



KRUUNUSILLAT

Market Information Event: 24 November 2016

Summary of the event results

Procurement entity options

- 1) One procurement entity
- 2) Four procurement entities
- 3) Procurement entities based on technical structures
- 4) Procurement entities based on area subdivision

One entity

PROS

- One party responsible for everything
- One contract
- Easiest way to manage the numerous interfaces with third parties
- Management efficiency, no overlapping duties
- The most efficient and flexible for scheduling
- Consistent quality
- Consistent traffic arrangements
- Coordinated management of environmental matters
- Consistent communication
- Requires the least resources from the client
- Opportunity for innovations and optimising solutions
- The most effective/best way to optimise procurements
- Internationally attractive size
- Budget and timetable will hold

CONS

- The contractor will assign some of the work to a subcontractor, the operations of which the client has no control over
- A lot of subcontracting led by the main company
- Everything goes to one party, nothing for others
- Difficult to bid
- Large risk for one contract
- Large volume, large risks
- Additional work/changes to the project scope are 100 % certain
- A large entity requires great versatile competence from the implementing organisation
- Long schedule
- The coordination responsibility only goes from the client to the contractor
- The annual investment ceiling controls the implementation schedule

Four entities

PROS

- The least amount of coordination between different contractors and designers
- Good/clear entities: size, characteristics of parts, borders
- Three clearly different operational/constructional environments
- Tramline is its own procurement entity
- Entities have different nature -> easier to bid for an individual project
- Best of the split alternatives
- Certain areas finished quickly -> disturbances
- Competition increases, enables competitive bidding, attractive entities for different operators

CONS

- Splitting leads to several interfaces -> difficult to control, unnecessary
- Connecting the tram system to three separate area projects makes coordination challenging
- The bidding process for the split model causes additional work for all parties
- The split model prevents finding smarter implementation models
- Challenges of scheduling: finishing other entities before the tramline, scheduling coordination of the overall system is challenging
- Managing the earthwork costs and mass balance is difficult in the split model

Technical structures

PROS

- Clear entities
- Compliant design solutions
- Kruunuvuori Bridge covers half of the total costs. It can be better controlled in this option -> managing half of the costs
- The client's critical control resources are used efficiently
- Good prerequisites for efficient contract work bidding
- Utilises the contractors' special expertise related to technical structures
- One party has the most special expertise , if split, no experts can be found
- One party completes all structures of a similar type → low costs. All parties needing the equipment for all works → high costs

CONS

- The client is responsible for coordinating the different sections
- Optimising the entity is difficult
- Coordinating the design of technical solutions is a lot of work. If a mistake occurs -> questions of responsibility, delays, compensation?
- Many interfaces, who is in charge of the overall project, areas, technical fields
- A great need to move between other parties' contract work sites
- Scheduling is a big risk
- Scheduling: perhaps the most disruptions for residents, increases uncertainty, delays multiply
- Everyone optimises their own project
- Large cost risks
- Inefficient in relation to earthwork costs and mass balance
- Innovation difficult

Area subdivision

PROS

- Clear division, suitable and manageable entities
- Gives flexibility to the project's scope
- Plenty of contractor options, good prerequisites for efficient competition (assignments for different operators, different projects of various sizes, enables bidding by smaller operators)
- The contracts have a reasonable size and schedule
- Clear main implementers can be defined – safety!
- Enables different construction schedules

CONS

- Managing the whole: timetables, costs, coordination
- Demands an extensive organisation both from client and constructors
- Coordinating planning and design coherently
- Combining design and construction is challenging, too small
- Overall communication falls apart -> differing levels and methods
- Traffic arrangements during construction work differ, not coordinated -> disruptions, disturbances, losses
- Plenty of overlapping work for all parties
- With regard to several technical aspects, splitting the work makes commissioning much harder -> large risk
- There won't be synergy benefits between areas



OBJECTIVES OF THE PROJECT IMPLEMENTATION

How to ensure the objectives are reached?

Commitment to investment cost estimate

- Recognising risks and eliminating them early on
- Setting limits for the project (related projects)
- One-entity alliance model, all parties commit
- The implementation phase gives opportunities for innovations
- Splitting in accordance with the availability of Finnish contractors (for example, telematics has two operators)
- As large of an entity as possible
- Obligations and timetable restrictions of permits > effect can be significant
- The client must have sufficient resources and competence and their own project office

Clear and controlled overall schedule

- Town planning as a risk
- The fewer contract works, the easier they are to manage
- Interfaces between contract works are clear (also related to cost management)
- Division so that no critical points are created (which would 'bring the house down')
- Splitting is a large risk
- Option to shift the work's focus point when problems occur
- Large number of contracts increases challenges
- The client must have sufficient resources and competence and their own project office

Avoiding traffic disruptions and ensuring smooth everyday life for residents and businesses

- What is the goal? For example, water transports for construction (less disruption to residents) -> defining the intent and assessing/determining its costs
- Carrot/stick for the contractors
- The more interfaces there are, the more challenging it is for the client to coordinate
- Direct interaction, modelling, cooperation between different project entities
- The client must be in charge of management
- Shared bonus system for contract works

Good interaction between the different project parties

- Challenge: many operators within the City of Helsinki -> if they communicate differently, challenges will occur -> one party in charge of communication, one strategy
- If several contracts, the City must act as the umbrella organisation, important role
- Under the City's strict management
- One organisation in charge of communication
- Open communication is essential
- People tolerate disruptions when they know the duration in advance and are aware of the result

Implementation whilst valuing the environment

- These matters take a back seat when price is the competitive factor
- Determining an image
- As many freedoms as possible
- Money gets you anything
- Active interaction with environmental organisations