

MEETING AGENDA

Meeting Name:	NZTA Industry Advisory Group Meeting		
Date of Meeting:	4 February 2019	Time:	9:00am – 3:00pm
Meeting Facilitator:	Karen Boyt	Location:	NZTA, Majestic Centre

1. Meeting Objective

The key objective of the Industry Advisory Group (IAG) is to optimise and improve sustainable system management within New Zealand.

2. Attendees

Name	Organisation	Email
Chris Edsall	Downer	Chris.edsall@downer.co.nz
Bevan Sandison	FH	Bevan.Sandison@fultonhogan.com
Craig Connelly	BRS	Craig.Connelly@broadpectrum.co.nz
Gary Porteous	Opus	Gary.Porteous@opus.co.nz
Mike Manion	Higgins	M.Manion@higgins.co.nz
Nicky Smith - apologies	HEB	Nicky.Smith@HEB.co.nz
Jim Matangi	HEB	Jim.matangi@heb.co.nz
Peter Silcock	Civil Contractors	peter@civilcontractors.co.nz
Grant Isaacs	SouthRoads	grant.isaacs@southroads.co.nz
Richard Parsons	Beca	Richard.Parsons@beca.com
Simon Bird	GHD	Simon.Bird@ghd.com
Jack Hansby	NZTA	Jack.hansby@nzta.govt.nz
Karen Boyt (Chair)	NZTA	Karen.Boyt@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	NZTA	Richard.wade@nzta.govt.nz
Marie Nicholson	NZTA	Marie.nicholson@nzta.govt.nz

3. Meeting Agenda	
Topic	Lead/Time
Welcome Safety Moment Matters arising from previous minutes	9:00 – 9.10 Karen B
Item 1 – Updates/Industry matters	
1.1 Tim Barry to provide update on NZTA ZeroHarm new initiatives	9.10 – 9.30 Tim Barry
Item 2 – Looking forward – NOC 2018 Updates	
2.1 Update on NOC Programme through to tender of Marlborough and beyond - <i>Next rounds of tendering</i> - <i>Willingness to change NOC</i>	9.30 – 10.30 Karen & Steve
Break	
2.2 Presentation of Key NOC changes <ol style="list-style-type: none"> 1. <i>OPMs – changes and how will we set the threshold levels?;</i> 2. <i>Updates from Engineers to Contract;</i> 3. <i>Other changes from last workshop (ie traffic growth formula, uncapped liability, clause 9.1.a);</i> 	10.30 – 11.30 Karen
2.3 Key issues to be workshopped <i>Workshop topic #1 - data reporting by 7th working day</i> <i>Workshop topic #2 - mobilisation plan</i>	11.30 – 12.30 Liane
Lunch 12.30pm	
2.4 Performance framework – update on KRA framework;	1.15 – 2.00 Liane
Item 3 – Performance Reporting	
3.1 Update on programme delivery to date.	2.00 – 2.15 Liane
Item 4 – Any other business	
4.1 General check in on our key focus areas: - Safety, Customer, VfM; - People and Capability, Asset Management, Sustainability.	2.15 – 2.30 Karen

MINUTES (taken by Marie Nicholson)

3. Notes, Decisions, Issues

Item 1: Welcome & Safety Moment

Welcome (Karen Boyt)

- Tim Barry will no longer be presenting on ZeroHarm new initiatives as he thought this was an internal meeting only.

Safety Moment

Mike Manion: Reminded us how simple repetitive tasks can cause us to be blind to accepted risks. Example given was a fatality in an unrelated part of Fletcher construction where an overhead crane with steel suspended, which swung, pinning and crushing a person. We can relate this to road maintenance – no person should be within 5m of any equipment.

Higgins have had a major re-think and using “Game Face On”, i.e. be trained and prepared for the task & trying to get this message across to employees. Mike will share a safety video (**ACTION – MIKE**)

Grant Isaacs: With huge staff turnover, they are finding that the proportion of staff with less than 1yr service is causing issues with their foremans due to lack of experience

Chris Connolly: Broadspectrum are using “Safe for Life” as a behaviour mindset and looking into why problems happen, especially around this time of year.

Bevan Sandison: During RAPT tour they had a large crew in a big vehicle on narrow winding roads. In future, there is a need to use an attenuator vehicle to safely assess sites. Sometimes it takes a senior staff member to notice risks. Simon Bird agreed and they have also discussed the need to use an attenuator on windy roads where there is no forward sight.

General discussion: There was a general discussion around pressures to get work done to meet deadlines & expectations (e.g. KRAs). The “kiwi way” of trying to get the job done sometimes caused people to take shortcuts, creating safety issues. Some days are very long and need to be shortened. This led on to a discussion regarding having multiple RAPT during the year instead of 1 programme.

Item 2: Looking forward – NOC 2018 Updates

2.4 Liane Powell: Update on KRA Framework

Discussion around when NOCs would move to the new framework (**ACTION – LIANE**)

i.e all suppliers change to the new framework when the first NOC 2018 contract commences in July 2019, or each contract remains on the current framework & the NOC 2018 framework is adopted at the outset of each new NOC 2018 contract.

The new framework will result in less reporting for suppliers (more for NZTA). It was generally agreed that it would be easier for everyone to be on the same framework from the beginning of the year (so there is not duplicate reporting) but more discussion was required regarding the specifics and how it would work.

Suggestion: see how the Marlborough NOC works on the new framework before adopting it around the rest of the country, but don't rush the decision just for Marlborough.

The feedback received on the framework involved thousands of comments, some conflicting and a lot of different views. There is also a lack of understanding around the prerequisites.

A decision is needed, preferably before the beginning of March. To enable this, a sub-group will be set up to discuss the specifics and improve clarity around reporting. Refer item

Suggested KRA working subgroup:

Mat Anderson (Broadspectrum), Richard Parsons (Beca), Mike Manion (Higgins), Chris Edsall (Downer), Damien Douglas, Bevan Sandison (FH), Peter Silcock, Penny, Marie, Liane, System Management

ACTION: LIANE to confirm names and organise

Ideas for working sub-group discussion:

- Network condition
- Cost
- Removing subjectivity
- Consistent targets
- Define "compliant" in MMP/QMP
- Quarterly vs tri-annual reporting (or quarterly performance period + tri-annual board reports)

Bevan: The KPI "Network Condition" is not finalised and from a tender perspective, it would be good to know what they are signing up to & what does "good" look like?

Liane: Specified that only 2 prerequisites are measured centrally and the rest are board endorsed.

The 2 key measures are:

1. OPMs – compliance & maximum threshold breached in a month
2. Data held in central tool (7th day discussion separate)

Discussion around what constitutes a "fatality" under the employee/citizen safety measure with fatalities resulting in ineligibility for the KRA reward for the quarter. Issues such as medical events, suicide and possibly accidents on the way to work all affect outcomes. The board will be empowered to agree and confirm this prerequisite.

Also discussed was the quartely reporting vs tri-annual vs 6 monthly:

- Tri-annual is misaligned to other reporting
- The performance reporting will be monthly metrics, with quarterly results reviewed as lead indicators.
- Most measures are annual measures
- The board reports are onerous so it was suggested that we have tri-annual board reports but still have 4 performance periods

2.1 Looking forward – NOC 2018 Updates:

Marlborough NOC - Steve Rusbatch & Richard Wade

- ROI closes 19/02/2019
- Tender in March, awarded in July, contract commences in October (no specific dates yet)

Procurement team floated the idea of having an independent audit by suppliers to determine a condition rating of the network before deciding OPM thresholds for Marlborough NOC. This would involve multiple suppliers assessing the same area (20% of network).

Questions suppliers considered:

1. Do you like the idea?
2. How quickly could it be achieved?
3. Likely cost to industry?

If this pilot programme with Marlborough is successful, it could be applied throughout the country.

Other things to consider:

- Look at areas of the network that are sensible e.g. might not ask about grass but may ask about litter.
- Will need to know the details about the OPM not whether it's a pass or fail
- NZTA will need to specify what it is and how they want it presented back - methodology
- NZTA develop the methodology on the 20% to determine the thresholds
- Need to be mindful of when the current NOC's are delivering their current OPM audits
- May need to inform the media as they will see attenuator trucks on the road and Suppliers vehicles
- Time frame – 20% would be approx. 2 weeks work then reflection time so suppliers need to know ASAP (<2 weeks) if this is to go ahead. Action - NZTA to determine whether the 20% methodology applies – **ACTION (PROCUREMENT)**
- All short listers (Prequalified only) will have this opportunity
- Procurement will also need to consider how this feeds into the documentation
- Data remains the intellectual property of NZTA
- A pre-workshop is required to get consistent methodology

General consensus was this is a good idea – it is a small area and if it fails then it is a short time period but if it works, then it is a good idea for upcoming contracts.

- Could you include a quality measure in the tender process? **ACTION (PROCUREMENT)**

Renewals:

In October, do we transit incumbents to the new design contract?

Discussion and opposing ideas over whether existing work would be left for old contract to complete. It worked for East Waikato & makes the first year of the contract easier to manage. Alternate theory is there should be enough time for the new supplier to do the work.

Both methods would expose NZTA to risk:

- Old supplier not completing the work if they are the unsuccessful supplier
- Incumbent supplier not able to complete the work due to time constraints

Rehabs - pay for designs therefore the designs will be passed onto the new Supplier
HEB could continue to complete the sealing programme given the handover is Oct

Decision required before October (when Marlborough NOC is awarded) – (ACTION – STEVE RUSBATCH)

Procurement Strategy:

Current contracts are 5+2

Discussion around whether it is too short and should be 5+2+2. Can this be fed back to local authorities?

Attributes of contract:

- Similar to past
- “social procurement” is important, e.g. living wage
- Pricing / sustainability testing – confidence to demonstrate pricing is sustainable

Feedback:

- Is there anything in the procurement strategy that suppliers can demonstrate past quality delivery, e.g. by using objective data?
- Maybe a question in the tender docs that asks: “How will you deliver maintenance?” for example.
- It is a chance for NZTA to highlight problems / issues / challenges
- Need to consider local roads provide half the funding
- Will NZTA provide an estimate for the contract, differing opinions and discussion on whether it should be in there or not. Historically it has been in there for transparency. One option could be that procurement show rates of measure/value and stay silent on the lump sum %. Could this also be separated out for LR/SH. This needs further discussion and procurement would welcome feedback regarding this. Therefore it was decided that a CCNZ discussion would be a good format to feed back to procurement – (ACTION – PETER SILCOCK)

2.2.1 OPMs – Karen Boyt

Review of OPMs with David Darwin. Changes discussed while presentation shown and draft sent out to everyone by Marie during the meeting.

Feedback:

- Need to discuss thresholds for Marlborough Roads **ACTION ??**
- Would like to see the changes made in the actual contract
- Half hour response time for non-motorway is unrealistic

2.2.2 Engineers to Contract - Karen

Uncapped liability – agreed in principle but not officially

- Steve Rusbatch and Karen to sort wording **ACTION – KAREN BOYT**

2.2.3 Traffic Growth Formula – Jack Hansby

- There is an issue with the traffic growth formulae and the traffic growth has been triggered
- Formulae in new document treats each road as being linear
- What's the impact on the network in the future
- Jack is trying to get the traffic growth correct
- **ACTION – JACK:** review the feedback on traffic growth formula and then sit down with the Suppliers on what this means
- Check credit clauses in the new NOC2018 contract to make sure they make sense (credit transfer to principal around rehabs – is it needed?) How do we get everyone to price it equally?
- Suppliers to provide pavement layer lump sum quantities for their renewals programme at tender time, and if this is increasing
- Need to hold suppliers to account, i.e. are they doing what they said they would

2.3 Workshop: Data reporting by 7th working day – Liane Powell

Need to achieve: timeliness, accuracy & completeness

A new 7th day working group will be created to feedback with a process that works to IAG (**ACTION – LIANE**)

Nominations for the group:

- Higgins – Mark Martin
- Downer – Pam Ball
- Broadspectrum – Shay Allen
- Southroads – nomination to come from Grant Isaacs
- FH – Chris Garner
- Opus – nomination to come from Gary Porteous

Targetting first meeting week of 19/2/19

Issues:

- RAMM & Pocket RAMM operate separately to NZTA database therefore it needs to go via an extra person.
- There are misalignments in mandatory fields – improvements need to be made for better compatibility
- Risk of data quality diminishing & accuracy compromised, i.e. tension between accuracy and timeliness
- Extra impact on resources to achieve tighter timeframe
- Would need NZTA to adjust timeline – approval by 4th day
- Could have early verification via MCMs but they would need to be RAMM trained

Item 3: Performance Reporting

3.1 (Liane)

We have the largest ever programme – 645 lane km due in Feb

Some networks are confident they will achieve, but others will struggle.

Suppliers need to remind teams that they need to achieve their programme. If they are slipping, then please tell NZTA in advance so that they are aware of the issue.

Pre-reseal Repairs (Jack H)

Issues raised which need to be made clear in the contract:

- Contractor - these are required as part of a lump sum
- What is required to be done on a site that has pre-reseal repair.
- What's the process which shows a pre-reseal has been done? It needs two inspections, pre-winter and after winter
- If it is not ready, who carries the risk? If they are due and not done, what should the consequences be, e.g. termination?
- What is the definition of a “dig out”?
- What defines a permanent repair?
- This needs clarity before Marlborough NOC

ACTION: suppliers to provide Liane with extract from RAMM of pre-reseal repair programme for last 2 years

Item 4: Any other business

Peter Silcock provided summary of issues that contractors would like addressed:

OPMs:

1. Thresholds & weighting
2. Duration including caps and clearing

KRAs:

3. Prerequisites
4. Reporting Frequency
5. Improved clarity and objectivity in specific KRAs
6. Overlap of KRA prerequisites and OPMs
7. Complete KRA framework including KPIs and details of how they are measured
8. Balance rewards to better reflect the value of investment required

Other Issues:

9. Traffic Growth Formula
10. Uncapped Liability
11. Changes to Annual Renewal Investment Levels – Pavement Rehabilitation Base Preservation Programme Credit Transfers
12. Clause 9.1(a) Provision of information
13. Engineers estimate

Moving forward:

- Will there be a tracked change version of documents available once the Marlborough NOC documents come out **ACTION – STEVE RUSBATCH** will provide this
- What will be the process for making changes to the NOC 2 documents once the Marlborough documents are out

Discussed:

- There are still questions to be answered before NOC2018 is rolled out
- What is the financial impact of the change?
- We need objective measures before increasing rewards

Action Items from 06/12/2018:		
Action	Owner	Due Date
Matters arising from previous minutes		
Ask the walking cycling team if we have maps of the National Cycle walking routes on our website and if not, can we publish this.	Karen Boyt	03/02/19
Suppliers to document their high-level process and explain why the data is not available by the 7th working day	All Suppliers	14/01/19

4. Action Items (from 04/02/2019)		
Action	Owner	Due Date
Mike Manion to share safety video with everyone	Mike Manion	ASAP
KRA framework feedback working sub group to be set up	Liane	ASAP
Decision on adopting the KRA framework	Liane	01/03/19
Procurement: implement 20% audit of Marlborough NOC – determine methodology and signal to short listers to enable suppliers to move forward	Richard Wade / Steve Rusbatch	19/02/19
Include Quality Measure in Marlborough tender process	Procurement	ASAP
Decision required re continuation of work after Marlborough NOC is awarded. Karen to do some investigation then come back with final decision	Steve Rusbatch	ASAP
CCNZ discussion re feedback to Procurement regarding estimates in the procurement documents	Peter Silcock	15/02/19
Uncapped liability – confirm wording	Karen Boyt	ASAP
Jack Hansby to review Traffic Growth Formula in NOC 2018 feedback and then meet with suppliers to discuss	Jack Hansby	ASAP
Set up 7 th day working group	Liane	ASAP
Suppliers to provide Liane with pre-reseal repair programme for last 2yrs	All suppliers	ASAP
Provide Peter Silcock with a tracked changes version of Marlborough NOC documents	Steve Rusbatch	ASAP
5. Next Meeting		
Date:	3rd April, 2019 TBC	Time: 9:00am
Location:	Opus Presentation Room, Level 10, Majestic Centre, 100 Willis St, Wellington	