

April IAG MEETING

Meeting Name:	NZTA Industry Advisory Group Meeting		
Date of Meeting:	3 April 2019	Time:	9.00am – 3.00pm
Meeting Facilitator:	Wayne Oldfield	Location:	Opus Board Room Level 9, Majestic Centre, 100 Willis St, Wellington
Meeting Objective:	The key objective of the Industry Advisory Group (IAG) is to optimise and improve sustainable system management within New Zealand.		

Attendees:

Name	Organisation	Email Address
Chris Edsall	Downer	Chris.edsall@downer.co.nz
Bevan Sandison	FH	Bevan.Sandison@fultonhogan.com
Craig Connelly (apologies)	BRS	Craig.Connelly@broadpectrum.co.nz
Mathew Anderson	Broad-spectrum	Mathew.anderson@broadpectrum.com
Gary Porteous	Opus	Gary.Porteous@opus.co.nz
Mike Manion	Higgins	M.Manion@higgins.co.nz
Nicky Smith	HEB	Nicky.Smith@HEB.co.nz
Jim Matangi (apologies)	HEB	Jim.matangi@heb.co.nz
Peter Silcock	Civil Contractors	peter@civilcontractors.co.nz
Grant Isaacs	SouthRoads	grant.isaacs@southroads.co.nz
Richard Parsons (apologies)	Beca	Richard.Parsons@beca.com
Simon Bird (apologies)	GHD	Simon.Bird@ghd.com
Jack Hansby	NZTA	Jack.hansby@nzta.govt.nz
Liane Powell	NZTA	Liane.Powell@nzta.govt.nz
Steve Rusbatch	NZTA	Steve.Rusbatch@nzta.govt.nz
Peter Connors	NZTA	Peter.connors@nzta.govt.nz
Richard Wade (ph only)	NZTA	Richard.wade@nzta.govt.nz
Marie Nicholson	NZTA	Marie.nicholson@nzta.govt.nz
Wayne Oldfield	NZTA	Wayne.oldfield@nzta.govt.nz
Dave Darwin (away?)	NZTA	David.darwin@nzta.govt.nz
Tim Barry (2-2.30pm only)	NZTA	Tim.barry@nzta.govt.nz

MEETING AGENDA

Topic	Lead / Time
Item 1 - Welcome & Safety Moment	9.00 – 9.10am Wayne
Item 2 – Updates / Industry matters <ul style="list-style-type: none"> • 2.1 Procurement update (by phone?) • 2.2 Marlborough NOC Procurement method and timeline • 2.3 Changes NZTA have made to TTM - how are contractors responding <ul style="list-style-type: none"> ➤ (a) OPM Compliance – TTM notice ➤ (b) Engineers to contract – ruling around variation to TTM • 2.4 Non-delivery of achievements programme – specifically: SCRIM 	9.10am – 11am Richard Wade Peter Silcock Peter Silcock Wayne Wayne
Morning tea break	
Item 3 – Annual Plan	11 – 11.15am 11.15 – 12.30 Liane
Item 4 – Review action points from previous IAG meeting (appendix 1)	Liane
Item 5 – Update from sub-group workshops – summary & address action points from workshops <ul style="list-style-type: none"> • 4.1 NOC 2018 KRA Framework workshop • 4.2 7th working day sub-group workshop 	11.45 – 12.30pm Liane
LUNCH	
Item 6 – Update on Programme Achievements	12.30 – 1pm 1 - 2pm Liane
Item 7 – Road Worker Safety Strategy <ul style="list-style-type: none"> • Proposed Road Worker Safety Strategy (refer to email copy of PDF -Civil Contractors NZ, Draft 3 for discussion) 	2 - 2.30pm Peter Silcock Tim Barry
Item 8 – What Success Looks Like (appendix 3) <ul style="list-style-type: none"> • 6.1 Where are we now • 6.2 Steps towards success 	2.30 – 3pm Wayne

IAG meeting: Wednesday 3 April 2019

New action items arising from meeting:

	<i>Action</i>	<i>Owner</i>	<i>Due Date</i>	<i>Status</i>
1	Traffic Management – increased cost – how should it be managed: Peter to write a “problem statement” from collective industry / suppliers’ perspective.	Peter Silcock	5/4/19	Completed
2	Document with suggested areas for improvement . Identify areas for discussion and who should be involved	Peter Silcock	12/4/19	
3	Notice to Contractor – ensure clear wording in paragraph 3: ‘agreement” or “moderation” The amended NTC has been issued to the Suppliers.	Wayne	ASAP	Completed 4/4/19
4	OPM Compliance: Create a model to ensure consistency amongst MCMs when moderating / agreeing on safety OPM non-compliance	Wayne	ASAP	Completed
5	Suppliers to capture additional variation costs with the MCMs for TTM and send to the Performance Team (Marie Nicholson) so an impact cost can be calculated	All suppliers	ASAP	
6	Approvals for late construction (not processed in timely manner) Peter to follow up with John D	Peter Connors	ASAP	
7	Confirm “Winter season” vs “construction season” terminology	Liane	ASAP	
8	Lead Time of Pre-Seal repairs graph: Provide analysis of graph	Liane	ASAP	
9	Provide final version of NOC 2018 Framework	Wayne – assign to Steve Rusbatch	ASAP	In progress
10	Wayne to consult with Tara MacMillan re: Developing terms of reference for an “IAG CE” group	Wayne	ASAP	In progress
11	Progress payments for renewals: Jack to produce a draft doc with a more pragmatic approach to payments for AWTs	Jack	ASAP	

Wednesday 3 April 2019

Meeting Minutes:

Item 1: Safety Moment

We need a significant step change in behaviour to address Health/Safety (H/S) issues. The NZTA board have signalled that H/S & wellbeing will be a focus area.

Comment made that NOC2 is not well aligned with current Health and Safety focus

Monday: Industry wide "Pause for Safety"

Item 2: Updates / Industry Matters

2.1 Procurement

Health and safety focus from board chair

Next Monday we have "Pause for Health & Safety"

The next round of NOC conversations with CEs will be from a Capital perspective and we need to be aligned on specifics. Need to get it right for 2nd roll-out. The programme needs to hit the right time frames but not burn out staff.

2.2 Marlborough NOC Procurement method and timeline

- Working towards tender – early May
- Need some integration required with NOC review
- The proposed pilot program of an independent audit will not take place for Marlborough NOC but instead NZTA will do their own condition rating and assessment (as per current practice)

From Feb action pt. #6 (Renewals: do we transit incumbents to the new design contract)

- the Resurfacing component of renewals (Year 1, 2019/2020) will be included in new Marlborough NOC contract, and
- that the Rehabilitation component of renewals (Year 1, 2019/2020) will be procured by Marlborough Roads as its own separate contract.

Discussion over health & safety aspect of NOC 2 – it is a collective responsibility that we get it right before Marlborough.

- If the budget stays the same with increased responsibilities, e.g. traffic management then something has to give, how do we make it work?
- We still need to provide a service to the customer so need to know what suppliers need
- Suggestion of collective principles so there is no confusion
- Are there better / smarter ways of doing things that get the job done without the H/S risk? E.g. AMA uses Lidar to gauge change over time
- There is still a need to have manual inspections, e.g. culverts but need to rationalise how we assess
- NZTA accept that there will be increased cost to keep the same level of service with increased traffic management
- Sacrificing the level of service is not a good option so NZTA needs to understand the extra cost associated to maintain current service
- Suppliers shouldn't have to dictate the type of repair to lower the cost
- Example given of closing Rimutakas for short time to complete multiple repairs, but this was very difficult to come by
- The barrier is the lump sum model, proposal put forward for NZTA to pay for traffic management

Action 1: Peter Silcock will write a problem statement from the suppliers / industry perspective regarding the increased cost of traffic management

Action 2: Peter Silcock to identify people to discuss areas for improvement

Marlborough NOC cont.

Discussion over hand over time on 15/1/19 – this date has been considered carefully

- The contract is awarded at the end of September so this should allow enough time
- local knowledge has been taken into account
- re-seal programme is small
- work is planned a long time in advance
- early January is problematic but mid-year is a problem as well
- there could be a longer mobilisation phase for transition if required

Item 2.3

Pavement Defects & Pre-seal repairs (Jack Hansby)

- Need to know what network condition in its entirety
- Need to ensure the delivery programme aligns to process in MMP
- Need to know quantities for 3yr lump sum – level at time of tender taking into account traffic growth and faults on network
- Need to understand level of OPM compliance and consider lump sum approach for above. This would remove some risk, eg. Increased renewals
- Need proactive approach for a preventative approach (closer to a measure & value contract)
- Rutting / Roughness programme – trying to keep the network in better condition than it currently is. At the moment we do not get a full understanding of the condition of the network.
- The MMP should be a driver for the network

Temporary repairs:

- Now these should only be for maximum of 6 months before a permanent repair is required
- If it is an OPM defect, it should be repaired within PIP response time
- Shouldn't be relying on NZTA to be issuing PIP

Asset integrators & asset managers need to get together for an interaction meeting to create a maintenance strategy which will then be presented for feedback (a month out from tender).

Re Marl NOC – 1 tenderer will have advantage of existing knowledge of network. Should information be shared among everyone? There is a need for a principle around this.

2.3 (a) OPM Compliance – TTM notice (refer to “Notice to Contractors”)

Audits need to continue but from the safety of the vehicle

Action 3: (Wayne) Clarity on wording in paragraph 3 required “agreement” or “moderation”

Action 4: (Wayne) MCMs need to be aligned to consistently manage OPM compliance – Wayne to initiate obtaining a model to ensure consistency among MCMs

- General agreement to document “Notice to Contractors” and that it was a sensible starting point & approach

2.3 (b) Engineers to Contract – ruling around variation to TTM

Questions raised:

- How will we work together to value the change?
- NZTA are looking for advice to align with suppliers
- Traffic Management and impact on productivity – how does it get measured?
- The level of compliance vs productivity – does this mean an adjusted level of compliance?
- Stopping the work does not give us an indicator of cost change
- Up to April 15 – what is additional cost;
- Post April 15 – how do we manage safety related OPMs & associated costs
- Hard to get a standard rate when each network is different with different requirements and size e.g. no attenuators means using “stop-go”
- Also need to consider when TTM is actually at more risk that the actual work required – need to consult people actively doing the work (bottom up approach)

Action 5: (all suppliers) - suppliers to capture additional variation costs with the MCMs for TTM and send to the Performance Team (Marie Nicholson) so an impact cost can be calculated

2.4 Non-delivery of achievements programme – specifically SCRIM

As a priority we need to figure out how to make it happen. Is NZTA enabling the delivery of SCRIM? There is a danger of not achieving the SCRIM program for this year.

Questions asked of suppliers to give reasons why SCRIM not delivered and how it could be enabled.

- If there are blockages to achieving SCRIM then suppliers are to inform Wayne.

Suggested reasons for non-achievement:

- Mis-alignment of data – e.g. West Coast has finished their SCRIM programme but this was not reflected in the data
- Are RAPAs not processed
- Chip supply from Glenbrook – plant production is limited
- Lack of feedback / visibility between suppliers & NZTA (for everything not just SCRIM)

- Would 7th working day data requirement help remedy this?
- Approvals for late construction not being processed in timely manner
 - **Action 6: Peter Connors** to follow up with John D re approvals process & specifically the request made in July 2018 by Bevan
- Is there possibility of extending the construction season in the warmer climates e.g. Northland
 - **Action 7: Liane** - “Winter Season” vs “Construction Season” terminology needs to be confirmed

Item 3: Annual Plan

There is too much change in this year’s annual plan. Change is acceptable but not to this level and there is also a lot of information missing in the current (19/20) annual plan submissions. There are some unreasonable costs associated with applications with no explanations. At the moment, NZTA cannot justify 60% of what is being seen so more information is required for better transparency.

It is the Network Manager’s responsibility to supply the information with support from the supplier.

NLTP is coming up so the process needs to be improved.

Item 4: Review of action points from last meeting

(see Appendix 1: Status update on action items arising from IAG February 2019 meeting)

Item 5: (a) 7th working day workshop

- Need to know supplier processes – what can be supplier / delivered
- Need data earlier because otherwise it is 2 months before data can be seen

(b) KRA Framework

- intent discussed – good alignment generally
- discussion over re-think on removing “dangerous worksite” KPI but general consensus was that we need to encourage people to report issues rather than penalising them.
- Definition of “dangerous” under COPTTM is too loose
- There is too much subjectivity around network condition - “All Fault” data would enable standardisation of network condition
- what is achievable
- Need a baseline
- Need objective measures

Action 9: Wayne – provide final version of NOC 2018 framework

Need industry consensus as to when everyone moves to the new framework

Item 6: Pre-seal repairs

Need certainty of planning and confidence in dates

Action 8: Liane to provide some more clarity around the graph produced at the meeting

Item 7: Road Worker Safety Strategy

(see draft document by Civil Contractors NZ)

Item 8: What Success Looks Like

An IAG-CE group may be set up which would take over this line of work and leave the IAG as a more operational group

Action 10: Wayne – contact Tara MacMillan to develop terms of reference for a IAG-CE group

Future focus of IAG would depend on the terms of reference for above

Item 9: Further business

Progress Payments for Renewals (Chris Edsall)

There is a clause re renewal payments for when work is completed and entered in RAMM but for AWT or large projects over multiple months where suppliers are paying sub-contractors, it creates a cash flow problem.

Is there ability to have progress payments?

Action 11: Jack – look at a more pragmatic approach to payments on Area Wide Treatment / large projects – create a draft document for consideration

Date of next meeting: Tuesday July 2, 2019

Location: NZTA Majestic Centre level 5 Boardroom

Appendix 1

Item 4: Status update on action items arising from IAG February 2019 meeting

	<i>Action (3/4/19 update comments in red)</i>	<i>Owner</i>	<i>Due Date</i>	<i>Status</i>
1	Mike Manion to share safety video with everyone <i>Update: video sent out 18/2/19</i>	Mike Manion		Complete
2	KRA framework feedback working sub group to be set up <i>Workshops held on 4-5th March but framework discussion is continuous improvement and the framework document has been updated for the agreed changes. Actions still progress from the meeting.</i>	Liane		Complete
3	Decision on adopting the KRA framework <i>Still in progress Need the framework set up & tested before rolled out for others New action for Wayne to get final version out</i>	Liane	01/03/19	In progress
4	Procurement: implement 20% audit of Marlborough NOC – determine methodology and signal to short listers to enable suppliers to move forward <i>>this will not happen for Marl NOC but will be considered for future NOCs</i>	Richard Wade / Steve Rusbatch	19/02/19	Complete
5	Include Quality Measure in Marlborough tender process <i>Still under discussion</i>	Procurement	ASAP	In progress
6	Decision required re continuation of work after Marlborough NOC is awarded. Karen to do some investigation then come back with final decision <i>This has been addressed in this month's minutes</i>	Steve Rusbatch	ASAP	Complete
7	CCNZ discussion re feedback to Procurement regarding estimates in the procurement documents <i>Steve to discuss with Richard Wade – current policy that NZTA publishes the estimates</i>	Peter Silcock Steve Rusbatch	15/02/19	
8	Uncapped liability – confirm wording – <i>Steve to have policy checked Does this create danger of suppliers not re-tendering?</i>	Karen Boyd Steve Rusbatch	ASAP	
9	Jack Hansby to review Traffic Growth Formula in NOC 2018 feedback and then meet with suppliers to discuss	Jack Hansby	ASAP	Complete
10	Set up 7 th day working group <i>Workshop held 28/2/19 and ongoing</i>	Liane		Complete
11	Suppliers to provide Liane with pre-reseal repair programme for last 2yrs	All suppliers	ASAP	Complete
12	Provide Peter Silcock with a tracked changes version of Marlborough NOC documents	Steve Rusbatch & Peter S	ASAP	In progress