Brisbane City Works. The Division has carriage of the program development, policy development, planning, program commission, monitoring and review across its program areas, as discussed below.

### **Natural Environment Group**

Natural Environment's program goal is "to create a clean and green, nature-based city for the next millennium" and its objectives are:

1. Protect biodiversity and ecological systems;
2. Protect Brisbane's air quality;
3. Contribute to Greenhouse gas reductions and optimise energy efficiency;
4. Facilitate best ecologically sustainable development practices.

The Natural Environment Group delivers purchaser functions in Environmental Sustainability, Air Quality and Energy, Protecting Biodiversity and Environmental Performance.

### **City Planning**

The goal of the Land Use and Built Environment Program is to "manage growth and development to achieve a more livable Brisbane". Its key objectives are:

1. To integrate and co-ordinate the City's land use planning
2. To implement key planning and civic improvement projects
3. To facilitate quality development

In meeting these objectives, the City Planning Group delivers city planning purchaser functions - including the preparation and maintenance of the Town Plan, the preparation of Local Area Plans, planning and facilitation of urban renewal, development and co-ordination of infrastructure development schedules and infrastructure charging plans, and the purchasing of regulatory services to implement development management.

### **Transport and Traffic**

Transport and Traffic has primary responsibility to deliver in accordance with the priorities set by Council's Transport and Traffic Program. The primary role of the group is for the planning and development of a safe, efficient and convenient transport system to meet the objectives of a Livable Brisbane.

Key objectives include reducing the dependency on private motor vehicles and the traffic impact in local streets, promoting the increased use of public transport, and maximising the benefit of the City's considerable existing and ongoing investment into transport infrastructure.

Key projects to be delivered include the Inner Northern Busway, Busways Network, a City Valley Bypass, bus and high occupancy vehicle lanes on all major corridors, an upgrade of Brisbane's Traffic Signal Control Systems, a 50km/h residential speed limit, an ongoing program to manage traffic issues in local streets, an expansion of the Bikeway network and a more accessible and effective bus network.

## **Water and Sewerage**

The Water and Sewerage Program is responsible for managing Council's interests in its relationship with Brisbane Water. It will achieve this by providing leadership in the development of policy and strategies which will ensure sustainable use of water resources and achieve the future vision and achieving satisfactory Return on investment of assets for Brisbane.

## **Waterways**

The goal of the Waterways Program is "to improve the function, quality, amenity and accessibility of Brisbane's Waterways in partnership with the community". Its objectives are to make the Brisbane River the focus of the City's life, to protect and manage the health of the river and waterways, to manage flooding impacts, to improve the use of and access to waterways, and to engage the community in managing the waterways.

Each Group within the Division is the custodian of significant Council assets and develops the high level policy and strategy associated with these assets. The Asset Support Group assist all Groups with the implementation and delivery of these policies and strategies and provide asset support and expert technical advice, implementing Total Asset Management, developing and integrating asset management policies and strategies, co-ordinating Divisional asset projects and maintaining the City Asset System.

## **Strategic Framework: Transport Plan**

Transport and Traffic issues are emerging as the major factor that will jeopardise livability of the City if an integrated action plan is not implemented. The increasing difficulty in moving around the City to access school, work and entertainment, and the noise and pollution impacts associated with transport are now leading issues for residents. Brisbane's future prosperity and lifestyle will depend upon the ease with which people and goods can move around the city.

One of the most recent policy developments for the Transport and Traffic Purchaser of Council has been the formulation of a Strategic Transport Plan for the city. The Plan's vision is that "Brisbane will have a modern integrated transport system that meets the needs of our community and enhances Brisbane as a livable City." If nothing is done, it is projected that congestion will increase from 125km of the road network to over 250km in the year 2011.

The Transport Plan concentrates on modernising the transport system, by upgrading and providing infrastructure, improving public transport, managing travel demand, and improvements to urban amenity. The Plan has been developed to ensure Council's investment in infrastructure delivers maximum benefits. It is also linked to other strategic projects such as the Queensland Government's Integrated Regional Transport Plan.

Figure 1.2 illustrates the benefit of implementation of the Transport Plan.

## **Coronation Drive Buslane Project**

Coronation Drive is one of Brisbane's most important urban arterial roads, linking the city to important nodes such as the Wesley Hospital, Toowong Shopping Centre and business precinct, Indooroopilly shopping precinct, the University of Queensland and the residential suburbs of Toowong, Taringa, Indooroopilly, St Lucia, Chapell Hill and Kenmore. The route currently carries approximately 55,000 vehicles per day

including approximately 600 buses per day. Figure 1.3 shows the location of the route.

The route has been operating at or above capacity in peak hours for a number of years. Options to increase its efficiency have constantly been on the traffic and transport agenda. Opportunities for road widening are limited as there is prime commercial and residential real estate on one boundary and the Brisbane River on the other. Figure 1.4 demonstrates the tight constraints of the road.

The Coronation Drive Buslane is one of the pivotal projects in the Transport Plan and was developed to improve the effectiveness of bus operations between the western suburbs and the CBD, whilst not causing any net disbenefit to the other vehicles. The project aims to effectively remove buses from traffic congestion and make public transport a much faster, more reliable and efficient alternative to the private motor vehicle.

As one of Brisbane's major arterial roads, Coronation Drive is an important public transport corridor for both the CityXpress and Citybuses, connecting the city with the western suburbs and the University of Queensland. Currently, more than 300 people every 10 minutes travel on buses along Coronation Drive in the peak periods. The timetable reliability of these bus services is currently being affected by peak hour traffic congestion between Toowong and Auchenflower.

The introduction of a bus lane along Coronation Drive would improve bus travel times for passengers travelling in and out of the city, and form part of Council's Integrated Transport Plan.

As part of Council's study into the introduction of this bus lane, it is proposed to make the road a two-way thoroughfare with five lanes – two inbound, two outbound and one a dedicated bus lane.

The Council is also investigating the possibility of installing a state-of-the-art "tidal flow" traffic management system to control peak hour traffic.

"Tidal flow" traffic management systems are installed to safely reverse the flow of traffic to suit peak periods. There are examples of "tidal flow" systems operating on the Sydney Harbour Bridge and also on the Hornibrook Highway Bridge on Brisbane's northside. The installation of "tidal flow" technology will enable two traffic lanes and a bus lane (along the kerbside) to operate inbound, and two traffic lanes to operate outbound during the morning peak period.

During the afternoon peak period, two traffic lanes and a bus lane (kerbside) will operate outbound while two traffic lanes will operate inbound. A changeover period will occur at a set time during the day.

The major issue with the "tidal flow" concept is the need for development of a practical technology which conforms with other Council traffic systems.

Council plans to call for expressions of interest from both Australian and International companies to investigate the "tidal flow" technology that is available.

The delivery of this asset is the responsibility of the Purchaser, who has in turn appointed City Design as the lead agency for design, and Brisbane City Works as the lead agency for construction. Both the design and construction units have or are soon to employ specialist subconsultants and subcontractors to provide expertise.

Figure 1.5 illustrates the project team structure and the responsibilities of each party.

Construction of the project is programmed to commence in April 1999.

## **Purchaser Perspective**

The delivery of the Coronation Drive Buslane Project has been very successful from the purchaser's point of view.

Through its Enterprise Bargaining arrangements, Brisbane City Council has no desire to untie these business units. However, purchasers must provide provider

groups with the first right of refusal on any project before going out to the market place.

Although the above arrangements, which limit competition, have been contentious from the perspective of value for money, other factors have worked well to ensure the successful delivery of projects. These intangible factors include:

- Organisational cohesion – there are strong linkages across the organisation, tapping into expertise in both the purchaser and provider areas.
- One organisation – the whole project team is outcome focused, not just motivated by profit.
- Cross council processes – project delivery is matched to corporate strategies.
- Teamwork – development of highly skilled and focused teams.
- Commitment – again focusing on outcomes.
- Trust – there is complete honesty and mutual respect amongst team members.

The arrangement between purchasers and providers is on the basis of Service Level Agreements. It is not the intent that these documents have contractual significance, rather they establish performance criteria and reporting mechanisms. The emphasis is on partnership.

### **Provider Perspective**

The detailed design and design management of the Coronation Drive Bus lane project has been an excellent project from City Design's perspective. The partnership with the purchaser has enabled a free exchange of ideas (not only to deliver a quality project which would be a traditional local government "pursuit of excellence" type approach), but a value for money, efficiently delivered project. Having the constructor available for input through the early stages of the project has

also been a strategic advantage for City Design and the project as a whole.

The project was one of the first large multi-discipline projects undertaken with the partnership in place. It has allowed staff members the opportunity to put forward new ideas in the design management of large projects and has led to the evolution of City Design as a unit which can, and will routinely deliver projects of this size.

One of the pitfalls that the project fell into, without any real consequence, was the engagement of subconsultants. City Design, to appoint a subconsultant must do so by tender as per the City of Brisbane Act. Work estimated to be over \$100,000 in value must be awarded via open tender. This is a lengthy process which would not be encountered by a non-government owned design firm. The partnership approach to the project enabled this stumble to be easily accounted for with some minor program adjustment.

Over the two years that the partnership has been operating, enough trust has been established that the degree of involvement of each group throughout the project can vary, depending on the requirements at any given time. City Design will often have a more advisory role in the planning and design development phase. Detail design will often only require the purchaser being called in to advise on occasion. During the construction phase, obviously Brisbane City Works carries the major role. This maximises the efficiency of input from each group.

To have been part of the "smooth" delivery (so far so good), of such a large complex project has been good for the credibility of City Design as a large commercial unit "stretching its wings". It has given the unit confidence that it can, and will regularly deliver projects of this size and larger.

### **Conclusion**

Since the implementation of the Brisbane City Council restructure, there has been a genuine focus from the Council on effective and efficient delivery for the client/customer,

rather than an obsession with excellence, regardless of time/costs. Whilst previous delivery may have been efficient, the current arrangement is demonstrably so. From the design perspective the delivery of increased construction value for less design dollars has been possible.

Having the partnership focused on the efficient and timely delivery of the project allows Council to reap benefits normally only achieved with Design and Construction (D & C) projects. However, as they are part of the team they forfeit none of the control which is often a concern with D & C.

The partnership is focusing on delivering some large savings to the establishment over the next three years. This will be achieved through a more flexible approach to the way in which we deliver the transport and traffic program for the City of Brisbane in the next millennium.

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