

Network Outcomes Contract Clarification Governance Group Clarification

Reference Number:	NOCC No. 29
Subject Title:	Asset Growth (Contract Risk Profile item 6)
Issue Date:	13 July 2018
Clarification Purpose	Clarification is provided to ensure the NOC is being interpreted consistently. The clarification does not remove or supersede the Network Outcomes Contract documentation.

SUBJECT

It has come to the Agency's attention via a query from a NOC supplier, that there was a typographic error in NOC Schedule of Prices relating to sign sizes.

BACKGROUND

Section 2.5 of the Maintenance Specification notes that standard growth in assets can be efficiently incorporated into the contract and the Schedule of Prices identified various items and tendered rates to value an annual extra over (or under) for individual asset growth items.

A particular NOC Schedule of Prices has these described items listed for signs (small and large):

2.3	Asset Growth (Provisional Items)		
2.3.10	Sign (sign face <750mm ²)	ea. years	10
2.3.11	Sign (sign face >750mm ²)	ea. years	2

A sign that has an area of 750mm² would only have sign side dimensions of 27.4mm x 27.4mm, so this is obviously a typographical error.

The standard State Highway Maintenance Contract (NOC) pro-forma document (viewable on HIP) notes this:

2.3.10	Sign (sign face <0.75m ²)	ea. years
2.3.11	Sign (sign face >0.75m ²)	ea. years

A sign face greater than, or less than, 0.75m² makes more sense, as this provides a clear distinction between the smaller urban area signs and the larger rural area signs.

E.g. a standard permanent warning sign with edge dimensions of 750mm x 750mm = 0.56m² would be classified as a small sign, whereas a standard permanent warning sign with edge dimensions of 900mm x 900 mm = 0.81m², and would be classified as a large sign.

RESPONSE

There have been no recorded tender or contract queries about this matter, until now.

The Agency believes that where this typographic error occurred in the tender documents, that contractors likely made the distinction between the small and large signs by self-correction assuming the Schedule of Prices should have read <0.75m² or >0.75m².

There are cases where a tendered Schedule of Prices has been correctly published as per the NOC pro-forma document.

Recommended actions:

1. Each NOC should check its Schedule of Prices to see if this typographical error has occurred.
2. If it has, then the Maintenance Contract Manager should formally advise to their Contractor, the required correction.
3. The Contractor should in response formally agree that the Schedule of Prices unit descriptor correction for items 2.3.10 and 2.3.11 is amended as hereby advised and confirm that the tendered rate remains as per the contract documents.