



case study: t squared Alliance

In late 1999, Tenix and TXU Australia (SP AusNet's predecessor) formed an integrated Alliance, known as t squared, to maintain, upgrade and install TXU's (and later, SP AusNet's) electricity and gas distribution networks across Victoria. The Alliance was specifically designed to deliver excellence in safety, maintenance, construction and fault response, maintaining long relationships through innovation, continuous improvement and sustainable productivity gains.

Key Features and Outcomes

- Tenix and SP AusNet shared the risks and rewards of the Alliance with both parties incentivised to improve quality and efficiency.
- SP AusNet fully reimbursed all costs and management costs with share of savings and non-financial KPI incentive. All costs were fully transparent and auditable.
- The contract operated on a CPI-1% funding each financial year. The Alliance was able to deliver this despite increasing material, labour & subcontract costs greater than CPI.
- Overall performance was measured by the client through the Non-Financial Key Performance Indicators which covered Network Reliability, Quality, Safety, Employee Satisfaction and Customer Satisfaction. Overall performance was expressed as a 'score' with a nominal target of 100%. Over the life of t-squared the performance for electricity varied from 104% to 109.5%.
- t-squared also received external recognition as a finalist at the 2005 Victorian WorkSafety Awards and competed at the 2005 Utilities 21 Conference, winning second and third places.
- Both partners also benefited from an increase in their skills base, as employees returned from the Alliance with new professional skills and valuable practical experience.



Tenix[®]



Field Services

- ✓ Preventative Maintenance
- ✓ Corrective Maintenance
- ✓ Fault Services (24/7)
- ✓ Asset Replacement
- ✓ New Build
- ✓ Connection services
- ✓ Asset Locations & stand-overs
- ✓ Close proximity permits

Management Services

- ✓ Design
- ✓ Project Management & Systems
- ✓ Quality Management & Systems
- ✓ HR & IR Management
- ✓ Construction Management
- ✓ Procurement Management
- ✓ Subcontractor Management
- ✓ Cost Planning & Estimation



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Our Role

The Alliance covered every aspect of the electrical distribution process associated with network maintenance and expansion. Specifically this included design, asset and maintenance management, vegetation management, overhead, underground and zone substation construction and maintenance, new connections, public lighting maintenance and 24/7 faults and emergency management and rectification.

Resources & Skills

At the outset, the Alliance identified the skills and capabilities required to deliver to the client's requirements and continued to review this throughout the life of the Alliance. Training was managed to maintain accreditations and an appropriate skills mix. Short-term requirements for additional resources were met by enlisting sub-contractors. At the peak of operation in 2006, 500 Alliance staff (many multi-skilled) were engaged to provide services to the electricity network.

The t-squared partners made a concerted effort in the early stages of the alliance to ensure that employees shared common goals and to blend their corporate cultures to achieve synergy. The key to the success of t-squared was in maintaining team cohesion and commitment to the goals of the Alliance.

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Asset Type: Electrical Distribution Network	Duration: 5 + 3 years
Client: SP AusNet	Value: \$120 million per year
Location: Eastern Victoria	Scope: Construction & Maintenance
Contracting Style: Alliance	Contract Secured: December 1999

