

AAPA/Main Roads Strategic Alliance

AGREEMENT

December 2001

*Department of Main Roads
Queensland
GPO Box 1549
Brisbane QLD 4001*

*Australian Asphalt Pavement Association
Queensland
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AAPA / Main Roads Strategic Alliance

1.0 Introduction

This Strategic Alliance agreement between members of the Australian Asphalt Pavement Association (Queensland Branch) and the Queensland Department of Main Roads arises from a background of strong cooperation and communication in the past, a desire to further improve this and hence increase innovation and optimise the performance of road pavements over their life.

2.0 Principles of the Alliance

Queensland Department of Main Roads and the Australian Asphalt Pavement Association (Queensland Branch) recognise and acknowledge that:

- superior business outcomes are created when all parties are similarly impacted by the actions of the alliance i.e. win/win or lose/lose (not win/lose);
- an equitable balance of risk/reward offers the opportunity to achieve rewards commensurate with exceptional performance;
- decisions should be based on a “best for alliance outputs” philosophy
- access to and contribution of the best resources, knowledge and information, skills and expertise of all parties will create best results;
- encouragement of innovative thinking and promotion of creative activities achieves outstanding outcomes;
- all parties support and encourage technical advances;
- clear understanding of individual and collective roles and responsibilities and of alliance “boundaries” will benefit all parties;
- open and honest communication between all parties with no hidden agendas promotes best solutions;
- the communication of understanding and meaning to all involved is essential;
- success relies on visible and total support from CEO level of all participants;
- shared vision and focus on progressing mutual goals will produce best results;
- collaborative group problem solving provides for better solutions; and
- outputs and outcomes must align with community expectations.

Commit to the foregoing principles, agreeing to be guided in their dealings by the matters set out in this Strategic Alliance Agreement; and

The Strategic Alliance will have a strong focus on relationships. The parties to this Strategic Alliance Agreement acknowledge that this agreement is not legally binding.

3.0 Mission

The mission adopted by the parties is:

We will provide superior flexible pavements for the community which provide best value for Main Roads and ensure a sustainable business environment for AAPA members through collaboration and total commitment”.

4.0 Output Objectives

The Strategic Alliance will pursue the following output objectives:

- (a) To stimulate innovation that improves flexible pavement quality and safety performance for the road user.
- (b) To improve the technical capability of the industry through targeted research and technology transfer.
- (c) To create a sustainable business environment by influencing road project programs and design strategies which maximise value to the community.
- (d) To create a superior delivery environment (including bidding processes) through an equitable risk/reward structure.
- (e) To enhance capability and processes through learning together.

5.0 Relational Objectives

To achieve our mission and output objectives, in our everyday dealings with each other, we will adopt these relational objectives:

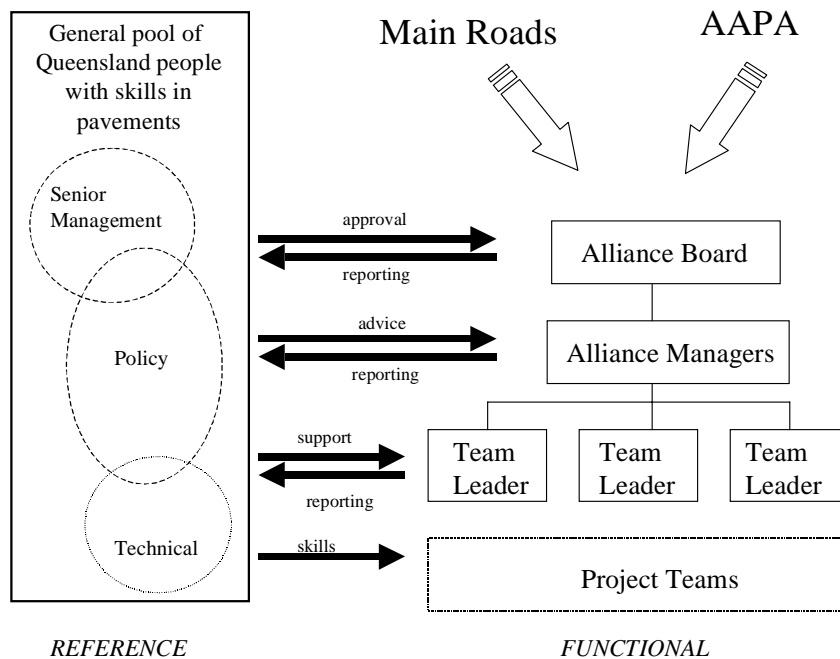
- (a) To focus on the shared vision and common goals with full commitment to the success of the alliance from all levels.
- (a) To collaborate in decision making for win:win outcomes.
- (b) To be open, honest and effective in communication which is free from hidden agendas.
- (c) To resolve issues speedily using frank discussions and open dialogue.
- (d) To ensure everyone's opinion is sought, valued and fairly considered.
- (e) To ensure consistency in dealings and to take the long-term perspective.

5.1 Key Performance Indicators (KPI's)

Indicator	Measure
1. Innovation driving improvement	- Number of innovations tested.
2. Level of technical capability in the industry	- Number of joint training initiatives - Number of technology transfer initiatives – e.g. newsheets, guidelines.
3. Superior project delivery environment	- Number of contracts awarded as sole-invitee on basis of innovation. - Number of contractors involved in Performance Appraisal review. - Level of contract disputation at road project level.
4. Strength of the Alliance (commitment and relationships)	- Level of direct funding to alliance proposals. - Level of in-kind support to alliance proposals. (N.B. There should be a balance between effort and reward for each party). - Trend of Review and Evaluation scores of alliance performance by the alliance team. Trend for Review and Evaluation by external <u>informed</u> stakeholders, of alliance performance.

6.0 Operational Framework

The Strategic Alliance will be governed by a Board. Routine running of the Alliance will be administered by Alliance Managers with project teams set up to deliver individual projects. These three levels will have access to an Alliance Reference Group (drawn from both organizations) and an external group of experts. The structure is diagrammatically represented below.



6.1 Board Composition and Membership

The Board shall comprise four voting members, two from Main Roads, two from AAPA. The Alliance Managers will also attend Board meetings.

The Board will meet bi-monthly. The Chair will rotate on an annual basis between Main Roads and AAPA.

Main Roads Board Membership is:

- Group Manager (Road System and Engineering)
- An Executive Director from Road System and Engineering

AAPA Board Membership is:

- Chairman
- Past Chairman

The Alliance Managers are:

- Executive Director (Pavements Materials and Geotechnical) Main Roads
- Regional Executive (Queensland) AAPA

6.2 Accountabilities and Responsibilities

Definitions:

By assuming responsibility an individual undertakes to see that activities are carried out according to agreed standards and timelines and with appropriate resources. Responsibility can be delegated from one individual to another.

By assuming accountability, an individual becomes answerable for the outcomes of the actions, and therefore takes the credit or the consequences. It is possible to be responsible for undertaking an activity without being accountable for the outcomes of that activity.

The responsibilities and accountabilities of various roles within the Alliance are outlined in the following table:

Role	Accountable For	Responsible For
Board	<ul style="list-style-type: none"> ▪ Business Plan ▪ Expenditure within budget (Alliance Level) ▪ Organisational impacts within the parent bodies ▪ Management of external to the alliance stakeholders – e.g. CEO's ▪ Achieving the benefits of the alliance objectives ▪ Probity of operations 	<ul style="list-style-type: none"> ✓ Establishing budgets ✓ Appointments – alliance managers and team leaders ✓ Approval and prioritisation of projects ✓ Resourcing – personnel ✓ Signing off on project outcomes ✓ Final resolution of issues

Alliance Managers	<ul style="list-style-type: none"> ▪ Conduct of project teams ▪ Delivery of projects to program ▪ Quality and value of outputs ▪ Effective co-ordination across projects ▪ Accuracy and completeness of advice and information to board ▪ Effectiveness of the alliance organisation to deliver 	<ul style="list-style-type: none"> ✓ Program delivery ✓ Reporting to Board ✓ Program formulations ✓ Business plan preparation ✓ Informing, using, involving alliance reference group ✓ Administration of alliance ✓ Proposing team appointments
Team Leaders	<ul style="list-style-type: none"> ▪ Delivering project outputs – time, cost, quality, ready for practical implementation ▪ Technology transfer arising from projects ▪ Innovative nature of proposals ▪ Thoroughness of investigative work • Promotion of outputs, outcomes and benefits 	<ul style="list-style-type: none"> ✓ Project administration ✓ Reporting to alliance managers ✓ Team leadership ✓ Team formation ✓ Sourcing data – use of reference group ✓ Focus on relational behaviours

Role	Accountable For	Responsible For
Alliance Reference Group (including regional and industry representatives (similar to the pre-existing policy group) also including an unspecified pool of individuals known for their expertise)	<ul style="list-style-type: none"> ▪ Effective resource and guide for program and projects ▪ Assimilation of learning into operations ▪ Involvement and contribution to alliance principles, goals and objectives ▪ Best practice nature of, timely advice to all levels of alliance ▪ Wise counsel 	<ul style="list-style-type: none"> ✓ Providing input (knowledge and support) ✓ Advising and endorsing directions ✓ Meeting to highlight issues – propose directions ✓ Endorsing project outputs from projects ✓ Providing accurate, expert and timely advice when requested (or an ad hoc basis).

6.3 Relationship to Main Roads Senior Management Group

The Alliance will not replace the current meetings of AAPA members with the Main Roads Senior Management Group.

6.4 Human Resourcing

The Board carries the responsibility for appointment of Team Leaders as part of its role in approving programs, project charters and project priorities.

The Alliance Managers are responsible for proposing names of Team Leaders to the Board. Consultation with the Alliance Reference Group is part of this.

Team members will be appointed jointly by the Team Leader and the Alliance Managers on the basis of best equipped for the task. The Alliance Reference Group will be involved.

6.5 Project Management

Efficient delivery of demonstrated benefits (early wins) in a timely way is the true measure of success for the Alliance.

Robust project management will be used to achieve this.

A formal project charter in a standard format (limited to 2 pages) and approved by the Board will be required for each project. The charter will deal with:

- planned deliverables
- alignment to alliance goals
- benefits
- resourcing (staff, funding)
- team leadership
- timing
- risks
- implementation proposal
- level of confidentiality

7.0 Funding and Financial Management

7.1 Business Plans

The Alliance Managers will prepare a Business Plan annually to provide a realistic and achievable program of projects and activities for approval by the Board

The Board will review progress against the Business Plan bi-monthly.

7.2 Funding

No endeavour can function and be successful without adequate resourcing.

Administration costs of the Strategic Alliance will be equally shared between AAPA and Main Roads.

Costs of funding projects and in-kind contributions will be equitably shared between AAPA and Main Roads.

Information or data or information and data routinely collected through day to day operations of the members of the alliance which will benefit projects will be provided at no cost to the Alliance.

7.3 Available Sources of Funds

- road project funds (made available from within a current road project budget)
- R & D budgeted projects under Road System and Engineering budgets
- special AAPA project R & D funds.
- SPRT Grants available through Universities. The Alliance may work with a University such as QUT to apply for a SPRT Grant from the Commonwealth.

8.0 Review and Evaluation of Alliance Operation

No endeavour will strengthen and grow (continuously improve) unless its performance is effectively reviewed and evaluated on a regular basis.

Regularly, to coincide with each Board meeting, the Alliance Team will complete and review an evaluation of achievement of the output and relational objectives of the Alliance over the previous period (no greater than 2 months) in accordance with an agreed and documented process.

The Alliance Team will also review on a regular basis the benefits achieved through the Alliance.

9.0 Performance/Reward

Successful alliances must have a close and equitable link between outstanding performance/achievement and equitable reward/recognition. This alliance will rely on a strong culture of recognition. A process to set up Awards and other ways of recognition will be developed and implemented by the Alliance.

10.0 Decision Making Delegations to the Alliance

The Board makes binding decisions on:

- policy matters relating to the mission of the alliance
- limits and levels to be included in technical and procedural standards
- funding priorities within the scope of the Alliance
- program scope and composition
- implementation decisions relating to the mission of the alliance.

11.0 Specific Exclusions of the Alliance

While it would be expected that relationships between Main Roads and members of AAPA in their day to day contractual dealings in the delivery of projects from the various Roads Implementation Programs would embrace the general ‘best for project’ principles of the Alliance, the Alliance will not form a dispute resolution mechanism nor have any jurisdiction in such circumstances. Conditions of Tendering and of the Contract will prevail.

Other specific exclusions to decisions by the Alliance are:

- where standards specifications or systems apply to a wider group of stakeholders than alliance members – e.g. general contractors
- the formal approval of standard contract and specification documents (Main Roads is legally bound and therefore must have sign-off).

12.0 Resolution of Issues

Issue resolution shall follow the following principles:

- (a) To ensure that issues are handled and successfully resolved locally and impending issues are recognised early and come forward expeditiously for resolution at higher levels;
- (b) An issue resolution matrix will be developed as an operational procedure of the Alliance.
- (c) Issues will be resolved as they arise at the lowest possible level.
- (d) At each level, the issue must be resolved or passed on to the next highest level within the time frame allowed.
- (e) No levels should be bypassed
- (f) The time frame for resolution may be increased by mutual consent.
- (g) The Board will be the final level of issue resolution.

13.0 Intellectual Property

There are two issues that may arise in this area:

1. When a company member of AAPA brings forward an innovation and seeks endorsement of the Alliance of its innovation.
2. When the innovation arises from the work of the Alliance.

It is expected that work within the Alliance will produce generic results that are of benefit to all Alliance and industry parties and that intellectual property will not arise from this work.

In the case where an individual, as an individual, brings forward an innovation and seeks its endorsement by the Alliance, intellectual property will reside with the individual.

The Alliance may produce specifications such that the product of the intellectual property is available as an alternative for Main Roads works.

13.1 Confidentially

All parties to the Alliance will ensure that any information which is identified as confidential, or should reasonably be recognisable as confidential, acquired by it as a result (either directly or indirectly) of its entering into this agreement be kept confidential until it is agreed that such information should be released to other Strategic Alliance members subject to the following exceptions:

- (a) information which is in the public domain or could have legally been acquired by a party had it not entered into this agreement, will not be considered confidential;
- (b) A party may disclose any confidential information to the extent required by law. Freedom of Information requests made to the Government in particular fall under this category.

13.2 Intellectual Property Rights brought to the Alliance

Each individual will be responsible for any Intellectual property rights brought into any Strategic Alliance project including a warranty that appropriate licences have been obtained and fees paid and an indemnity for other parties for any actions brought by third parties e.g. Breach of copyright.

13.3 Intellectual Property Rights developed by the Alliance

Basic arrangements for innovations developed by parties under the Alliance Agreement will allow for:

- Ownership of Intellectual Property rights by the party that creates it, provides the primary funding or carries out its implementation
- Royalty free licence for other parties in the Strategic Alliance for as long as such rights exist.

An alliance framework will be developed to address:

- The most appropriate IPR for a given innovation
- Ownership of IPRs to an innovation
- The general applicability of a given innovation
- The best way to implement a given innovation

14.0 Liabilities

In regard to public liability and professional indemnity Main Roads as an Agency of Government is covered by Government self insurance. AAPA and their members and external consultants will be expected to have insurance to cover these risks for actions initiated by third parties. All parties will maintain and declare to the Alliance Board their own insurance.

15.0 Timetable

This agreement will be deemed to be in force from the date it is signed

This agreement will be reviewed twelve months after the initial signing

Duly signed for the Queensland Department of Main Roads by

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Director-General

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Group Manager (Road System and Engineering)

Duly signed for Australian Asphalt Pavements Association by

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Past Chairman AAPA Queensland State Branch

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State Director AAPA Queensland

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Date of signing