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# **Integrated Services Arrangements (ISAs): An innovative approach to manage Western Australia's state road network**

**Maria Sarubin**

- Main Roads Western Australia
- Asset Management Officer
- [maria.sarubin@mainroads.wa.gov.au](mailto:maria.sarubin@mainroads.wa.gov.au)



## An opportunity for improvement

- End of road network maintenance contract duration
- Strategic review
- Relationship-based contracting approach
- Selection of contractor who is likely to work collaboratively with Main Roads
- ‘Relationship evaluation’ process – defensible procurement



# Australia



## Diverse land Western Australia

- World's smallest continent and the sixth-largest country
- Population of 2,300,000.
- 7,682,300 square kilometres (2,966,368 square miles)
- 10% of Australia's population spread over 33% of Australia's land mass (2,532,400 square kilometres)



# Main Roads Western Australia

## Government service provider

- A\$38,000,000,000 road network:
  - asset management;
  - network expansion;
  - traffic management; and
  - road user management.



# Road Network Maintenance Arrangements

## A time for change

- End of (10 year) road network maintenance contracts
- Industry climate, workforce demographic
- *Re-visit Main Roads **Vision** and **Strategic direction***



- Providing the right roads for Western Australia;
- Making roads work for the community;
- Creating our workforce for the future;
- Inspiring leadership; and
- Enhancing relationships.



# Road Network Maintenance Arrangements

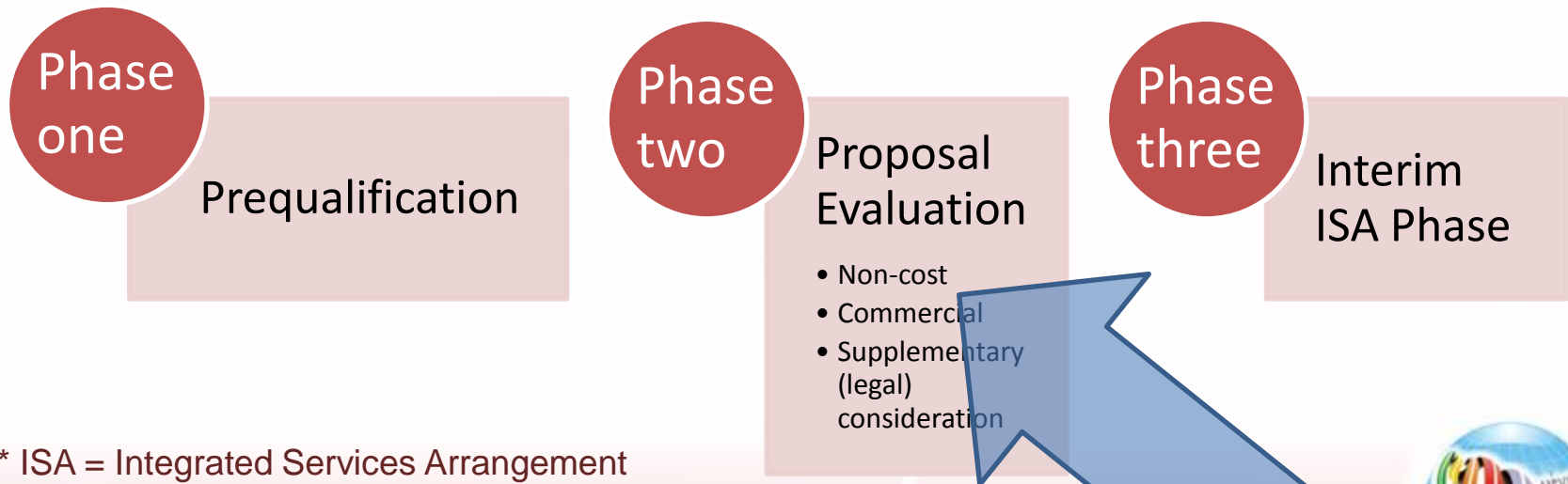
## A time for change

- New contracts called Integrated Services Arrangements (ISAs) include:
  - integrated operational asset management,
  - network operations and
  - road maintenance services
- Value for money via relationship-based contracting.



## Standard process with a relationship specific components

- Select partners with effective communication, likely to build positive collaborative relationships.



# Applying science to relationship evaluation

## Three elements

- Presentation **SELL**
- Behavioural interview **TELL**
- Simulation exercise **DO**



## Simulation exercise

- Simulation the working environment and measure the character of the team (Main Roads and Contractor) including attitudes, characters and behaviours.





# Simulation exercise – Predictive validity

## Past behaviour to indicate future performance

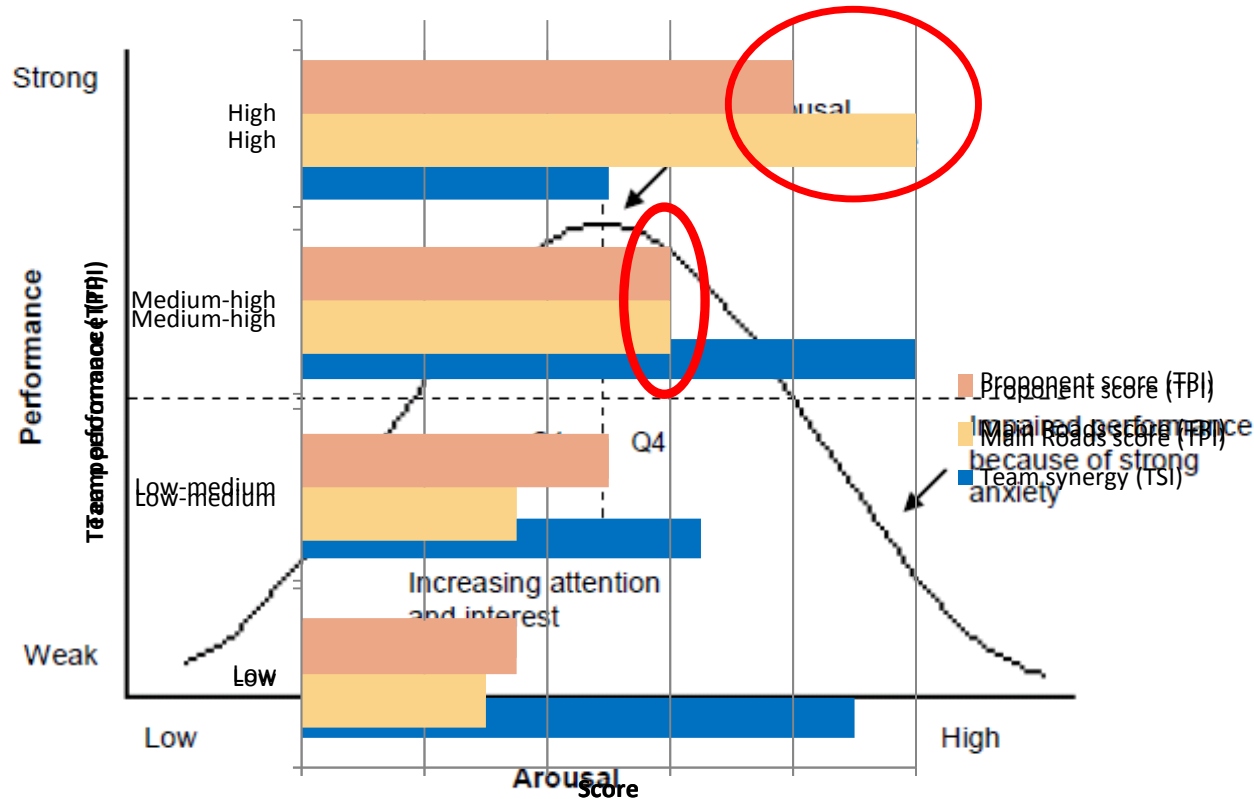
- Contractors (proponents) have been ‘coached’ to perform well, two methods applied to ensure predictive validity

### 1. Third quadrant of stress

### 2. Performance scores



## How was it done? Calculating team synergy Yerkes Dodson Law (1908)



### A rigorous, quantitative, defensible method of including relationship evaluation in the procurement process

- New and innovative method of procurement to suit our strategic direction.
- Combines new and classical test theory from Industrial Organisational Psychology.
- Selection of contractors to work **with** Main Roads.



## Relevance to you, the audience

**A rigorous, quantitative, defensible method of including relationship evaluation in the procurement process**

- *Can be used in different industries – especially where there is a need to demonstrate (in numbers) how the concept of ‘relationship’ can be assessed.*



Questions?

**“Achieving excellence through  
inspiring leadership and  
strong collaborative  
relationships”**

