

Process

A CMR will include the following steps:

- 1 Programme CMR**
Suppliers will be advised if their contract is to be reviewed and date(s) for the review agreed – one day for small contracts, and 2-3 days for larger or more complex contracts.
- 2 Information gathering and review**
Contract documentation such as contract and tender documents, management plans and supplier records will be requested for review.
- 3 Contract review**
Reviews will take place on-site. This will involve a combination of interviews with supplier representatives and a review of the supplier's documentation against contractual and legislative requirements.
- 4 Improvement plan and report**
At the completion of the review, a draft improvement plan and report is presented and discussed with the supplier, engineer and project manager. The supplier will have the opportunity to discuss any findings with the review team.
- 5 Implement improvements**
Once the CMR report is finalised, the supplier is required to address any non-compliances within the agreed timeframes. The supplier is to confirm to the client project manager when all corrective actions have been completed. These will be verified by the CMR consultant.
- 6 Disseminate information**
A final report is provided to the review participants and the NZTA. Information gathered from CMRs is collated by the CMR consultant and disseminated to the wider industry in a bi-annual newsletter.



Further information

If you would like further information on CMRs or have any comments to help improve the effectiveness of the CMR process, please contact us.

Our contact details

For general enquiries and contact information for the NZ Transport Agency, please check our website www.nzta.govt.nz or email us at info@nzta.govt.nz.

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Your guide to... Contract Management Review

Working with our suppliers
to achieve the best results



Background

Contract Management Reviews (CMRs) are systematic, objective and independent reviews that evaluate management practices on selected NZ Transport Agency (NZTA) contracts.

The CMR is intended to provide confidence that supplier management systems and practices are appropriate and are delivering on contractual and legislative requirements. The process also provides a means to feedback to the NZTA and industry on the application of contract requirements, standards and specifications.

Selection

Each year, reviews are undertaken on a wide variety of professional services and physical works contracts.

Nominations are received from NZTA regional offices. The selection includes a cross section of contracts throughout New Zealand, primarily focused on areas with high-level contract activity or significant/strategically important projects.

To realise maximum benefits from a review, it should take place at an appropriate time within a contract cycle. Time should be allowed to establish management practices before a review is undertaken, and the contract should not be close to completion to ensure any identified improvements can be implemented.

The results

The reviews are intended to focus on opportunities to improve and to assist the client and suppliers in the execution of current and future projects.

The results may be used to provide input into the track record attributes for future tender evaluations of individual suppliers through the NZTA's Performance Assessment by Coordinated Evaluation (PACE). They may also be used to justify (where appropriate) the initiation of further reviews, either CMRs or additional monitoring and/or reviews by the client or their representative.

Special Purpose Audit

For contracts that need a more in-depth review in a particular area, the Special Purpose Audit (SPA) may be a more appropriate option. The SPA is a targeted review designed to look in more detail at a particular issue or focus area and can be tailored to suit the needs of a specific contract.

Review team

Reviews will be led by an experienced, independent consultant with a detailed knowledge of the NZTA's business, legislative requirements and the construction industry.

The lead reviewer will be assisted by a co-reviewer, generally from the NZTA, with knowledge and experience to suit the needs of the review contract.



Objectives

The CMR programme has been established to:

- ensure that contracts are being delivered in accordance with contractual requirement, NZTA specification and best practice
- review supplier management systems to ensure these are fit for purpose and delivering the required outcomes
- identify areas for improvement in a supplier's management of the contract
- identify areas for improvement in client documentation and process
- initiate positive improvements in the way contract management activities are performed on contracts and within the wider roading industry.

The CMR process specifically looks at activities and documented systems associated with managing, administering and delivering the contract. To avoid duplicating other review activities, technical and general management issues will not be covered in detail.

CMRs are not intended to replace the monitoring and surveillance appraisals done by the project manager, nor are they a review of compliance or conformance to technical specifications. CMRs will not duplicate or replace reviews conducted against management systems standards by certification agencies (eg TQS 1, ISO 9000, ISO 14001, WSMP audits).

Improvement

The key objective of this review process is to learn from our experience and encourage improvement at an individual supplier level, in the NZTA's processes, and across the industry.

The NZTA will use the information gathered from reviews to monitor contract compliance, to identify common issues and significant trends. The information will be used to provide feedback to industry and NZTA best practice groups, to raise awareness of key issues, industry-wide initiatives and further improvements to NZTA processes.

The NZTA is committed to ensuring that the review programme provides an opportunity for learning and improvement, and would welcome any suggestions on how it could be improved.

The findings from individual supplier contract reviews will be treated in confidence and not reported to any third party without the written permission of the suppliers concerned.