Notice of Service Reviews Committee Meeting

MEMBERSHIP

Cr Rob Unger *(Presiding Member)*

Cr Brett Rankine
Cr Jessica Lintvelt
Cr Peter Field (leave of absence)
Cr Lucas Jones
Cr Lyn Petrie

NOTICE is given pursuant to Sections 87 and 88 of the Local Government Act 1999 that the next SERVICE REVIEWS COMMITTEE MEETING will be held in the Civic Centre, 571 Montague Road, Modbury on WEDNESDAY 10 AUGUST 2022 commencing at 6.30 pm

A copy of the Agenda for the above meeting is supplied.

JOHN MOYLE
CHIEF EXECUTIVE OFFICER

Dated: 04 August 2022

CITY OF TEA TREE GULLY

SERVICE REVIEWS COMMITTEE MEETING
10 AUGUST 2022

AGENDA

1. Opening and Welcome

   Acknowledgement of Country Statement - to be read out as arranged by the Presiding Member

2. Attendance Record:

   2.1 Present
   2.2 Apologies
   2.3 Record of Officers in Attendance
   2.4 Record of Number of Persons in the Public Gallery
   2.5 Record of Media in Attendance

3. Confirmation of Minutes of the Previous Meeting

   That the Minutes of the Service Reviews Committee Meeting held on 29 June 2022 be confirmed as a true and accurate record of proceedings.

4. Public Forum

   Available to the public to address the Committee on policy, strategic matters or items that are currently before the Committee. Total time 10 mins with maximum of 2 mins per speaker. For more information refer to Council's website www.cttg.sa.gov.au

5. Deputations - Nil

   Requests from the public to address the meeting must be received in writing prior to the meeting and approved by the Presiding Member. For more information refer to Council's website www.cttg.sa.gov.au

6. Presentations

6.1 Presentation - Road Management Service Review

Mr Thornton Harfield, Director Assets & Environment and Mr Heath Colbatch of BRS will present an overview of the Road Management Service Review, supported by Mr Adam Kelly, Group Coordinator Civil and Buildings Projects and Mr Gabby D'Aloia, Manager Civil Assets. The presentation will occur in conjunction with consideration of the associated management report (20 mins).

Requests to present to the meeting must be received in writing 5 days prior to the meeting and approved by the Presiding Member. For more information refer to Council's website www.cttg.sa.gov.au

7. Petitions - Nil

8. Declarations of Conflicts of Interest

Members are invited to declare any material, actual and/or perceived conflicts of interest in matters appearing before the Committee.

9. Adjourned Business - Nil

10. Motions Lying on the Table - Nil

11. Management Reports

Office of the Chief Executive Officer - Nil

Assets & Environment - Nil

Organisational Services & Excellence

Community & Cultural Development - Nil

12. Motion(s) on Notice - Nil

13. Motion(s) without Notice

14. Question(s) on Notice - Nil

15. Questions without Notice

16. Information Reports

17. Status Report on Resolutions

18. Other Business

19. Section 90(2) Local Government Act 1999 – Confidential Items

A record must be kept on the grounds that this decision is made.

19.1 CONFIDENTIAL - Update on implementation of the new organisation structure

Mr Ryan McMahon will provide an update on the implementation of the new organisation structure (30 minutes)

20. Date of Next Ordinary Meeting

5 October 2022

21. Closure

REPORT FOR	SERVICE REVIEWS COMMITTEE MEETING
MEETING DATE	10 AUGUST 2022

RECORD NO:	D22/45146
REPORT OF:	ORGANISATIONAL SERVICES & EXCELLENCE
TITLE:	SERVICE REVIEW REPORT - ROAD MANAGEMENT

PURPOSE

To consider the service review report undertaken for road management, which includes maintenance and construction.

RECOMMENDATION

That the Committee recommends to Council:

That, having considered the report titled "Service Review Report – Road **Management" and dated 10 August 2022, Council:**

1. Notes the report prepared by BRS for the Road Management Service Review, provided as Attachment 2, and

2. Endorses the proposed actions contained in the Implementation Plan (provided **as Attachment 3) and that the following items are delegated to Council's Chief** Executive Officer (CEO) to consider and implement:

   a) Items 10.2.1 – 10.2.4
   b) Items 10.3.1 – 10.3.3
   c) Items 11.1.1 – 11.1.2 with 11.1.1 being presented to Council for consideration
   d) Items 11.2.1 – 11.2.4
   e) Items 11.3.1 – 11.3.5
   f) Items 11.4.1 – 11.4.3
   g) Items 11.5.1 – 11.5.3

1. BACKGROUND

The Community Value Program (CVP) is all about creating better services and a better organisation for our community and our people. Through service reviews, we will consider our purpose for each service, our role within the community, what we do, how we do it, and how we measure our impacts. This ongoing organisation review approach will take a number of years to complete and will touch every part of our business over time.

At its meeting on 8 September 2021, the Service Reviews Committee identified ten (10) functions / services to prioritise for services reviews as part of the Community Value Program. One of these functions / services identified as an initial priority was road management, which includes both road construction and road maintenance activities.

Roads are a critical asset for Council and are viewed by the community as one of the most fundamental and valued services that Council delivers. The primary purpose of the transport network is to aid movement across the City and to connect people to places in a safe and easily accessible way.

Roads make up nearly 80% of Council's Transport Asset Management Plan (TAMP) and includes assets such as road pavements, road seals, kerb and gutters, footpaths, car parks and traffic control devices etc. 590 kilometres of the City of Tea Tree Gully (CTTG) road network is made up of sealed roads, which has a replacement value of $380M whilst 8 kilometres are unsealed with a replacement value of $960k. Approximately $15M is required each year to maintain, operate and renew transport infrastructure.

On 1 December 2021, a proposed scope for the Road Management Service Review was workshopped with the Service Reviews Committee and is provided as Attachment 1.

After undertaking a procurement process, BRS was engaged in February 2022 to facilitate the review of the road management service along with the development of a service review framework.

Internal workshops and information gathering occurred during March 2022, with a draft report prepared and distributed to key stakeholders in April 2022. Feedback was then provided during May 2022 which enabled report finalisation in June 2022 for consideration by the Committee.

2. DISCUSSION

The final Road Management Service Review Report prepared by BRS is provided as Attachment 2, which includes:

- An analysis of customer needs and wants
- Asset performance
- Asset management priorities, service levels and roles and responsibilities
- Resourcing
- Feedback provided during consultation process
- Benchmarking with other councils in South Australia
- Recommendations that arose from observations, considerations of community value implications, and risk with specific recommendations identified in relation to:

Ref:	Topic
9.1	Road construction design
9.2	Reducing whole of life cost
9.3	Redeployment of internal resources
10.1	Three year forward works planning
10.2	Role clarity and organisational structure
10.3	Supplier relationship management
11.1	Strategic Asset Management planning
11.2	Environment, decarbonisation and sustainability
11.3	Works management
11.4	Zero Harm (safety)
11.5	Performance measurement

An implementation plan addressing each of these recommendations has been provided as Attachment 3.

h) Treatment options analysis - Road Construction Design (Recommendation 9.1)

The Road Management Service Review considered the feasibility of undertaking various treatment options for road management. This section of the report provides an analysis of treatment options for roads which relates to recommendation 9.1.

Historically Council's reconstruction program has been presented to Council based on primarily two factors:

1. Lowest condition rating (based on a condition assessments undertaken)
2. Budget of approximately $1.9M (consisting of both labor, materials and fleet budgets) to maximise the utilisation of existing internal resources

The table on page 5 table of this report below shows the difference between various high-level treatment options based on the level of defect, which identifies those treatments that are a higher cost (and considered capital expenditure) vs lower cost options (which are considered operating expenditure).

Our road assets are condition assessed every three years and defect criteria are captured and recorded to determine the most effective treatment option. The type of treatment determined for road reconstruction has typically been driven by the degree of pavement failure and undulation. Undulation in roads does not necessarily mean the road pavement (base) has failed, but rather moved, and as such the road generally only requires a shape correction and not a full box out reconstruction of base material and new bitumen surface. Having said this, undulation still remains the primary reason for road reconstruction being selected historically.

It is useful to note that in past years, the City of Tea Tree Gully has had sufficient roads requiring major intervention/correction from year to year. This has justified the retention and equipping of dedicated teams to undertake 'full-box out road reconstruction'.

Pleasingly, the Transport Asset Management Plan and recent road condition assessment results indicate that the need for full road constructions into the future will diminish. This allows Council the opportunity to reassess suitable road treatment options into the future and consider any associated savings that may arise, redistribution of financial resources and impacts on staffing, plant and fleet.

Based on the table below, the preferred method going forward would be to 'tyne and compact' roads after removing the bitumen surface, which could be considered a more appropriate and cost-effective method. This approach includes various sections of kerb and gutter realignment where needed. This has been the recent method that Council has been trialing to determine its effectiveness. Tyning is a method for ripping up of the road pavement to loosen up material, enabling it to be re-shaped and compacted. This method uses the existing road base to be reformed and ready for resealing with a new bitumen surface.

	High Cost				Low Cost	
	Capital Expenditure					Operating Expenditure
Treatment	Deep Lift Reseal	Full Box Out Reconstruction	Pavement & Stabilisation	Tyne & Compact	Reseal	Maintenance Treatments (pothole patch, crackseal)
Defect	Pavement failure	Pavement failure	Pavement failure	Shape correction / surface defects	Surface defects	Seal defects & localised pavement failure
Resource	Outsourced	Insourced / Outsourced	Outsourced	Insourced / Outsourced	Outsourced	Insourced / Outsourced

The following table provides cost comparisons (based on typical unit rates) between a full box out reconstruction as a treatment option vs the tyne and compact method for a range of potential streets, using the historical annual budget based around $1.9M. It is noted these are provided as example roads for comparison purposes only, and does not provide indication of future priority projects for Council.

Re-Construction (Full Box Out)

Road Name	Labour	Plant	Materials	Contractor	Total
Heysen Road	$ 113,956	$ 84,943	$ 35,235	$ 186,202	$ 420,336
Parcoola Ave	$ 155,038	$ 115,566	$ 47,938	$ 253,330	$ 571,872
Karingal Road	$ 168,884	$ 125,887	$ 52,219	$ 275,954	$ 622,944
Kangangra Road	$ 80,890	$ 60,295	$ 25,011	$ 132,172	$ 298,368
Robert Arnold Avenue	$ 34,761	$ 25,911	$ 10,748	$ 56,798	$ 128,218
	$ 553,529	**$ 412,602**	**$ 171,151**	**$ 904,456**	**$ 2,041,738**

Tyne & Compact

Road Name	Labour (55% reduction)	Plant (55% reduction)	Materials (80% reduction)	Contractor (30% reduction)	Total
Heysen Road	$ 51,280	$ 38,224	$ 7,047	$ 121,031	$ 217,583
Parcoola Ave	$ 69,767	$ 52,005	$ 9,588	$ 164,664	$ 296,024
Karingal Road	$ 75,998	$ 56,649	$ 10,444	$ 179,370	$ 322,461
Kangangra Road	$ 36,400	$ 27,133	$ 5,002	$ 85,912	$ 154,447
Robert Arnold Avenue	$ 15,642	$ 11,660	$ 2,150	$ 36,919	$ 66,371
	$ 249,088				**$ 1,056,885**
Clifford Way (Council Boundar	$ 17,647	$ 13,154	$ 2,425	$ 41,650	$ 74,876
Canberra Crescent	$ 24,529	$ 18,284	$ 3,371	$ 57,894	$ 104,078
Kimberley Ave	$ 16,601	$ 12,375	$ 2,281	$ 39,183	$ 70,440
Jaycee Street	$ 41,811	$ 31,166	$ 5,746	$ 98,682	$ 177,406
Jacaranda Grove	$ 34,945	$ 26,048	$ 4,802	$ 82,477	$ 148,273
Juniper Street	$ 11,068	$ 8,250	$ 1,521	$ 26,122	$ 46,960
Maxlay Road	$ 51,649	$ 38,499	$ 7,098	$ 121,902	$ 219,148
	$ 447,339	**$ 333,447**	**$ 61,474**	**$ 1,055,806**	**$ 1,898,066**

As can be seen in the previous table, the move from 'full-reconstruction' to 'tyne and compact' will provide significant cost savings to Council and still achieve suitable outcomes for the community which include reduction in disruption linked with shorter project delivery times which will shorten the time where roads are excavated and open to weather, reduce traffic control duration, alleviate inconvenience related to property access for property owners, etc).

The above costings are based on the following assumptions and approximations:

- Kerb and gutter work at 40% of full box out quantity with an increased unit rate due to change in process,
- Standard process not including other factors, i.e. paved thresholds, roundabouts, etc.
- Percentage reduction in time (labour / plant) to undertake internal work tasks.

Carrying out the works with the new tyne and compact method results in an excess capacity of 19% of internal labor and plant costs which would still require further utilisation or reallocation. This may be accommodated through the delivery of other projects and services using internal resources rather than outsourcing them as is the current case.

Council can then consider various options available in terms of how to utilise the financial savings achievable. The table above also seeks to demonstrate how many additional roads could theoretically be resealed if the normal annual expenditure was reallocated to other roads treatments. This would provide an overall uplift in service level to the community (we treat more roads, more frequently, for the same investment), or could equally provide financial savings to be reallocated to other council activities.

i) Resourcing options analysis (Recommendation 9.3)

The followig table provides a high level analysis of potential resourcing options for the delivery of tyne and compact works with further detailed analysis to be undertaken in accordance with the implementation plan.

Discussion point	Resourcing	Financial	Benefits	Risks
Option 1 – Current Revised Practice				
The current practice for tyne and compact includes partial internal works to prepare various aspects of the treatment for contractors to carry out the remainder of	<u>Internal</u> - Project management - Kerb & gutter removal and preparation - Asphalt removal - Tyne and compact	Estimated unit rate $87 /m2 as per table above	- Medium stability of rates - Flexibility to attend to customer needs internally - Skilled staff to accommodate	- Tyne and compact or reconstruction treatment requirements are not guaranteed (Asset management driven program) - Potential over-servicing if finding work for internal utilization resulting in premature asset renewal

Discussion point	Resourcing	Financial	Benefits	Risks
the works such as the seal and kerb & gutter	▪ Preparation for seal <u>External</u> ▪ Design ▪ Survey ▪ Cable locations ▪ Concreting ▪ Backhoe wet hire (machine with operator) ▪ Asphalt ▪ Topstones ▪ Linemarking		alternative duties	▪ Higher risk of downtime due to contractor availability ▪ Still require additional projects to expend plant and labor budget or increase budget to accommodate the internal vs external expenditure difference. ▪ Risk of downtime and cost implications due to weather (all year-round work) ▪ Clarity of defect responsibility ▪ Leave liability ▪ Greater impact to community (flow of work) ▪ Limitations to one site at a time ▪ Requires review of suitability and utilisation of plant and equipment.
Option 2 - Upskill staff & review in plant / equipment				
Upskilling existing reconstruction staff to enable inhouse delivery of concrete works associated with tyne and compact treatment and broader utilisation across other projects / operations	<u>Internal</u> ▪ Project management ▪ Kerb & gutter removal and preparation ▪ Asphalt removal ▪ Tyne and compact ▪ Preparation for seal ▪ Concreting <u>External</u> ▪ Design ▪ Survey ▪ Cable locations ▪ Concreting ▪ Backhoe wet hire ▪ Asphalt ▪ Topstones ▪ Linemarking	Costing to be determined	▪ Higher stability of rates ▪ Flexibility to attend to customer needs internally ▪ Low risk of downtime due to contractor availability ▪ lower impact to community (flow of work) ▪ Skilled staff to accommodate alternative duties	▪ Work not guaranteed (Asset management driven program) ▪ Potential over-servicing if finding work for internal utilisation ▪ Risk of downtime and budget impacts due to weather (all year-round work) ▪ Clarity of defect responsibility ▪ Leave liability ▪ Limitations to one site at a time ▪ Requires training of staff
Option 3 - Merge Teams & Redeployment / Redundancy				
The Urban Rural Maintenance Team (URMT) have similar skill sets and plant and equipment to the Reconstruction Team.	<u>Internal</u> ▪ Project management ▪ Asphalt removal ▪ Tyne and compact	Estimated unit rate: 69 / m2	▪ Higher stability of rates ▪ Flexibility to attend to customer	▪ Work not guaranteed (Asset management driven program) ▪ Risk of downtime and budget impacts due to

Discussion point	Resourcing	Financial	Benefits	Risks
Recent review of asset management requirements for the road re-sheeting program as well as process improvements in the capital unsealed footpaths program has seen the invested time in capital works reduce by approximately 50%. This creates opportunity for the URMT team to carry out the works associated with tyne and compact, and preparation for seal. This would result in the reduction of plant and equipment and staff FTE.	Preparation for seal <u>External</u> Design Survey Kerb & gutter removal and preparation Service locations Concreting Backhoe wet hire Asphalt Topstones Linemarking		needs internally Low risk of downtime due to contractor availability lower impact to community (flow of work) Skilled staff to accommodate alternative duties / adaptable Overcome other capital reduction impacts	weather (all year-round work) Clarity of defect responsibility Leave liability Limitations to one site at a time
Option 4 - 100% externally contracted - Redeployment / Redundancy				
All associated works contracted out as a bulk package with expectations on timeframes for delivery and project managed internally.	<u>Internal</u> Project management <u>External</u> Design Survey Kerb & gutter removal and preparation Service locations Concreting Asphalt removal Tyne and compact Preparation for seal Asphalt Topstones Linemarking	Costing to be determined	Bulk purchasing Single point of responsibility Flexible delivery option Low risk of budget impacts from weather Streamlined process low impact to community (flow of work) Multiple sites at a time minimising winter work Reduction in staff FTE's and plant & equipment Minimised budget variations	Instability of rates Not as flexible to attend to urgent customer needs Redundancy / redeployment Possible increase in cost to deliver works Inability to attend to redirect resources to other projects with restricted timeframes

j) Three Year forward Works Planning - Recommendation 10.1

The report recommends that Council allocates resources and funding to support preliminary works to forward plans and procurement of a rolling 3 year roads program of works.

This would include funding and technical input for roads condition assessments, priority planning of works, surveys, design and other preliminary requirements to allow multi-year packages of works to be tendered and committed to.

This opportunity would allow suppliers to plan further ahead for works, commit materials and resourcing and provide council with economies of scale and better value for money.

This approach will require changes and commitment within the Annual Business Planning process, including elected member support for future year programs and budgeting that will be contractually binding through formal Council decisions endorsing a rolling 3 year program.

Other benefits will include a reduction in procurement effort (administration) and greater contractor/supplier relationships and commitment to council as a key customer.

3. FINANCIAL

Financial considerations are detailed within the 'Discussion' section of the report, between different treatment options and resourcing options.

Council can consider various options available in terms of how to utilise the financial savings achievable. The Roads Management Service Review seeks to demonstrate how many additional roads could theoretically be resealed if the normal annual expenditure was reallocated to other road treatments. This would provide an overall uplift in service level to the community (we treat more roads, more frequently, for the same investment), or could equally provide financial savings to be reallocated to other council activities.

4. STRATEGIC OBJECTIVES

Strategic Plan

The following strategic objectives in Council's Strategic Plan 2025 are the most relevant to this report:

Objective	Comments
Environment	
Our consumption of natural resources is minimized by reducing, reusing and recycling products and materials, and using renewable resources	Environmental sustainability is addressed in Attachment 2 as part of the BRS report.
Economy	
Places	
Streets, paths, open spaces and parks are appealing, safe and accessible	Roads make up nearly 80% of the Transport Asset Management Plan (TAMP) and includes assets such as road pavement, road seal, kerb and gutter, footpaths, car parks and traffic control devices.
Infrastructure and community facilities are fit for purpose, constructed using sustainable practices and well maintained	Its important roads are fit for purpose, well maintained and sustainable. These factors are addressed within the report by BRS.
Leadership	
Planning considers current and future community needs	Long term planning for customer needs is one of the topics
Delivery of services is sustainable and adaptable	Resourcing and treatment options for road management need to be sustainable
Decision making is informed, based on evidence and is consistent	Decision about road treatments are made based on condition assessment data

Policies / Strategies

Council has an Asset Management Policy and Transport Asset Management Plan which are relevant to this report.

5. LEGAL

Legal implications of any recommendations and proposed actions have been considered as part of the review.

6. RISK – IDENTIFICATION AND MITIGATION

Risk considerations are detailed within the Discussion section of the report, between different resourcing options.

Some options carry specific risks in relation to the future utilisation of staff, plant and fleet. These will be reviewed year to year to ensure that Council is equipped with the appropriate resources for planned future road works. Impacts on staff, plant and fleet will be managed in accordance with a range of relevant Council policies and industrial provisions as per Enterprise Agreements in place between council and staff.

7. ACCESS AND INCLUSION

The road network supports appropriate access across the City. Future roads works are planned in consideration of access and inclusion principles and design standards in are influenced by Council's Disability Access and Inclusion Plan.

8. SOCIAL AND COMMUNITY IMPACT

Any changes to road management have the potential to impact the community in regard to quality of life, safety, access to services, inclusion and a range of social factors. Transport assets are consistently rated via customer satisfaction survey as one of the most highly valued services provided by council.

9. ENVIRONMENTAL

Environmental sustainability is addressed within the BRS report. Roads and related transport assets have a significant impact on the environment and council will continue to review new practices and technology to improve environmental impacts associated with roads management where possible. Council already uses recycled materials in a range of our roads management activities.

10. ASSETS

This review addresses one of the primary asset classes of Council, being roads. The report examines different resourcing and treatment options to optimise renewal and maintenance of the road network and will impact our Asset Management Plans and associate planned works into the future.

11. PEOPLE AND WORK PLANS

Staff resourcing is one of the factors considered within the review.

Impacts on staff, plant and fleet will be managed in accordance with a range of relevant council policies and industrial provisions as per Enterprise Agreements in place between council and staff.

12. COMMUNITY AND STAKEHOLDER ENGAGEMENT

At this stage, no community engagement has been undertaken and is not required. Relevant stakeholders were engaged throughout the review as identified in the BRS report provided as Attachment 2. In addition to the stakeholders engaged as part of the review itself, the Community Value Project Team and Steering Committee were also involved in the review of the BRS report which included:

Steering Committee

- Chief Executive Officer
- Director Assets and Environment
- Director Community and Cultural Development
- Director Organisational Services and Excellence
- Manager Finance and Rating Operations
- Manager Organisational Development

Community Value Program Project Team (peer review)

- Manager Library Services
- Manager IT Solutions
- Acting Manager Customer and Communications
- Manager City Strategy
- Manager Governance and Policy
- Team Leader Financial Accounting
- Strategic Assets Coordinator
- Project Lead Organisational Development

The proposed recommendations contained in this report will not have any negative or observable impact to the way the community experiences the provision of road services within the City of Tea Tree Gully. However, the opportunities for cost savings and/or additional road treatment works will provide an increased level of services to the community over time.

13. COMMUNICATIONS OF COUNCIL DECISION

Depending on the actions that are endorsed by the Committee and subsequently further supported by Council, any communication of changes to our road management approach will need to be further considered and communicated to staff involved (e.g. impacts on staff and work plans).

14. INTERNAL REPORT CONSULTATION

The report authors and authorisers listed are those that have been consulted with the covering report. The BRS report provided as Attachment 2 was reviewed and considered by range of stakeholders (refer Stakeholder engagement section)

Attachments

Report Authorisers

Ilona Cooper Manager Governance and Policy	8397 7310
Adam Kelly Group Coordinator Civil and Buildings Projects	8265 8630
Belinda Halling Project Lead Organisational Development	
Thornton Harfield Director Assets and Environment	8397 7283

CITY OF TEA TREE GULLY
Naturally Better

Service Review Project Scope – Road Management

1. INTRODUCTION

1.1 Purpose of Document

The purpose of this scoping is to:

- Clearly identify a project scope in which Council will invest identified time and resources to deliver stated objectives relating to road management.

1.2 Background / Context

Roads make up nearly 80% of the Transport Asset Management Plan and includes assets such as road pavement road seal, kerb and gutter, footpaths, car parks and traffic control devices.

590km of our road network are made up of sealed roads, which has a replacment value of $380M whilst 8km are unsealed roads at a replacement value of $960K.

Condition assessments of our road network are undertaken on a 3 to 4 year cycle and surveys the road surface, pavement and kerbing providing us with data to analyse. By populating a rule base, recommended treatments based on condition data are derived.

Of a rating from 1 to 5 (1 is good, 5 is poor), the average condition of our roads is comprised of:

- road surface = 2.6,
- Road Pavement condition = 2.1
- Kerb condition = 2.8

Currently City of Tea Tree Gully generally carries out 3 treatment options for the renewal of its road network being a full reconstruction (primarily internally resourced), asphalt overlay (outsourced) and unsealed road resheeting (internally resourced) equating to an average budget between $3.94 - $4.54m per annum.

Internal capital resources includes 2 teams (Reconstruction and Urban Rural Maintenance) with associated plant and equipment such as graders, loaders, rollers, tippers and site amenities.

Maintenance and operational works such as patching, cracksealing and linemarking equate to an approximate spend of $1.1m per year.

With the increase in community expectations, current technology, recycled products, environmental initiatives in accordance with strategic plan objectives and city growth, there is a need to further explore the treatment options to deliver best practice asset management, to optimise the lifecycle of the asset and to ensure Council is delivering efficient and effective services to the community.

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Service Review Project Scope – Road Management

1.3 Objectives

Optimisation of the road asset lifecycle, through reviewing and undertaking renewal treatment options, whilst endeavouring to minimise the impact to residents and create a positive experience.

Improved planning and scoping to accurately budget annual capital roads programmes.

Review and implementation of any identified changes through new technologies associated with soil conditions, climate initiatives, etc and processes for effective and efficient practices relating to road construction / rennovation.

1.4 Strategic Alignment to Plans, Policies & Delivery Plans

Strategic Plan 2025

2.3. The carbon footprint of our city is reduced through the collective efforts of community and Council, including business

2.4. Our consumption of natural resources is minimised by reducing, reusing and recycling products and materials, and using renewable resources

2.5. We are resilient to climate change and equipped to manage the impact of extreme weather events.

4.1. Streets, paths, open spaces and parks are appealing, safe and accessible

4.6. Infrastructure and community facilities are fit for purpose, constructed using sustainable practices and well maintained.

5.3. Planning considers current and future community needs

5.4. Delivery of services is sustainable and adaptable

5.5. Decision making is informed, based on evidence and is consistent

Organisational Plan

- We have service standards in place across the organisation and we continually improve our performance
- Our workforce strategy enables us to meet external opportunities and challenges, and improve service delivery
- Our practices consider current and future community needs and challenges

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Attachment 1

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Service Review Project Scope – Road Management

2. BENEFITS

Reviewing treatment options will ensure Council meet its obligations through current Asset Management Pactices and improves the asset lifecycle of the road network.

Potential financial benefit through refined scoping and efficient services.

Optimisation of allocation of funds for asset management and improved quality of our road assists with the satisfaction of residents and their well being.

Environmental benefits through analysing treatment options with a focus on climate initiatives and the level of research and development associated with new technologies defined in a policy.

Improved role clarity and action planning for future projects / programmes to ensure timely delivery and quality of works.

3. RISKS

Potential industrial relations risks which can be managed through change management practices.

Potential for conflicting views of engineering staff regarding treatments options and the management of roads.

Risk of not achieving full business benefits with items that are considered out of scope.

4. SCOPE, CONSTRAINTS & ASSUMPTIONS

Scope
Included in the scope of this project:

Asset Treatment Optimisation (lifecycle)

- To identify acceptable treatments and optimisation of the asset lifecycle to our road assets incorporating new technologies, intervention planning, environmental impacts and detailed treatment designs for capital renewal works.
- Define Council's position as it relates to research and development and the appetite for being early adopters.
- Effectiveness and efficiency relating to use of resources (including but not limited to staff, plant and equipment and contractors)
- Review current service standards and factors that are measurable and considered for the community.
- Road condition rating assessment process, frequency and valuations.
- Define a policy position of service standards as it relates to Road Management.
- Benchmarking across other Council's / departments

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Service Review Project Scope – Road Management

- Review of the impact of service standard changes.

Exclusions
Specifically excluded from the scope of this project:

- Road Maintenance activities
- Fire Track maintenance and renewal
- Unsealed Road maintenance and renewal

Constraints
This project will be constrained by the following:

- Current Asset Data and systems (Condition audit will be available after the Service Review)
- Current endorsed program of works
- Staff availability
- Financial impacts.
- Potential effects on operational budget
- Skilled staff to support the process in house.

Assumptions
This project assumes the following:

Nil

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Attachment 1

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Service Review Project Scope – Road Management

Related Initiatives / Projects

The related initiatives / projects are listed in Table 1 below:

Table 1: Related Initiatives / Projects

Initiative / Project	Relationship / Interest
Road Maintenance Levels of Service	Treatment options and response.

5. STAKEHOLDERS

The table below lists the individuals and groups internally whose interests may be affected as a result of this business case proposal.

Stakeholder	Role	Interest / Context / Relationship	Organisation Change Impact
Civil and Strategic Assets	Asset Management, Planning, Annual program	Requirements for asset planning and Annual programs	Change in asset management plans and programmes, change in process.
Civil & Buildings Projects	Delivery of Projects	Understanding scope for delivery of works	Review resourcing requirements, materials, contractors, inhouse resources.
Finance	Budgeting	Understanding required annual budget for programs	Budget amendments, Benchmarking to ensure value for money and valuations.
Fleet and property services	Fleet attributed costs	Provision of plant and fleet to inhouse team	Changes to fleet requirements
Road Construction Team	In house resourcing for physical work	Future work / tasks, effects on position	Potential change of duties to normal role.
Community	Customer	Quality and impact of works	Time efficiencies based on inconvenience.

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CITY OF TEA TREE GULLY
Naturally Better

Service Review Project Scope – Road Management

6. TIMEFRAMES

Provide an outline of expected timeframes for the service review from commencement to completion – excluding implementation of any recommendations

	Jan	Feb	Mar	Apr	May	June	July	Aug
Review of Asset data								
Engagement of Consultant								
Production of design/ treatment options								
Review of current processes								
Community Engagement?								
Benchmarking								
Council's feedback								
Review of Resource Requirements								
Consultation with Staff								

Timeframes currently only indicative

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Attachment 1

BRSRESULTS.COM

JUNE 2022

ROAD MANAGEMENT SERVICE REVIEW

RESULTS THROUGH EXPERIENCE

Table of Contents

1. EXECUTIVE SUMMARY

City of Tea Tree Gully (CTTG) engaged BRS to undertake a service review of its road management service. Roads are a critical asset for CTTG and are viewed by the community as one of the most fundamental and important services that council delivers.

CTTG has recently made changes to its design approach to road reconstruction. This approach reduces the need for a full road reconstruction and takes advantage of the existing sub-base to reseal the road rather than replace the sub-base.

This has several benefits including:

- Reducing capital expenditure
- Better for the environment
- Reducing disruption to residents
- Reduced risk of service strike

It is estimated that changing the design approach around the need for full road reconstruction will reduce the work of the existing council road construction team by up to 50 % - 80% as well as reducing cost of materials. It is the recommendation of this review that CTTG leverage this in the following ways:

- Adopt the new treatment methods to our road management program
- Increase investment in proactive maintenance and renewal such as reseals, crack-sealing or patching to reduce overall whole of life cost
- Redeploy existing staff and plant to work on other civil work subject to further assessment of suitable work being available

The review also identified a number of areas to improve efficiency and effectiveness of roads management as well as opportunities deliver progressive change.

2. INTRODUCTION

The primary purpose of the transport network is to aid movement across the city and to connect people to places in a safe and easily accessible way. The purpose of roads management is to deliver the roads that are used by customers to move across the city.

Roads make up nearly 80% of the Transport Asset Management Plan (TAMP) and includes assets such as road pavement, road seal, kerb and gutter, footpaths, car parks and traffic control devices. 590 kilometres of the City of Tea Tree Gully (CTTG) road network is made up of sealed roads, which has a replacement value of $380 million whilst eight kilometres are unsealed roads with a replacement value of $960,000. Approximately $15 million is required each year to maintain, operate and renew transport infrastructure.

Council carries out several treatment options for the management of the road network including:

- Full road reconstruction which involves replacement of the sub-base and asphalt surface and kerb and gutter when a pavement has failed
- Resealing which may involve reshaping the road surface
- Re-sheeting of unsealed roads
- Programmed and reactive maintenance such as crack sealing and patching

CTTG engaged BRS to undertake a service review of its road management service. The focus of this service review included:

- Resourcing
- Asset management
- Efficiency and effectiveness

Technical or engineering advice relating to treatment types was excluded from the scope.

Staff consultation is an important component of the change management process of any service review. Throughout this review, the following people were consulted:

- John Moyle
- Thornton Harfield
- Ryan McMahon
- Julie Short
- Adam Kelly
- Gabby D'Aloia
- Wahid Yousafzai
- Nicholas Bennett
- Rhyss Cooke
- Michael Hodge
- Mark Cooke
- Rob Molloy
- Wayne Schmaal
- Michael Hodge
- Nicholas Preece
- Janet Halls

Independent verification of staff views and perspectives was undertaken through:

- Qualitative benchmarking to other councils, state and federal transport agencies, asphalt suppliers, and engineering companies who are all clients of BRS
- Assessment of quantitative data as well as policies and procedures

Whilst every effort has been made to bring independent experience and evidence to the review, the nature of staff consultation can result in a degree of subjectivity.

3. CUSTOMER NEEDS AND WANTS

Opportunity Cost

Opportunity cost is defined as the forgone benefit of investing in road management that would have been derived investing in other council services. Opportunity cost is a central concept to any service review as investing in one service or inefficiency comes at a cost to other services to the community. Over investing in road management comes at cost through:

- Higher rates for ratepayers
- Reduced service levels in other asset classes
- Reduced funding for community services and programs

To deliver community value, road management must not only be efficient and effective but must also represent the optimised level of investment in terms of other services within council.

Different community needs

During the service review, one of the first steps that was undertaken was to understand customer needs and wants. This aligns with the Local Government Act which states the core role of council is to improve quality of life for its community.

CTTG has a diverse group of customers who derive different value and benefits from the road transport network. Differing needs of the community include:

- Daily commute for work
- Running a business
- Participation in sport and recreation
- Active recreation
- Social equity
- Environment and sustainability
- Amenity

Community Feedback

A community survey was undertaken in 2021. In this survey roads were rated as the second highest recalled (known by ratepayers) service after waste collection reflecting the importance of roads to the community. The survey found that community satisfaction with roads has improved over time since 2011. It identified that maintenance of footpaths, roadside verges, roads and street trees has improved.

4. ASSET PERFORMANCE

Road Design

CTTG has recently trailed alternative design approaches to road reconstruction. This approach reduces the need for a full road reconstruction by using the existing sub-base and only reshaping the surface of the road by replacing the asphalt. The new design approach only looks to do a full road reconstruction when the road pavement has failed. When it hasn't failed then the design will only look to reseal and reshape the road.

This will result in considerable savings as well as reduce the workload of the existing road construction team. It delivers a number of benefits including:

- It reduces the cost of road construction
- It is better for the environment
- It provides workforce capacity which can be re-deployed to other work
- It reduces disruption to residents

It is estimated that by reducing the need for full road reconstruction will reduce the work of the existing road construction team by up to 50% -80%.

Road Condition

Condition assessments are undertaken every three years. Asset conditions are measured using a 1-5 rating system where 1 relates to an asset that is 'as new' and 5 relates to an asset that is at the end of its useful life.

As stated in the TAMP the current condition of the road network is fair to good, with the average condition ratings as follows:

- Road pavement condition = 2.1
- Kerb condition = 2.8
- Road surface = 2.6

The service review found that the current road condition is largely adequate, neither excellent nor poor. However, it should be noted that with the ageing assets in the Golden Grove precinct there is likely to be a future demand for road intervention.

Reactive Maintenance

Reactive maintenance is undertaken when either staff or community members raise a customer request through to council. A high number of customer requests indicate that the road asset is underperforming as customers have identified a defect such as pothole and have reported it to council.

Ideally Council should be aiming to be pro-active in fixing road defects either through capital works or programmed maintenance.

The table below shows the number of customer requests for roads maintenance over the past three years.

Year	Number
FY19/20	388
FY20/21	370
FY21/22 (YTD)	327

Overall, the number of Customer Requests is low indicating the road condition is adequate.

5. ASSET MANAGEMENT

Strategic Priorities

The Annual Business Plan FY 2020-2021 (ABP) defines five key focus areas which include community, environment, economy, places and leadership. Under each of these focus areas there are a number of objectives. Whilst roads impact across most objectives, the objectives most relevant to this service review include:

- Consumption of natural resources is minimised
- Streets, paths, open spaces and parks are appealing, safe and accessible
- Neighbourhoods are easy to move around and are well connected with pedestrian and cycle paths that offer an alternative to car travel

Service Levels

The Transport Asset Management Plan (TAMP) is used to guide the planning, construction, maintenance and operation of Council's transport infrastructure. It outlines the framework for decision making and investment prioritisation for road management.

Service levels for roads have been defined in the TAMP as follows:

Service Level	Performance Target
Provide road surfaces and pavement at an appropriate standard free of defects	Minimum condition 3 (fair condition) Desirable network average 2 (good condition) (on 1 to 5 scale)
Provide kerbs at an appropriate standard for functional and visual impact	Provide kerbing at a standard where it performs and looks as intended
Meets user requirements for accessibility	Reduction in customer requests over time
Provide road surfaces and kerbing that effectively transfers stormwater to stormwater infrastructure	Reduction in customer requests over time

Service Level	Performance Target
Reduce hazards due to road surface defects. Increase safety	Reduction of poor and unsafe reinstatements from third party organisations Develop quality standards when working in Council area
Minimising traffic congestion on local roads (including parking)	Reduction in customer requests over time through greater mitigation of issues

Internal spreadsheets (not publicly available) were also provided as part of the review which had a detailed breakdown of the above-mentioned service standards. It is not clear how embedded these standards are in day-to-day planning and delivery of physical works.

Roles and Responsibilities

End to end asset management with regards to Roads Management is undertaken by a range of staff and teams across council. This is reflected below:

Process	Description
Long term asset planning	Strategic Assets is responsible for long term assessment planning over a 3 to 10+-year horizon. Planning for road construction is based on the condition of assets and available budget. If the road has deteriorated to a certain level then it is scheduled for a full reconstruction otherwise it is scheduled for a reseal.
Condition assessment	Civil Assets is responsible for condition assessments. Condition assessments are undertaken every three years. Asset conditions are measured using a 1-5 rating system where 1 relates to an asset that is 'as new' and 5 relates to an asset that is at the end of its useful life.
Programming	Civil Assets is responsible for programming road reconstruction activities. Programming is undertaken by looking at the annual budget as well as capacity in the roads construction team and then reconstructing roads prioritising the worst conditioned assets. Budgets are generally rolled over from previous years and are based on past 'required annual spend' indicators arising from the TAMP.
Design	Design works are undertaken by external consultants. The design process has traditionally assumed a full box out reconstruction approach until recently.
Procurement	Procurement is undertaken by the Road Construction Team once the program has been set for the year and design works have been completed. Works are procured through various contractors for bituminous works and other contractors engaged through panel arrangements.
Road construction	The Road Construction team currently undertake capital reconstruction projects. In house teams are responsible for removal, demolition, pavement preparation, kerbing, crossings, accommodation works, stormwater construction and traffic control. Contractors are responsible for concreting (kerb and gutter), asphalt, top stone (manholes and access points) and line marking. There are also opportunities for this work to be delivered through contractors where more efficient.
Road resealing	The Team Leader Civil Contracts is responsible for overseeing contract works relating to road resealing. The Team Leader will walk through the design and undertake preparatory planning. Concrete maintenance and crack sealing is then undertaken by contractors. Downer through the G6 contract is responsible for profiling, asphalt, patching and line marking.
Operations & maintenance	Pavement Maintenance is responsible for sealed road maintenance. Maintenance work is undertaken following a customer request. When crews are dispatched to a customer request, they will also look at other defects in the vicinity at the same time. There is an opportunity to undertake this work in a programmed approach.
Unsealed roads	Civil Maintenance is responsible for unsealed re-sheeting, unsealed road maintenance and unsealed footpaths. Civil Maintenance undertake end to end asset management

Process	Description
	including programming, capital works, maintenance and customer requests relating to unsealed assets. Work load between capital and maintenance is resource levelled through the course of the year. Most work for unsealed roads and footpaths is done in house.

6. RESOURCING

Asset Value

Roads represent one of the largest assets that CTTG manages. Current valuation of roads as well as other transport assets such as kerb, footpaths, traffic control devices etc. is shown below.

Asset Type	Current Replacement Cost ($M)
Roads	$377 M
Kerbs	$161 M
Footpaths	$ 98 M
Carparks	$ 10 M
Pedestrian Bridges	$ 4.5 M
Bus Stops	$ 3.8 M
Traffic Control	$ 27 M
Total	$681.3M

The valuation data shows the relative materiality of investment in road assets compared with active and public transport assets.

Capital and Operating Expenditure

Capital investment in roads represents a significant cost for council. The graph below shows the split of capital and operating expenditure relating to roads.

The graph shows that proportionally investment in capital works through reconstruction, resealing, and roads to recovery is the largest area of expenditure (approx. 85%).

This indicates the cost profile of road assets is sensitive to capital works and a small increase in programmed maintenance may result in a higher saving through capital works.

In house resources

CTTG undertakes road construction and maintenance through a mix of internal and contracted resources. The following internal resourcing is associated with roads construction and maintenance.

Roles	Plant
Civil and Building Projects	
Group Co-ordinator Civil Projects Co-Ordinator Leading Worker/ Plant Operator Truck Driver/ Operator Grader Operator	Grader Loader Utility truck Caravan Roller/ trailer 3 tippers
Pavement/ Concrete Maintenance	
Team Leader Leading Worker Truck Driver / Skidsteer Loader Operator Truck Driver / Rakehand (x3) Concrete Finisher Truck Driver / Labourer Truck Driver / Operator (x2) Plant Operator/ Truck Driver	Saw grinder truck 3 trucks Tipper Backhoe Saw truck
Rural and Unsealed Roads, Footpaths	
Team Leader Leading Worker (x2) Truck Driver / Operator (x2) Grader Operator Civil & Water Maintenance Operator / Worker (x2) Truck Driver / Skidsteer Loader Operator Truck Driver / Operator (X3)	Grader Loader Skidsteer Profiler 3 trucks 2 caravans 2 rollers Flowcon

With the changes trialled with the design approach to road reconstruction there will be less work for the road construction team and redundancy in plant (unless otherwise deployed).

Contractors

Road construction and maintenance leverage a range of contractors to support the delivery of physical works. Current contractors include:

Contract	Contractor
Bituminous Works	Downer
Crack sealing	Out of contract
Engineering	Wallbridge Gilbert Aztec
Concrete (Standing Panel)	Various (panel)
Concrete (Direct Mix)	Southern Quarries
Plant Hire	Various (panel)
Quarry Products	Southern Quarries / Boral

Feedback from staff consultation indicated that there are a number of efficiencies which can be achieved through improved supplier relationship management. Most notably:

- Other councils have made considerable savings by ensuring all preparatory works (e.g. design, procurement, services location, community notification, etc) are completed in the year prior to the physical works
- There is considerable cost and time savings in terms of staff time by moving away from a transactional approach with panel contractors towards a long-term approach working with one or two key suppliers

7. STAFF CONSULTATION

Feedback during staff consultation process

Workshops were undertaken with staff to gain their feedback on what council does well and where council could improve. Staff identified the following areas that council currently does well and where it can improve.

What we do well?

- Quality of work delivered through is of a high standard
- Delivered program of works despite challenges with Covid and dealing with reactive requests
- Not only deliver on planned works but dealt effectively with additional scope with unplanned works or changes in priority
- Staff felt they were effective at responding to unplanned works and adapting to changes

Focus areas for improvement

- Improve communication top down, bottom up and across disciplines with a focus on removing silos
- Improve relationships with suppliers through more proactive management and a greater understanding of their commercial drivers that will provide greater community value
- Streamline procurement process and make it easier to engage contractors with a focus on long term relationships with a number of key suppliers and partners
- Finding a better balance between doing a full reconstruction vs heavy patching and crack sealing to improve whole of life costs of our road assets
- Moving towards a bottom-up approach to what is needed vs rolling forward budgets from previous years. Flexibility to work between different asset classes
- Stability of key people in management and team leader roles
- Leaders connected to workers on the ground
- Expediated recruitment of personnel and filling of permanent positions where it is required
- Simplification of safety reporting

- Greater clarity around roles, budgets and responsibility within teams and across teams
- Sharing of resources across trades, disciplines and teams. Use people who have skills to do the work
- Less focus on compliance and insurance requirements and greater focus on material risk management and safety leadership in the field
- Triage of Customer Requests before requests get allocated to field crews. Screen DIT, SA Water related requests in the Call Centre
- Programming of works in advance to reduce reactivity
- Consolidate the management of bitumen and asphalt maintenance
- Move away from panel contracts to three year standing contracts with key suppliers

Areas for improvement identified by staff were consistent with observations by BRS through this review. Further when cross checked to the most recent staff and culture survey and opportunities review were consistent themes that supported these recommendations.

Safety

Protection of staff from harm and moving towards zero harm is an important function of the road's construction team. The table below shows the number of injuries recorded for civil construction roads/ footpaths.

Year	Number
FY18/19	10
FY19/20	13
FY20/21	11

Whilst this appears low and the statistics include minor/first aid incidents as well as more serious injuries, every injury represents harm to a member of staff which directly impacts on them and their extended family.

Previous culture surveys

Analysis was undertaken of previous culture survey results undertaken in 2017. It was noted from the cultural results that staff want to be:

- incentivised or rewarded for quality of work
- respected for their views or contribution
- have clear sense of purpose or significance to their work
- have clarity of their role
- receive feedback to improve
- have ownership over end-to-end outcomes

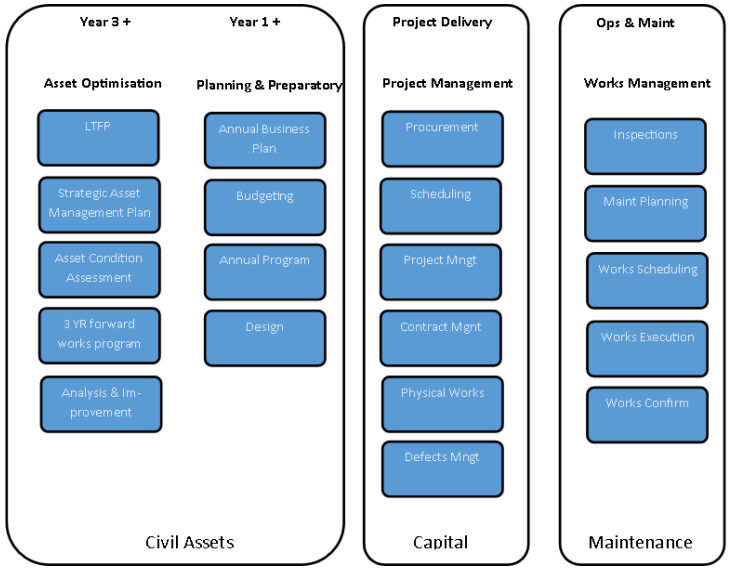
Staff feedback was that improvements since this survey have not been implemented. It is noted that over this period there has been significant change in management personnel of this area of council.

8. BENCHMARKING

As part of this service review benchmarking was undertaken with other councils in South Australia. The review looked at best practices but also taking into consideration fit for purpose for CTTG based on its size and community drivers.

End to end asset management

Below outlines the end-to-end process with regards to Asset Management.



Asset optimisation

Asset optimising starts with a SAMP which details the strategic direction of the council with regards to its assets and investment prioritisation. Development of the SAMP should be done in conjunction with the LTFP and ABP to ensure that asset investment is financially sustainable. Service levels should be documented in the SAMP.

From a whole of life perspective, preventative maintenance should also be a key focus. This may include patching and crack sealing which can help extend the useful life of the asset and reduce need for full reconstruction, reseal or re-sheeting. CTTG already undertakes these activities however a greater level of investment could be considered. Programmed maintenance is generally considered less expensive than construction, renewal, or reactive maintenance.

Planning and Preparatory

A three year forward works program should be committed to by Council. The three-year program should outline all the capital investment priorities for the next three years and allows the project delivery team to plan work and ensure that design work, packaging and preparatory works can be undertaken in advance of the ABP being approved.

It would also support the packaging of multi-year contractor works which would yield favourable unit rates/pricing, and afford the contractor certainly and some flexibility in programming which will lead to further savings.

The design should be developed a year in advance to allow time for preparation works and procurement packaging (this presently occurs for proposed road reconstruction projects). The design is based on a multi-criteria analysis whereby treatment types and designs take into consideration service levels and maximising whole of life asset cost.

Project Management and Delivery

All capital works would be delivered by a single project delivery team. This allows staff to specialise in project and contract management and ensures a single point of contact for contractors within council. It also allows flexibility with resourcing to allow trades and staff to work across multiple asset classes thus enabling efficiency and resource optimisation.

This approach has been trialled in the interim Assets and Environment structure (in part) and could be expended for a fully consistent structural approach. This will assist in staff concerns re stability of corporate leadership and role clarity.

Programmed Maintenance

Maintenance teams should be programmed. Whilst responding to a customer request in a timely manner is important, it is a higher order level of service to identify and fix defects in the network before it has been raised by a customer through a customer request.

This requires a proactive inspection regime of assets by council staff so that defects can be captured before a customer identifies them. By doing this proactively, it will reduce the number of customer requests and improve performance of the assets.

9. RECOMMENDATIONS

9.1 Road construction design

Observation

CTTG has trailed a new design approach to road reconstruction. This approach reduces the need for a full road reconstruction by using the existing sub-base and only reshaping the surface of the road by replacing the asphalt.

The new design only looks to do a full road reconstruction when the road pavement has failed. When it hasn't failed then the design will only look to grind and resurface the road.

Community Value Implication

It is estimated that by reducing the frequency of full road reconstruction will reduce the work of the existing road construction team by 50-80%.

Full road reconstruction is the most comprehensive, costly and time-consuming road renewal option. Generally, this level of intervention is only justified when the underlying sub-base is insufficient, failing or deformed.

Alternative road treatments such as resealing 9there are various technical levels of resealing) and other methods can be 40%-75% cheaper than full road reconstruction.

Recommendation

9.1.1 Adopt the new design to realise the customer, financial, environmental and workforce capacity benefits.

9.1.2 Develop a multi criteria assessment approach to guide the design brief for consultants. The design brief should only require a full road reconstruction where necessary.

Risk

The key risk of this recommendation is that it may reduce the design life of the asset resulting in future liabilities. This can be mitigated through ensuring appropriate condition assessment is undertaken prior to determining the road treatment.

9.2 Reduce whole of life cost

Observation

Proportionally investment in capital works through reconstruction, resealing, and roads to recovery is the largest area of expenditure (approx. 85%). This indicates the cost profile of road assets is sensitive to capital works and a small increase in programmed maintenance may result in a higher saving through capital works.

Community Value Implication

Reduce whole of life cost of roads management to deliver cost savings.

Recommendation

9.2.1 Review asset management plans with a focus on minimising whole of life cost specifically optimising the mix of capital, renewal and operating investment

Risk

The key risk of this recommendation is that it may reduce the design life of the asset resulting in future liabilities. This can be mitigated through effective asset management planning.

9.3 Redeployment of internal resources

Observation

Recommendation 9.1 and 9.2 will result in reduced workload for the roads construction team as well as reduced utilisation of plant Further investigation is needed to determine whether the skills and resources currently available in the road reconstruction team would be suited for redeployment into aligned civil construction activities (e.g., carparks, kerb and gutter, creek maintenance, fencing and retaining, bulk earthworks etc).

If sufficient works are available, the team and some plant and fleet would be redeployed and funded through other parts of the capital works program and therefore council could realise significant financial savings while still achieving the required road intervention works annually.

Community Value Implication

Opportunity for deployment of staff or plant to other civil work. This may create opportunity to bring contract work in in-house, undertake increased preventative maintenance or work on other asset classes.

Recommendation

9.3.1 Redeploy existing staff to work on other civil works

9.3.2 Redeploy or sell plant

9.3.3 Undertake market sounding to test whether road construction can be delivered under contract for lower cost

Risk

The key risk of this recommendation is that staff may require reskilling. This can be mitigated through training and development.

10. EFFICIENCY AND EFFECTIVENESS

10.1 Three Year Forward Works

Observation

The current forward works program is committed just prior to current financial year as part of the budgeting and ABP process. Although this practice was adjusted for the FT 2021-22 to include numerous 'advanced' designs works for programmed roads. This results in design work, procurement and preparatory works not able to be undertaken until just prior to physical works being undertaken.

This has a number of ripple effects on efficiency and effectiveness for road construction including:

- Procurement is undertaken for each package of work individually rather than batched together as part of an annual program
- Design activities are undertaken late in the project lifecycle
- Inhibits community engagement and advanced notification of residents

Community Value Implication

Higher costs of construction; higher rates from contractors; inefficient procurement practices; poor communication with residents and reduced quality of designs

Recommendation

10.1.1 Commit to a three program to all capital works as follows:

- Year 3: identification of project
- Year 2: preparatory works including design, procurement packaging and any physical preparatory works
- Year 1: physical construction

10.1.2 Allocate budget to undertake design, preparatory works and procurement packaging in the year prior to the physical works

10.1.3 Any changes to the next financial years physical works are locked down six months prior to the start of the financial year (i.e., in Dec/ Jan).

Risk

The key risk of this recommendation is that Elected Members may feel constrained. This can be mitigated through early engagement with Elected Members on the three year forward works program.

10.2 Role Clarity and Organisational Structure

Observation

Role clarity and organisational structure was identified as the most significant barrier to efficiency and effectiveness for roads construction. A number of observations were identified:

- Asset planning is split across a number of teams
- Capital works is split across a number of teams
- Road construction predominantly do roads however there is an opportunity for all civil construction (roads, footpaths, kerbing, car parks) to be grouped
- Maintenance works is split across a number of teams depending on whether roads are sealed or unsealed

Community Value Implication

The implication of this is that:

- Staff have an avoidant and dependent culture as they are not clear on their accountabilities
- Inefficient allocation of resources and inflexibility to shift resources between different asset classes
- Conflicting priorities with contractors whereby different teams utilise the same contractors

Recommendation

10.2.1 Undertake a team restructure to ensure alignment of duties between asset optimisation, project delivery and maintenance

10.2.2 Consolidate all asset planning into a single team known as asset optimisation

10.2.3 Consolidate all capital works (roads, kerbing, unsealed roads, footpaths, stormwater, carparks etc) into a single team.

10.2.4 Consolidate all civil maintenance (roads, kerbing, unsealed roads, footpaths, stormwater, carparks etc) into a single team. This team would focus on programmed maintenance and responding to customer requests

Risk

The key risk of this recommendation is that staff may require reskilling and may not buy in to change in role descriptions. This can be mitigated through effective staff consultation.

There is also a risk this structure is better suited to larger councils and could potentially be less efficient in a council of CTTG's size. This can be mitigated through effective workforce planning.

10.3 Supplier Relationship Management

Observation

There are currently a high number of tenders being issued as each package is procured separately and reactively.

Community Value Implication

Improved procurement and contract management (e.g. bundling of multi-years package of works) can deliver quick wins and for council realising between 10% and 20 % bottom line savings (based on examples at other councils).

Recommendation

10.3.1 Undertake all preparatory works including design, procurement packaging and any physical preparatory works in the year prior to commencement of physical works.

10.3.2 Group up packages of work and release to the market as larger scopes to be delivered over the course of a year or multi-year rather than as individual packages

10.3.3 Establish standing contracts for major packages of works such as minor civil works, concrete and plant hire over a 3-to-5-year term working with only 2 or 3 suppliers

Risk

The key risk of this recommendation is that there is a reduced-price tension. This can be mitigated through effective procurement process which delivers lower schedule of rates and long-term efficiencies.

11. OTHER CONSIDERATIONS

11.1 Strategic Asset Management Plan (SAMP)

Observation

Reviewing the Councils publicly available asset management plans via the website, it was noted that asset plans are developed for each group of assets separately (i.e., buildings, CWMS, IT, open space, stormwater and transport).

The prioritisation of investment between asset classes appears to occur through the LTFP, ABP and budgeting process. Council would benefit from a single strategic document (known generally as a Strategic Asset Management Plan) which provides a long-term view of the Council's vision with regards to amenity and community assets broader than road construction. This document would assist the community to understand the relationship between, and planned focus on certain asset classes.

Community Value Implication

The benefits of adopting a SAMP include:

- Embed the city vision and community plan into asset planning
- Allow for community engagement on trade off decision making between asset classes

Recommendation

11.1.1 Every four years council develop a publicly available SAMP covering all asset classes in a single document, outlining current condition and investment forecasts for the next 4 to 10 years

11.1.2 Document all condition service levels (at the whole of asset level) for all asset classes through the SAMP

Risk

The key risk of this recommendation is that it may result in additional workload for CTTG staff. This can be mitigated by replacing the existing Asset Management Plans with a single SAMP.

11.2 Environment, Decarbonisation and Sustainability

Observation

Transportation represents approx. 29 % of global carbon emissions with construction representing another 11%. Road related construction combined with road transport is a significant cause of climate change worldwide.

Community Value Implication

Climate events are becoming more intense such as flooding, fire and storm. This is causing significant damage to infrastructure and homes. Community sentiment around climate change is shifting and there is an expectation the Government will take action and be proactive in this area.

Recommendation

11.2.1 Prioritise asset investment in pedestrian and cycling infrastructure

11.2.2 Embed decarbonisation into the selection criteria of procurement processes of construction works and supply of concrete, asphalt and other materials

11.2.3 Embed decarbonisation into the MCA process of design of roads to encourage a minimalist approach

11.2.4 Work in partnership with suppliers to leverage new technology and around use of recycled product and leverage new technology

Risk

The key risk of this recommendation is that it may increase cost of construction related activities. This can be mitigated through innovative designs and procurement practices which should deliver cost savings simultaneously with improvements in sustainability.

11.3 Works Management

Council currently uses Technology One to plan and schedule maintenance works. There is an opportunity to implement best practices around works planning, scheduling and reporting.

Community Value Implication

Works management can deliver significant productivity improvements and improved customer experience.

Recommendation

11.3.1 Increase proactive inspections on a routine basis

11.3.2 Appoint dedicated inspectors who travel the network undertaking inspections (condition rating, renewal treatment recommendations and maintenance inspections)

11.3.3 Appoint dedicated maintenance planners who schedule inspections, create work orders and schedule maintenance crews to undertake programmed maintenance work

11.3.4 Ensure all work is time confirmed to support analysis and improvement

11.3.5 Use the Technology One functionality to embed works management processes to support programmed maintenance

Risk

The key risk of this recommendation is that it is better suited to larger councils and could potentially be less efficient in a council of CTTG's size. This can be mitigated through effective workforce planning.

11.4 Zero Harm

Observation

During consultations with staff, it was observed that there was not a shared understanding around critical safety risk. Staff feedback on safety was that the organisation had a compliance approach rather than proactive safety focus on our staff. More work will be needed to understand these sentiments in detail.

Community Value Implication

There is a risk of harm to workforce or members of the public.

Recommendation

11.4.1 Facilitate workshops with field staff to identify critical safety risks and identify critical controls adopting a hierarchy of controls approach

11.4.2 Undertake process improvement and re-engineering around safety reporting and systems with view to streamline

11.4.3 The ELT / MLT spend at least two hours per week on a rotational basis spending time in field engaging with the workforce and demonstrating visible leadership around safety.

Risk

The key risk of this recommendation is that it is implemented without effective change management and the benefits are not realised. This can be achieved by underpinning the implementation with effective change management.

11.5 Performance Measurement

Observation

Research shows that performance measurement is one of the most important focus areas in improving culture and driving an achievement focus and supporting employees feeling valued.

Community Value Implication

Embedding performance measurement and continuous improvement can significantly improvement performance over time as well as improve culture outcomes and an achievement focus.

Recommendation

11.5.1 Visual balanced scorecard which is displayed in key areas of the service centre highlighting the key metrics that the road construction program is looking to achieve

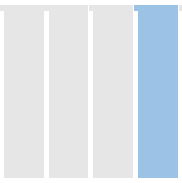
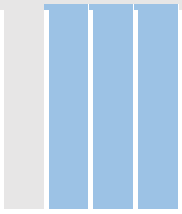
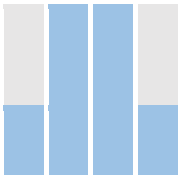
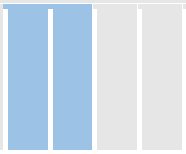
11.5.2 Standard expectations for debriefs at toolbox meetings on lessons learned operations and team activities

11.5.3 Quarterly 90-day planning to overlay the annual capital works program to reset priorities and deliver continuous improvement activities

Risk

The key risk of this recommendation is that is poorly implemented and is viewed cynically by staff. This can be achieved by underpinning the implementation with effective change management.

Road Construction Service Review Significant Deliverables	Commencement:	2022/23				
Recommendations: Road construction design	**Proposed Action**	**Q1**	**Q2**	**Q3**	**Q4**	**Comment**
9.1.1 Adopt the new design to realise the customer, financial, environmental and workforce capacity benefits.	To be applied from 2022 / 23 financial year					Full Box out / construction removed from Works program
9.1.2 Develop a multi criteria assessment approach to guide the design brief for consultants. The design brief should only require a full road reconstruction where necessary.	Treatment options assessment tool to be developed.					Investigate existing industry best practice assessment tools.
Reduce whole of life cost						
9.2.1 Review asset management plans with a focus on minimising whole of life cost specifically optimising the mix of capital, renewal and operating investment	To be incorporated in ongoing review of AMPs					Optimise lower cost treatment options for increase asset life in future AMP reviews
Redeployment of internal resources						
9.3.1 Redeploy existing staff to work on other civil works	• Determine suitability and transferability of those within road reconstruction team and aligned civil construction activities (e.g., carparks, kerb and gutter, creek maintenance, fencing and retaining, bulk earthworks etc). • Identify a training and development program and costing option.					Alternate works for staff resourcing to be funded from existing capital expenditure programs whilst reviewing options
9.3.2 Redeploy or sell plant	• Determine cost options for repurposing or sell plant and take action.					To be actioned if staff or fleet cannot be used for other funded works (e.g carparks, creek works, roadworks, playgrounds, etc)
9.3.3 Undertake market sounding to test whether road construction can be delivered under contract for lower cost	• Undertake market sounding to test whether road construction can be delivered under contract for lower cost.					Discuss availability of contractors through roads industry network contacts
Implement Three Year Forward Works Program						
10.1.1 Commit to a three program to all capital works as follows: • Year 3: identification of project • Year 2: preparatory works including design, procurement packaging and any physical preparatory works • Year 1: physical construction - Design and seek approval for the program of works for all capital works	Develop a rolling 3 year roads program for Council adoption					To be supported by multi-year procurement packaging approach to market Discuss the benefits and commitment to multi-year programs with elected members
10.1.2 Allocate budget to undertake design, preparatory works and procurement packaging in the year prior to the physical works	Allocate budget to support design and preparatory work for subsequent FY roads program					Ongoing to continue / increase funds for proposed roads preliminaries, survey, design and engineering advice
10.1.3 Any changes to the next financial years physical works are locked down six months prior to the start of the financial year (i.e., in Dec/ Jan).						Ongoing to be incorporated into annual business cycle
Role Clarity and Organisational Structure						
10.2.1 Undertake a team restructure to ensure alignment of duties between asset optimisation, project delivery and maintenance 10.2.2 Consolidate all asset planning into a single team known as asset optimisation 10.2.3 Consolidate all capital works (roads, kerbing, unsealed roads, footpaths, stormwater, carparks etc) into a single team. 10.2.4 Consolidate all civil maintenance (roads, kerbing, unsealed roads, footpaths, stormwater, carparks etc) into a single team. This team would focus on programmed maintenance and responding to customer requests	Recommendations picked up as part of the Assets &and Environment Opportunities Review Project					This is a longer term opportunity that is linked to the Opportunities Review structural considerations for Assets and Environment and whole of organisation
Supplier Relationship Management						
10.3.1 Undertake all preparatory works including design, procurement packaging and any physical preparatory works in the year prior to commencement of physical works. 10.3.2 Group up packages of work and release to the market as larger scopes to be delivered over the course of a year or multi-year rather than as individual packages 10.3.3 Establish standing contracts for major packages of works such as minor civil works, concrete and plant hire over a 3-to-5-year term working with only 2 or 3 suppliers	Review current contract procurement practices to support bundling and multi year works packages.					To be supported by multi-year procurement packaging approach to market Discuss the benefits and commitment to multi-year programs with elected members
Strategic Asset Management Plan (SAMP)						
11.1.1 Every four years council develop a publicly available SAMP covering all asset classes in a single document, outlining current condition and investment forecasts for the next 4 to 10 years 11.1.2 Document all condition service levels (at the whole of asset level) for all asset classes through the SAMP	To be considered in the improvement plan for AMPS					This will be considered as part of the next cyclic review of all asset management plans
Environment, Decarbonisation and Sustainability						
11.2.1 Prioritise asset investment in pedestrian and cycling infrastructure	To be considered as part of revised climate action plan strategic review					These outcomes to be considered as part of a suite of

11.2.2 Embed decarbonisation into the selection criteria of procurement processes of construction works and supply of concrete, asphalt and other materials 11.2.3 Embed decarbonisation into the MCA process of design of roads to encourage a minimalist approach 11.2.4 Work in partnership with suppliers to leverage new technology and around use of recycled product and leverage new technology			Strategic objectives review in the future including Climate Adaptation Plan, Transport Plans, Precinct Planning and Disability Access and Inclusion Planning. New technology opportunities are reviewed and incorporated on an ongoing basis
Works Management			
11.3.1 Increase proactive inspections on a routine basis 11.3.2 Appoint dedicated inspectors who travel the network undertaking inspections (condition rating, renewal treatment recommendations and maintenance inspections) 11.3.3 Appoint dedicated maintenance planners who schedule inspections, create work orders and schedule maintenance crews to undertake programmed maintenance work 11.3.4 Ensure all work is time confirmed to support analysis and improvement 11.3.5 Use the Technology One functionality to embed works management processes to support programmed maintenance	Consideration in the Opportunities Review for functions and organisational structure Further develop corporate systems for greater capture and review of works, OSL's, work orders. Continue to roll out teams for Works management in Tech one		For ongoing review as these recommendations are presently in place (in whole or in part) and generally provide comment regarding the methods we employ for business as usual activities
Zero harm Safety Strategy			
11.4.1 Facilitate workshops with field staff to identify critical safety risks and identify critical controls adopting a hierarchy of controls approach 11.4.2 Undertake process improvement and re-engineering around safety reporting and systems with view to streamline 11.4.3 The ELT / MLT spend at least two hours per week on a rotational basis spending time in field engaging with the workforce and demonstrating visible leadership around safety.	To be referred and incorporated into Council WHS programs In field engagement to be consulted with relevant corporate leaders. Create a leadership presence by visiting worksites and engaging with team. Audit sites.		Workshops to be held with relevant staff to discuss WHS process improvement opportunities
Improving Performance			
11.5.1 Visual balanced scorecard which is displayed in key areas of the service centre highlighting the key metrics that the road construction program is looking to achieve 11.5.2 Standard expectations for debriefs at toolbox meetings on lessons learned operations and team activities 11.5.3 Quarterly 90-day planning to overlay the annual capital works program to reset priorities and deliver continuous improvement activities	Incorporated into operating management framework for corporate leaders once organisational structure confirmed.		Monthly capital works reporting and regular team meetings in place. Metrics and dashboards communicated with teams.

Item 16.1

INFORMATION REPORT

SERVICE REVIEWS COMMITTEE MEETING

10 August 2022

Organisational Services & Excellence

Community Value Program Status Update (D22/47014)

Service Reviews and an Opportunities Review are two key projects that we are implementing as part of the Community Value Program.

A status update on the progress of these two key projects will be provided at each Committee meeting.

Service Reviews
A priority listing of service reviews was determined by the Committee at its meeting on 8 September 2021 as follows:

a) Development applications and compliance
b) Footpath management construction and maintenance
c) Horticulture maintenance
d) Information Technology
e) Property / building maintenance ‘’
f) Public lighting
g) Road management construction and maintenance
h) Stormwater management
i) Tree management - planting, inspections / assessment, maintenance and removal
j) Waste management

The following projects were selected to commence the program:

- Horticulture maintenance – verge maintenance services
- Information Technology
- Road management - construction and maintenance

An update on progress of the Service Reviews projects is provided below. Projects highlighted in blue have been completed, projects highlighted in green are in progress, and those highlighted in orange are on hold awaiting the framework and tool development.

Project	Type	Status	Notes	Consultant
Service Reviews Framework and tools	Framework / Tools	In progress	Framework and tools are being developed in conjunction with pilot service review for road management. Rough draft developed, however due to staff availability and resourcing this has been delayed slightly with training on the framework and tools scheduled for August 2022.	Co-development with BRS
Service standards	N/A	In progress	Being developed in conjunction with corporate leaders	Internal
Road management	Comprehensive service review	Completed	Report presented to 29 June 2022 Committee meeting.	Co-development with BRS
Information Technology	Continuous improvement service review	On hold	Scope developed in October 2021. Awaiting finalisation of framework and tools.	Internal
Horticulture verge maintenance services	Continuous improvement service review	On hold	Scope developed in December 2021. Awaiting finalisation of framework and tools.	Internal

Opportunities Review

The Opportunities Review involves looking for opportunities to improve how we carry out our work (our practices, processes and capabilities) and the way that we are structured to enhance the value we provide to our community.

A consultant has been engaged to help identify these opportunities for improvement, and work has commenced with the Assets and Environment portfolio. Interviews and workshops with key stakeholders were held during March and April 2022, with a final report delivered by in May 2022. The review will also help us finalise the organisational structure for the Portfolio (an interim structure has been in place since late 2021).

While we are starting with the Assets and Environment portfolio, other portfolios will gain from the process as it will be used to develop a suite of tools that all areas can use and to participate in similar processes over a period of time.

Our intention is to embed this process of continual review into our business as usual processes.

Attachments

N/A

Report Authorisers

Ilona Cooper Manager Governance and Policy	8397 7310
Julie Short Manager Organisational Development	8397 7269
Ryan McMahon Director Organisational Services & Excellence	8397 7297

Status Report on Service Reviews Committee Resolutions 10 AUGUST 2022

CITY OF TEA TREE GULLY
Naturally Better

Note: This report is provided as information only. Actions relating to confidential minutes may not be included in the Status Report.

Note: This report will be presented at every Service Reviews Committee Meeting.

Pending Actions

Minute No.	Meeting Date	Officer	Subject	Estimated Completion
8	8/09/2021	Kunze, Diane	Community Safety Policy Statements	31/05/2023

D21/68266

24 Sep 2021 11:25am Birch, Felicity - Reallocation
Action reassigned to Watson, Laura by Birch, Felicity - Laura Watson is the appointed Community Safety Leader.

01 Dec 2021 9:06am Watson, Laura - Target Date Revision
Target date changed by Watson, Laura from 22 September 2021 to 16 February 2022 - Estimated date of first SRC meeting for 2022

16 Feb 2022 11:01am Watson, Laura
Community Safety Staff Professional Development Day was held on 2 December 2021 to share with staff the Report presented to the Service Review Committee in September 2021. This was facilitated by and external party and was very well received by staff. Staff were able to put forward their thoughts about the practical implementation of the policy statements and how they could be applied to the community. We value this feedback as our Community Safety Officers are interacting with our residents each day and have vast insight into the desires and needs of the community., The next steps will be to draft a policy to which the Community Safety Officers will be involved and consulted with. The purpose of the consultation is to ensure that our officers have a thorough understanding of the proposed policy and can live and breathe it each day while undertaking the functions of their respective roles. , The policy has yet to be drafted as the Community Safety team has had multiple staff take unplanned leave over December, January and now February. The team are working hard with limited resources (at about 55% normal capacity over the last few weeks) however, officers are very keen to get going with their revised direction.

23 Feb 2022 10:38am Watson, Laura - Target Date Revision
Target date changed by Watson, Laura from 16 February 2022 to 30 April 2022 - Draft policy to be presented at the April Service Reviews Committee Meeting.

21 Jun 2022 3:52pm Kunze, Diane - Reallocation
Action reassigned to Kunze, Diane by Kunze, Diane

21 Jun 2022 3:54pm Kunze, Diane - Target Date Revision

Target date changed by Kunze, Diane from 30 April 2022 to 31 May 2023 - A draft Community Safety Policy will be prepared once the community safety functions have undergone a service review, which is anticipated to occur in 2022-2023 once training has been provided to corporate leaders on the Service Review Framework and tools.

Completed Actions

Nil

City of Tea Tree Gully

SERVICE REVIEWS COMMITTEE MEETING

10 August 2022

Confidential Subject: Update on implementation of the new Organisation Structure (D22/58460)

It is the recommendation of the Chief Executive Officer that the Update on implementation of the new Organisation Structure be received, discussed and considered in confidence. The Service Reviews Committee should determine whether it is necessary and appropriate for the matter to be discussed in confidence as provided for by the provisions of Sections 90 and 91 of the *Local Government Act 1999* (with a recommendation provided as follows):

Recommendation for Moving into Camera

1. *That pursuant to Section 90(2) of the Local Government Act 1999, the Service Reviews Committee orders that the public (except staff on duty) be excluded from the meeting to enable discussion on the Update on implementation of the new Organisation Structure.*

2. *That the Service Reviews Committee is satisfied that pursuant to section 90(3)(a) of the Local Government Act 1999, the information be received, discussed or considered in relation to this item is:*
   - *information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);*
     - *on the basis that it concerns the personal affairs of employees of the Council, in that current and future positions may be discussed, which are potentially sensitive and personal details that should only be known to those who have participated in the discussion.*

3. *In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in the public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances on the basis that the information provided is potentially sensitive and personal that should only be known to those who have participated in the discussion.*

Note: The meeting should pause to allow members of the public to leave the meeting room and the doors should be closed behind as the last person leaves. Discussion on the matter can then proceed. The meeting automatically moves out of

confidentiality at the end of consideration of the matter, and the public should then be invited to attend the meeting.