



G N A

A COMMON NORDIC INFRASTRUCTURE MARKET

*”Possibilities for a Better Functioning Nordic market
in the Construction Branch”*

The GNA project’s recommendations

VIA NORDICA, Helsinki, June 9th, 2008

*Director Bjørn Erik Selnes
Norwegian Public Roads Administration*

Background GNA

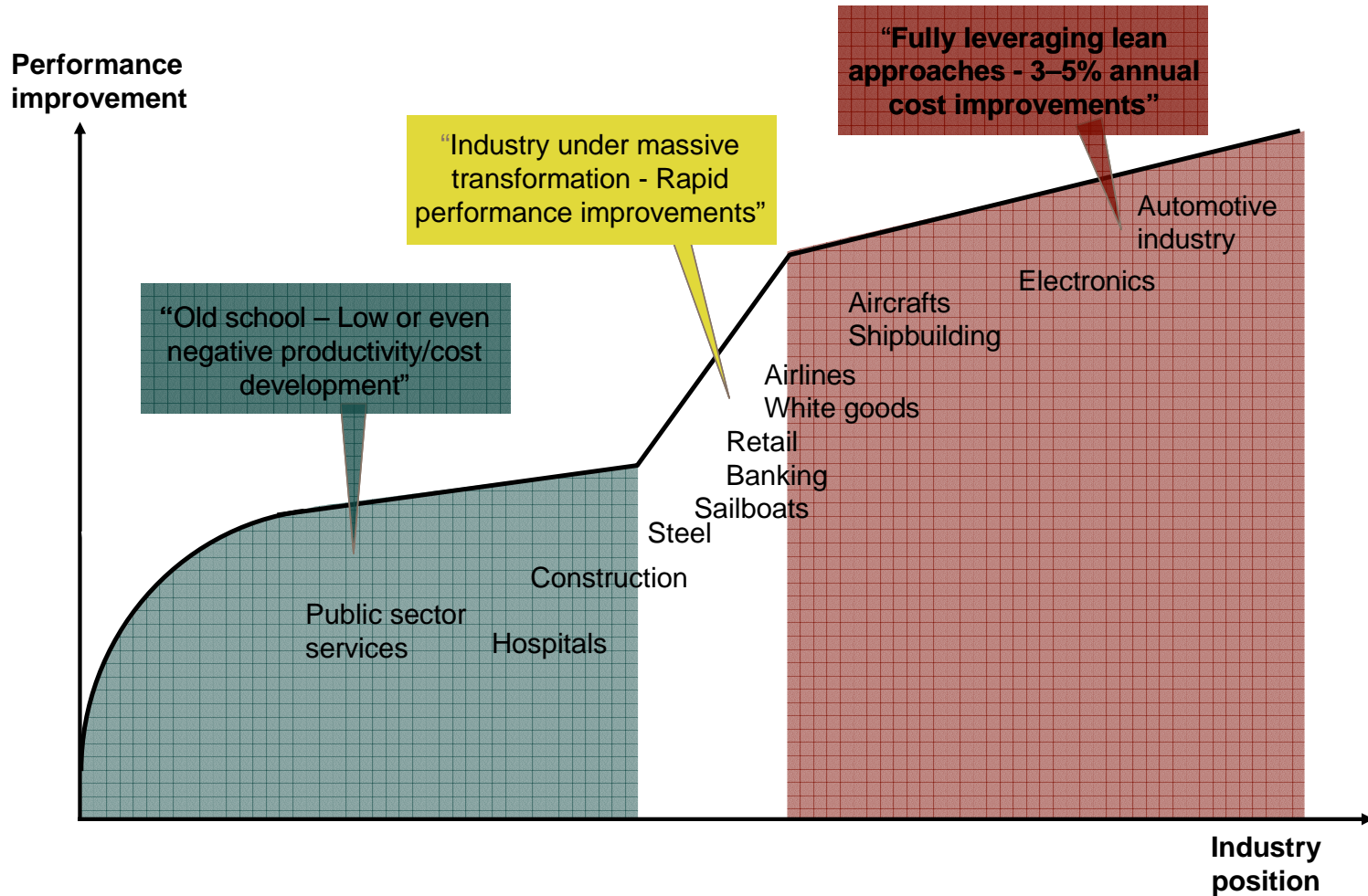
- Initiative Nordic Council of Ministers Swedish presidency 2002
 - Focus on Integration
 - Improve mobility - reduce border obstacles
 - Improve Construction Market Innovation, Competition, Cooperation



National level Sweden:
Conflicts, competency and quality problems

FIA: Renewal of Construction Sector

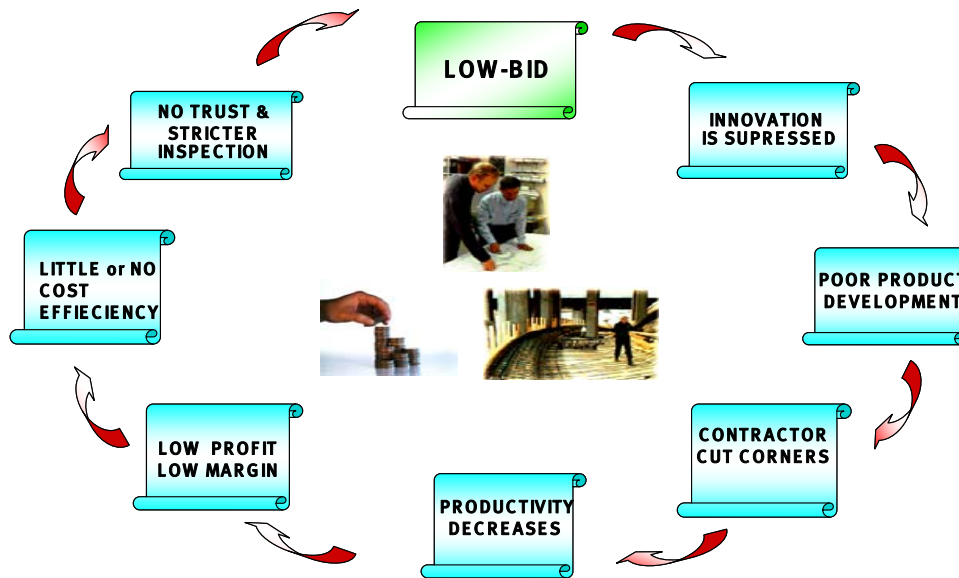
The Assumption (1)



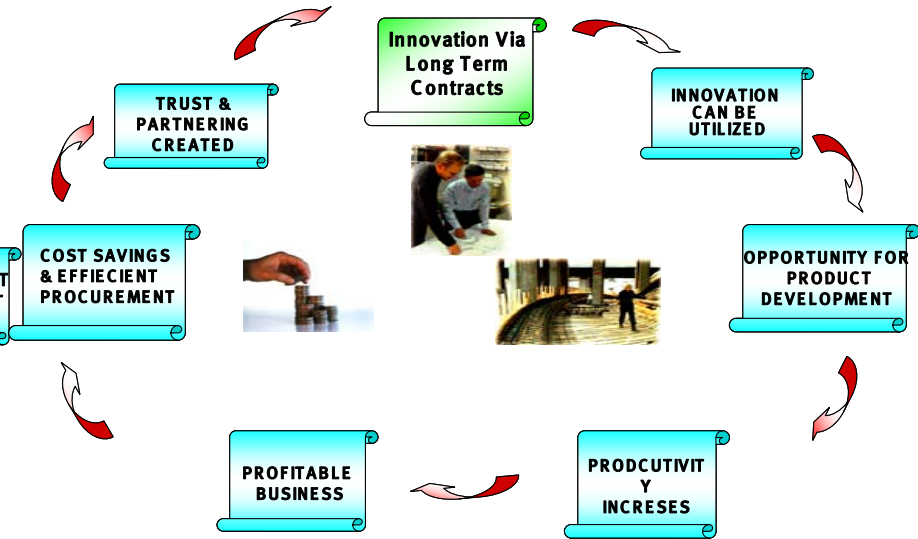
Difficult to compare project oriented activities and industry production – but undoubtedly considerable potential for increased total efficiency

The Assumption (2)

Infra-Sector "Circle of Regret" "ALL Parties LOSE"

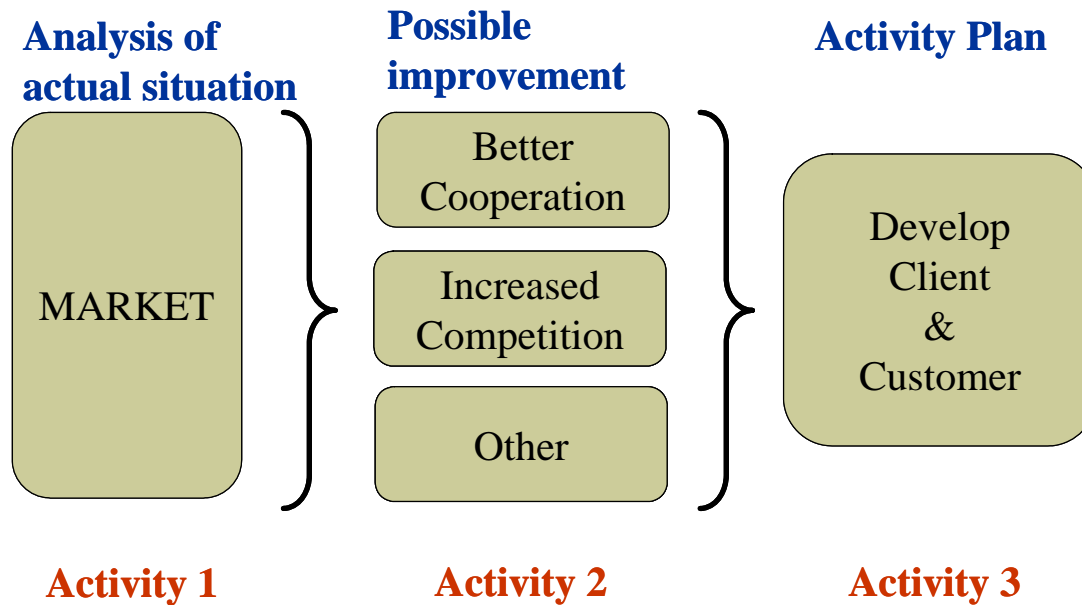


Infra-Sector "Circle of Hope" "ALL Parties BENEFIT"

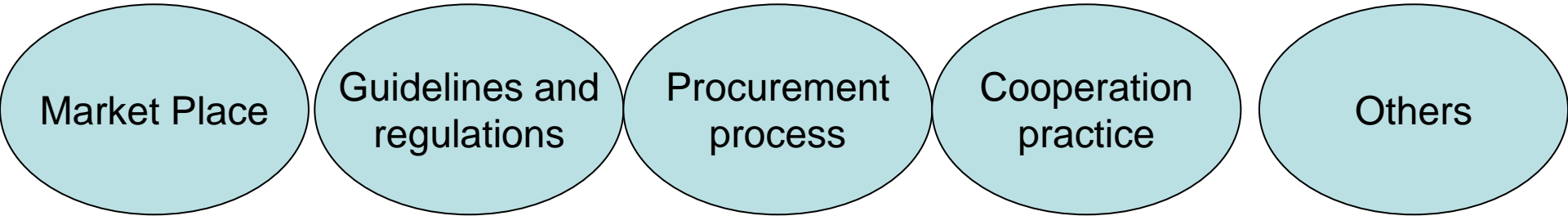


The Mission (2003-2004)

Report for Nordic Council of Ministers
by the Road and railway authorities



Possible actions (2004)



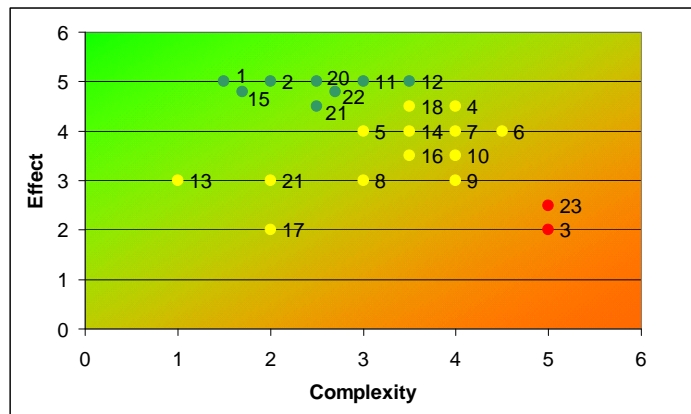
Database for appropriations and plans
Word list

Technical descriptions
General contract conditions
Product standards
Dispute procedures
Interpretation EU-directives
Rules for fair competition ("jävfrågor")
Health Security Environment
Machinery specifications
Competence requirements

Vision
Tender- and contract-specifications
Innovative procurement models
Elektronic tender-treatment
Education of procurement personnel

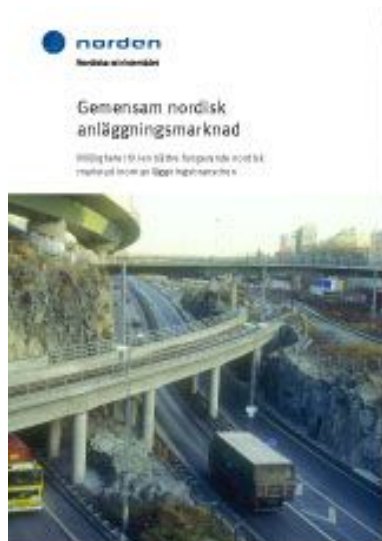
Models for cooperation-practice, risk handling
Common performance specifications
Follow up practice/
Information, experience transfer

Review of tax- and toll regulations
Review of competition-obstructing agreements
Common IT-systems



Project Progress

Phase 1



Project Report
mission from **Nordic
Council of Ministers**
2003-2004
www.norden.org



Phase 2



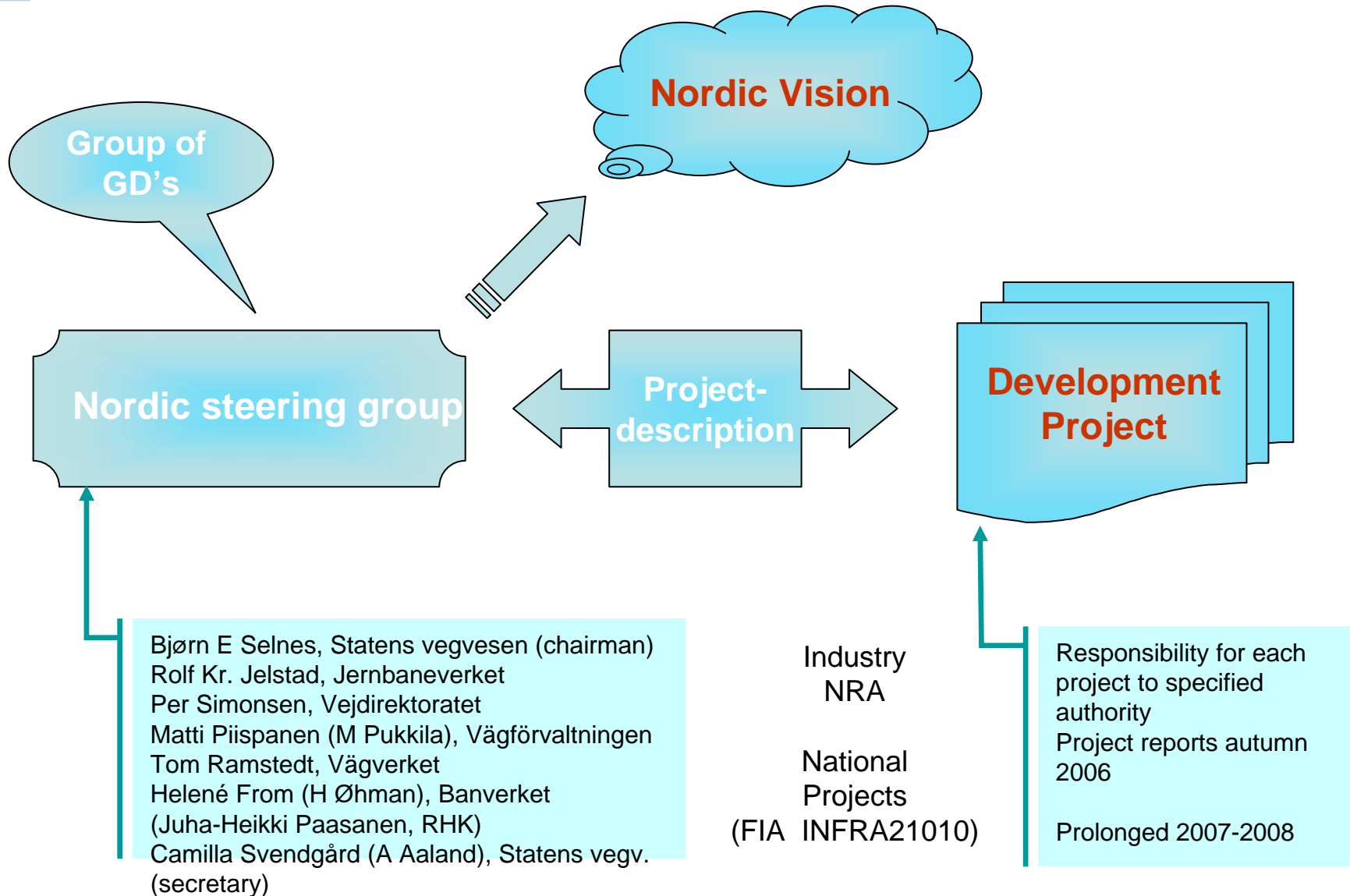
Priority to eight
development
projects to be
carried out by
the Authorities
2005-2006

Phase 3



Decision to
prolong and
consolidate
2007-2008

Organization phase 2 and 3





NORDIC VISION:

**A well functioning Nordic Construction Market
without borders!**

The Common Nordic Market is recognized by:

Socio-economic efficiency, high ethic standards and good confidence

No national obstacles limiting the suppliers mobility

A broad supplier market with good experience transfer between client and producer

Secure and environment friendly construction methods

Common understanding of the direction of the traffic authorities' procurement strategies

Procurement practice stimulating innovative project delivery, increased productivity and profitability for all parts

An interesting future orientated sector attracting youth of both sex



Nordic Vision

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- *Socio-economic efficiency, high ethic standards and good confidence*
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- *Secure and environment friendly construction methods*
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- *An interesting future orientated sector attracting youth of both sex*



Projects GNA phase 2 og 3

Project	Organization	Country
A Nordic vision for the future supplier market	Road Administration (phase 2)	Sweden
Common portal for appropriations and plans	Road Directorate	Denmark
Common word list	Road Administration	Sweden (Finland)
Development of new contract types and alternative ways of cooperation	Road Administration	Finland Sweden
Common requirements for health, safety and environment (HSE)	Road Administration	Norway
Common performance specifications for road operations and maintenance	Road Administration	Norway
Common railway engineering and safety requirements for machinery used in railway construction	Rail Administration	Norway (Sweden)
<i>Uniform competence requirements</i>	Rail Administration (phase 2)	Sweden
<i>Review of tax regulations and agreements that obstruct competition</i>	<i>Nordic Council of Ministers</i>	



Status June 1st 2008

Common project portal and word list

- Web-portal established through link to the different authorities' web pages for project- and contract information
- All authorities present projects > 5 mill €
- Some have produced detailed list of upcoming contracts (Swedish rail and road administrations have made a common plan for tenders for the next 12 months)
- Word list (appr. 1000 words) established connected to the web portal (Swedish, Finnish, Danish, Norwegian, English)
- National industry wants extensive information at contract level with frequent update (including consultant contracts).
- International contractors' interest is primarily the really large projects/contracts
- Can be basis for coordination of large projects

www.nvf.norden.org

<http://webapp.vd.dk/gna/>



Common HSE-practice

- Differences in practice despite same basis (EU)
 - Most emphasized in Norway, influence from offshore industry
 - Inspection authorities different approach, stricter demands for the client in Norway – more a matter between inspection and contractor in the other countries
- Contractors response after phase 2:
 - The most important project in GNA
 - The authorities' focus and practice crucial
- GNA has focused on health, working environment and safety
 - GNA contributed to national focus (feedback Finland)
- Still some differences in attitude and motivation?



Status June 1st 2008

Common HSE-practice

- The project has made a proposal for common HSE indicators, reporting and evaluation routines, and a plan for development with possibility for varying adjustment period. The evaluation can be basis for bonus system.
- Recommendation: Implementation and network including inspection authorities

Health, Environment and Safety:

Joint Nordic Development Plan

Establish	Decision to implement Joint Nordic Development Plan Develop procedures in client organisation Involvement: Client – contractor – enforcement agent
Adjust	Implementation of procedures in client organisation Evaluation - Adjustment
Operation	Review and development

Time schedule	2008	2009	2010	2011	2012
Establish					
Adjust					
Operation					

Performance Indicators: Monthly Reporting	
N	Number of near accidents rel. hours worked
Risk	Number of risk assessment performed
H1	Number of accidents with absence from work rel. hours worked (Lost-time injury frequency rate, LTI)
H2	Number of personal injuries rel. hours worked
F	Number of days of absence from work rel. hours worked (Severity rate, S-rate)
Incitements/sanctions:	
System for evaluation of contractor performance and feedback to contractor	



Status June 1st 2008

Common performance specifications for operations and maintenance of road

Outcome

- A collection of the existing Nordic performance specification used by the Nordic countries.
- Experience with the existing performance specifications are collected.
 - They are very detailed and different and differently presented in each country. They are only partially performance based and vary a lot, with a lot of local variations.

The main challenge is to describe performance specification in a measurable and computable manner.

- A proposal for a new set of common performance based specification for operation and maintenance of roads
- A plan for implementation of common performance specifications
- All reports from the project are available on the GNA internett

Common performance specifications for operations and maintenance of road

Recommended as basis for national revisions, network for improvements (also English version)

Proposal for common performance specification:

Structure of the performance based specifications

A. Common requirements for all objects and activities

B. Performance specification for each object or activity

1. Purpose and performance specification
2. Definition
3. Application area
4. Supplementary requirements
5. Rules of measurement and marginal values

Revision of the national specifications with individual implementation in each country are under progress in Norway, Sweden and Finland



Status June 1st 2008

Development of new contract types and alternative ways of cooperation

- Challenging – varying organization models, strategies, practice differing from strategy
- Established understanding for use of different models, improvement potential in present models, interest for new models
- Made a basis for more systemized network, but not managed to establish common practice
- Key personnel want to use experiences and good ideas in their own practice

”Find the balance between coordination and freedom to creation”



Status June 1st 2008

Development of new contract types and alternative ways of cooperation

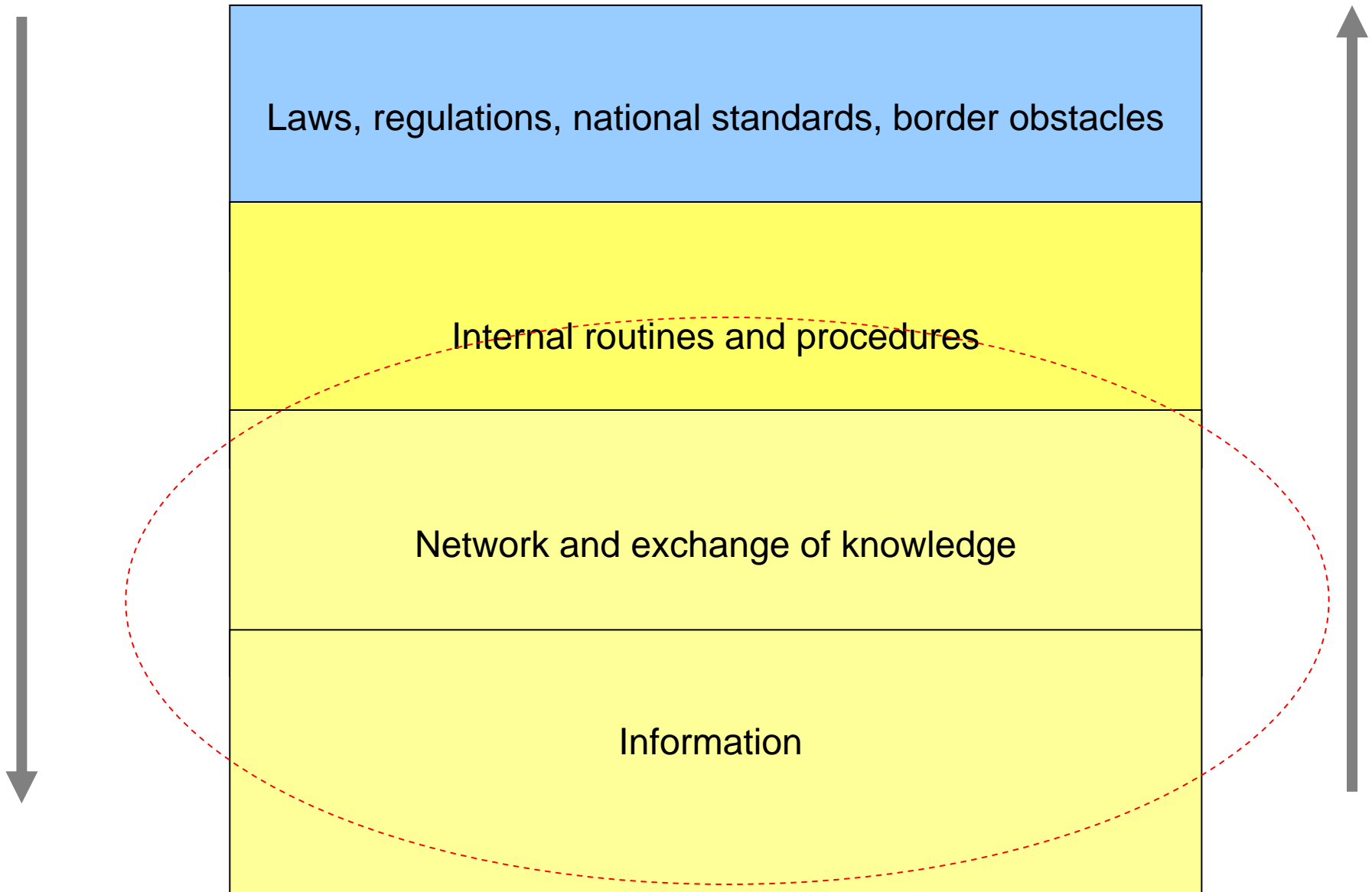
- Development of Nordic application of alliance model/ early contractor involvement (Finnra)
- Report with analysis of different contracts and cooperation models
- "Best practice evaluation"
- Report describing procurement routines
- Seminars key personnel, industry

Recommendations: Strengthen network to harmonize practice
and evaluate new models, seminars
Common education/training
Plan for partnering

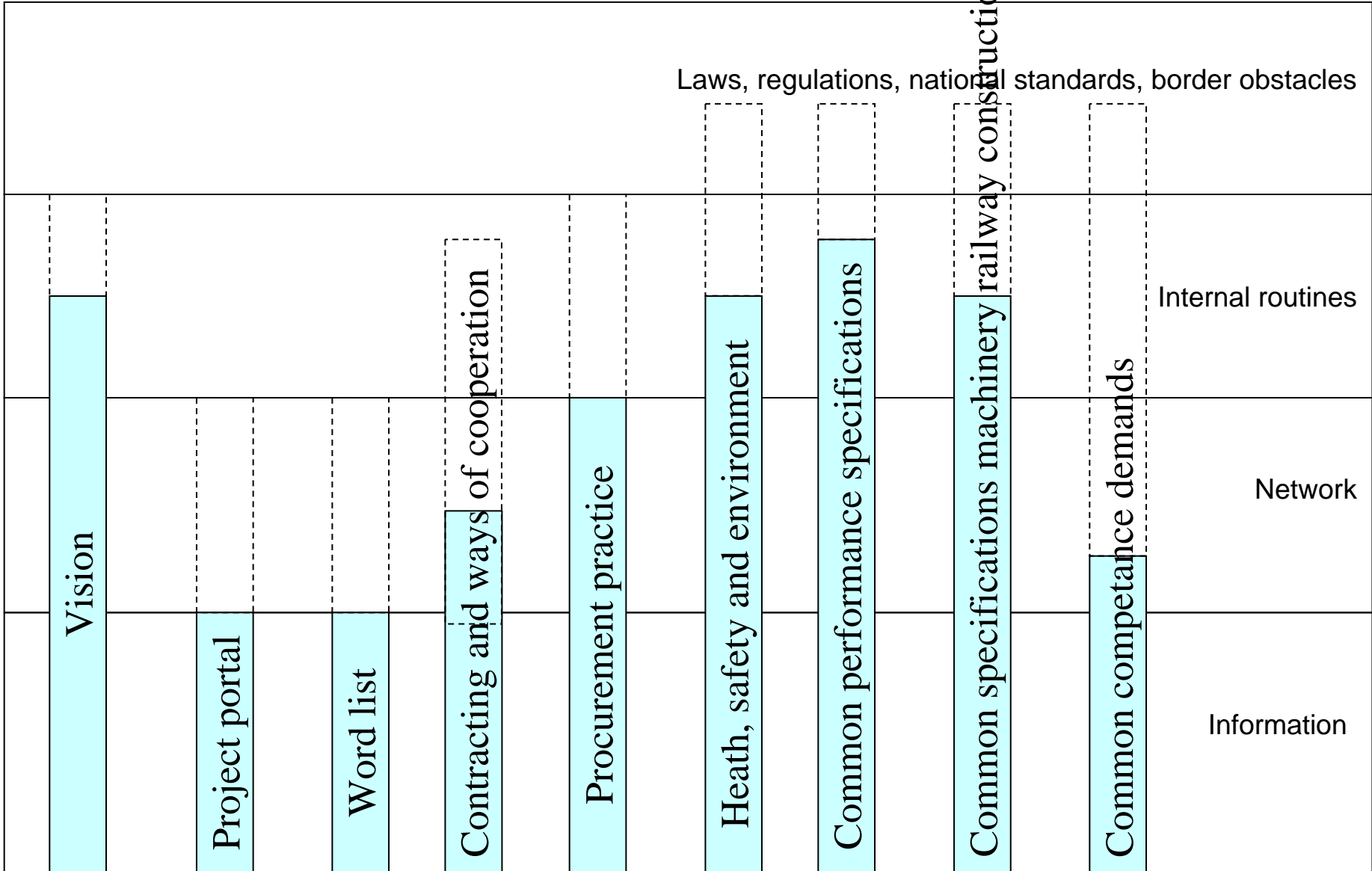
Summarized

Nordic vision	Approved	
Common portal for appropriations and plans	Established	
Word list	Established	
Development of new contract types and alternative ways of cooperation	Reports, recommendations for practice and network	
Common HSE-practice	Proposal for common routines and development and implementation plan	
Common performance specifications for road operations and maintenance	Common description – implementation phase	
Machinery railway construction	System for cross allowance worked out, initiative ministries, inspection authorities	
<i>Uniform competence requirements</i>	<i>Stopped after phase 2 – new project?</i>	
<i>Review of tax regulations and agreements that obstruct competition</i>	<i>Nordic Council of Ministers</i>	

Levels of Co-ordination (practical)




Status cooperation levels – potential?



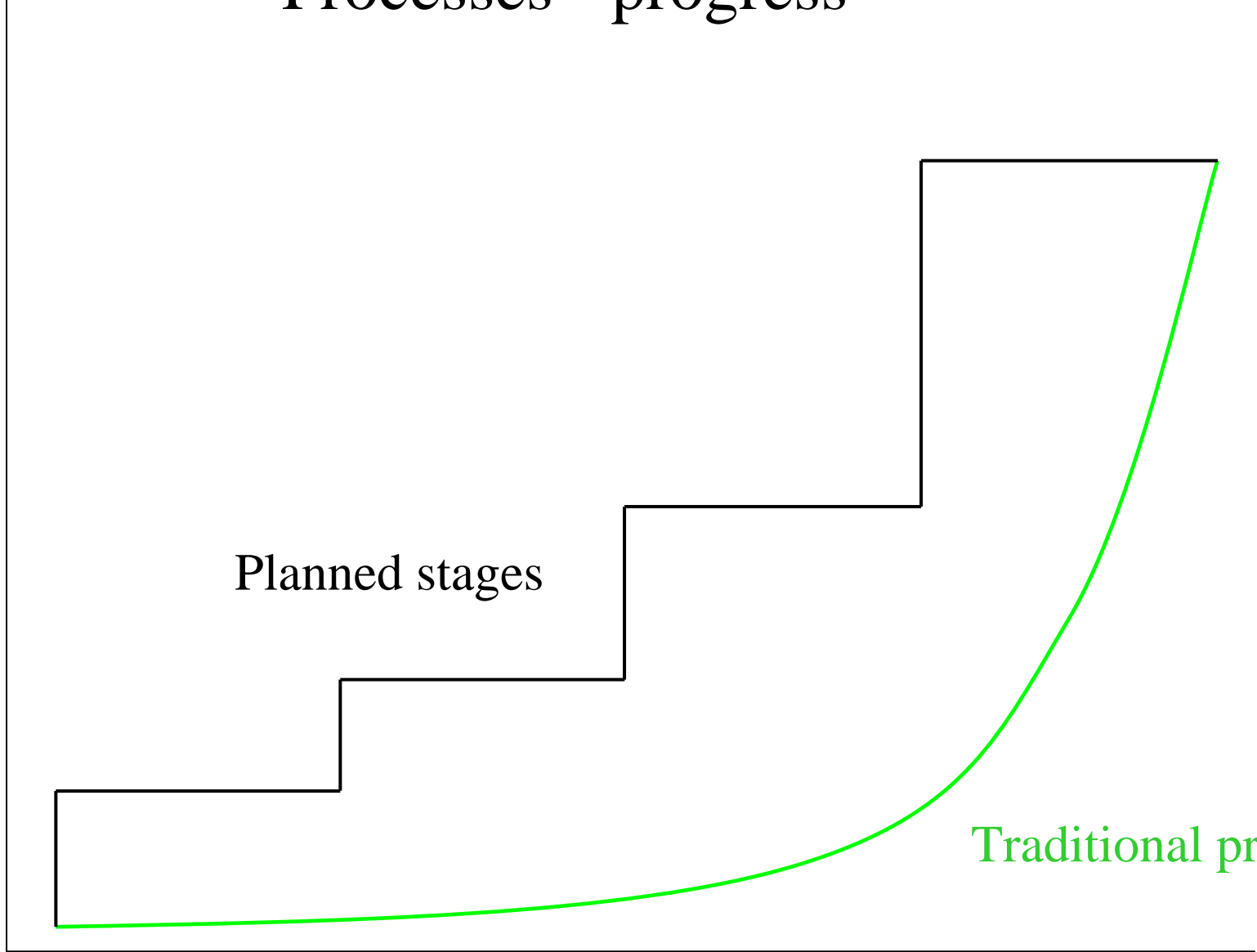


The Nordic Regional Cooperation

- Analysis for the Council of Ministers:
 - Lack of results caused by high level of ambition, many involved, unclear responsibility for following up and progress plan, uncertainty concerning EU regulations, national differences
 - Recommendation:
Long term high ambition combined with initiatives that can be implemented immediately and initiatives that generate a process with milestones and clear responsibility for progress and following up
-  **GNA structure fits well to the recommendation**

effect

Processes - progress



Planned stages

Traditional progress

time



Cooperation, strategies :

Recommendation

- The common vision should be basis for further development of the traffic authorities' procurement strategies
- Principles and actions must be incorporated the authorities' management systems with distinct demands combined with assistance and training of operative project personnel
- Establish structured cooperation programme with the industry and others
- Utilize and establish common training and development (RD)



Cooperation, strategies:

Recommendations

- The authority's focus and clarity is crucial for the common development and the industry's possibilities
- The top management's priorities, the line organization's responsibility and involvement, and competency and challenges for the operative personnel



Cooperation, strategies:

Recommendation

- Continue the GNA-cooperation in a network – find an involving way of working – NB don't exclude other infrastructure authorities (NVF: open seminars)
- Establish common experience transfer forum - yearly benchmarking