DEVELOPMENT OF MAINTENANCE, OPERATIONS AND RENEWALS PROGRAMMES FOR 2021-24 NLTP

PURPOSE

To define the information requirements for Maintenance, Operations & Renewals (MOR) programmes and how they will be assessed.

BACKGROUND

Waka Kotahi NZ Transport Agency (Waka Kotahi) develops the NLTP by applying a staged process for both continuous programmes and improvement activities.

The development of Regional Land Transport Plans (RLTPs) is a critical component of the development of the NLTP. Each Regional Transport Committee sets its own dates and information requirements for developing its RLTP. The Waka Kotahi TIO system is the repository for capturing and managing all approved organisations' activities and continuous programmes in the RLTP for inclusion in the NLTP.

The GPS 2021 sets out the activity classes for the 2021-24 NLTP. MOR programmes need to be allocated to the appropriate activity class, because the 2021-24 NLTP requires separate MOR programmes for:

- Public transport infrastructure
- Local Road maintenance
- State highway maintenance

The guidance below refers to the develop of MOR programmes for Local Road and State Highway maintenance. For guidance on Public Transport Infrastructure maintenance activities which forms part of the Public Transport continuous programme, refer to the paper "Development of Public Transport Programmes for 2021-24 NLTP".

THE ROLE OF THE ACTIVITY MANAGEMENT PLAN IN SUPPORTING THE MAINTENANCE, OPERATIONS & RENEWALS PROGRAMME

A MOR programme is a component of an activity management plan (AMP). The AMP is the key document that supports an Approved Organisation's (AO) NLTP investment proposal for a MOR programme. AMPs should reflect the expectations of the Local Government Act and also meet the expectations set out in the Land Transport Management Act. These are considered by Waka Kotahi to be the equivalent of a programme business case.

The guidance on the role of AMPs in the business case process still applies and can be found in PIKB. A well-designed AMP will fulfil the role of both strategic case and programme business case for the MOR programme.

Waka Kotahi has also developed an AMP exemplar that highlights examples of good practice in the development and review of AMPs. AMP developers are encouraged to use these examples to support their work.

How do activity management plan's support the AO's maintenance, operations & renewals programme request?

The AMP should be aligned with Waka Kotahi's investment policy and sector best practice, including appropriate levels of evidence and analysis to support the AO's submitted programme. At a minimum this includes:

- Clear problem and/or opportunity statements that need to be addressed. In relation to the problem/opportunity statements the following evidence and analysis is required:
  - consequences of not addressing the problem(s) or opportunity and the urgency e.g. 0-3 years, 3-10 years, 10 years +
  - link to gaps in the level service seen within One Network Road Classification (ONRC) outcomes and measures
- Consideration given to the progressing Government and regional priorities
- Benefits identification and analysis including the Waka Kotahi's benefits management framework and the Road Efficiency Groups (REG) the One Network Road Classification (ONRC) outcomes and measures, this includes long term trends that impact on the network's customer levels of service
- Strategic drivers that consider Waka Kotahi's planning documents
- Confidence that the local funding share will be available to support the submitted programme
- Appropriate procurement approach to deliver value for money in the short, medium and long term
- Emerging procurement-related issues and opportunities, or outstanding issues have been identified

Further guidance for AMP developers is available through the REG Guide to integrating Waka Kotahi's business case approach.

Activity management plan continuous improvement

Waka Kotahi set expectations on improving AMPs as part of the investment conditions tied to funding of each AO's maintenance programme in the 2018-21 NLTP. Waka Kotahi is working with the REG to lead improvement across all facets of AMP development, management and implementation across the sector.

AMPs should be consistent with the expectations set out in ISO 55001 (Why asset planning is important) and with the International Infrastructure Management Manual (how to do good asset/activity planning). Both documents establish expectations that asset owners have a robust AMP development and continuous improvement programme.

Supporting the outcomes Waka Kotahi is expecting to achieve, REG has independently assessed every AMP submitted to the 2018-21 NLTP. The findings indicate:

- Most current AMPs have made significant attempts to incorporate the business case principles
- There are still some areas needing improvement, especially in:
  - problem and benefit definition
  - providing a coherent investment logic that clearly links strategic goals and objectives to both continuous programmes and improvements
  - indicating clearly how an AMP has recognised, or responded to, objectives for investment set in an RLTP or RPTP.

An AMP typically includes an improvement plan which supports the continuous improvement of the document. Waka Kotahi expects that improvement plans will be used to respond to any gaps identified e.g. through conversations with their Waka Kotahi Investment Adviser and / or in response to findings of Waka Kotahi technical and procedural audits.

INFORMATION REQUIREMENTS

Outlined below are the information requirements for core and enhanced MOR programmes.

Core Programme

Funding from the NLTF is effective immediately at the start of the NLTP period, so all information required for Waka Kotahi assessment needs to be provided with final bids. There should be no outstanding issues.

Therefore the 'Activity Management Plan 2021-24' and 'Maintenance, Operations and Renewals Programme 2021-24' TIO templates will need to be completed prior to the submission of the AO's final bid for its continuous programmes.

In addition to evidence and analysis that is found within the AO's AMP those preparing their MOR programme will be expected to support their Core Programme by:

- Showing how the programme has been optimised for both the mix and timing of interventions is supported by evidence which includes:
    - The programme being optimised effectively for scope, quantity and timing of deliverables
    - Consideration being given to addressing the problems/opportunities through maintenance and renewal strategies and/or additional improvement activities (funded as an improvement activity) and/or enhanced delivery arrangements
    - Cost and level of service performance benchmarking compared to national, regional and local peers
- Outlining how the programme will be delivered which includes processes in place to guarantee work quality, timeliness of responses, and ability to detect and respond to changes in conditions or circumstances
- Outlining how risks will be managed which includes identified risks and their mitigation strategies
- Showing alignment between their programme, AMP and other planning documents
- Explain and demonstrate where programme integration is required and how the proposed programme aligns with:
    - other agencies programmes/activities (such as Regional Public Transport Programmes) highlighting areas that may affect and/or be critical to delivering the necessary outputs to achieve the desired outcomes
    - suppliers and partner organisations to ensure optimal programme coordination and delivery.

Enhanced Programme

The information requirements for an enhanced programme comprise those information requirements for an improvement activity.

Enhanced programmes provide a step change in the level of maintenance effort that is used to lift the current level of service. Approved Organisations seeking additional investment in maintenance will need to evidence the investment through the business case approach for it to be tested against other investments to ensure it demonstrates value for money.

Examples of enhanced programmes include:

- Step change in resurfacing for SCRIM to address deficiency in skid resistance.
- Expansion of programme of drainage renewals in the short-term to overcome deficiencies that are impacting pavement life.

An approved organisation that has an evidenced history (audit reports, etc.) of underinvestment in their MOR programme (i.e. resurfacing on average 1% less than recommended where there is evidenced network failure) seeks to increase their investment up to recommended levels, this is not an enhanced programme and form part of their core MOR programme.

For the 2021-24 NLTP enhanced programmes will need to be supported by sufficient evidence within their AMP or supporting document for example: pavement management strategy, structures lifecycle management plan and Paige-Green unsealed pavement strategy.

TREATMENT OF ROAD SAFETY PROMOTION FOR THE 2021-24 NLTP

What is road safety promotion?

Road Safety Promotion (RSP) are national, regional and local campaigns and initiatives to encourage and deliver the behavioural changes required to support the road safety outcomes sought through the Road to Zero activity class.

How are road safety promotion activities treated in the 2018-21 NLTP?

Funding for road safety promotion activities is usually approved as a single allocation covering the programme of activities to be delivered in a NLTP. A breakdown of the amount requested and its contribution to results alignment must be entered into Transport Investment Online, any variations are agreed with Waka Kotahi.

To qualify for inclusion in the 2018-21 NLTP road safety promotion programmes must:

- Meet the definition of a road safety promotion activity under the promotion of road safety and demand management activity class in the GPS and the appropriate work category definition in Knowledge Base
- Be included in the relevant RLTP for all regionally delivered promotion of road safety and demand management activities
- Comply with Waka Kotahi's Procurement manual and procurement rules, as well as any relevant standards and guidelines as listed in Waka Kotahi's register of network standards and guidelines.

Treatment of road safety promotion programmes for the 2021-24 NLTP

Funding for the on-going road safety promotion activities will still be approved as a single allocation covering the programme of activities to be delivered within the NLTP period. A breakdown of the amount requested, alongside each activity's contribution to GPS alignment, will still be required to support the programme.

The main changes for road safety promotion programmes in the 2021-24 NLTP are:

- RSP Programmes will be funded from the Road to Zero activity class
- The on-going (continuous) RSP Programme will form part of the MOR continuous programme within TIO for district/city councils and unitary authorities
- The on-going RSP activity spreadsheet will need to complete and attached as part of the MOR programme submission
- New short term RSP initiatives will be considered as standalone new activities support by a separate business case or through the LCLR programme.

ASSESSMENT QUESTIONS FOR THE 2021-24 NLTP

The assessment questions for approved organisation's activity management plan and maintenance, operation & renewal programme component have been reviewed and updated for the 2021-24 NLTP.

STRATEGIC CASE				
	Focus Area	**Questions**	**Guidance**	
1	**Strategic Alignment**	What consideration has been given to progressing Government priorities, regional priorities, the One Network Road Classification (ONRC) outcomes and measures? How do the strategic drivers align to Waka Kotahi's planning documents?	Briefly describe the information that demonstrates how the business case: • Supports and aligns to government priorities • Takes account of regional priorities • Is informed by the Waka Kotahi planning documents • Responds to the One Network Road Classification customer levels of service and performance measures framework, and the direction and timing set out by REG to move to the One Network Framework during the 2021-24 NLTP	
2	**Strategic Direction**	What issues additional to the national (GPS) and regional priorities need to be addressed in managing the network	Briefly describe the information that identifies issues such as: • Long term trends that impact on the network's customer levels of service • Acceptable levels of service gaps • Risks to the reliability and continuity of the network • Other priorities identified in the business case	**Is there compelling case for investment?**
3	**Problem identification (current state)**	For the issues identified above, does the business case documentation provide evidence to indicate the scale of the problem, or opportunity, and give some indication of the relative importance and urgency of the issues	Briefly describe the information that provides: • A clear statement of the current state problem or problems, or opportunities being addressed • What would be the consequences of not addressing the problem(s) or opportunity and the urgency e.g. 0-3 years, 3-10 years, 10 years +	
4	**Objectives (benefits, outcomes) identified and reasonable**	What benefits and measures, at a network level related to the programme, have been selected and are they reasonable	Briefly describe information provided on: • The benefits and measures selected and whether they are achievable • The traceability of the benefits and measures, and whether adequate evidence is available to confirm the benefits have been achieved • How well the programme responds to the ONRC framework and customer levels of service (current and future state) and the relationship with the benefits • How well the benefits and measure will address the problem/s identified	

| | | | • The flow between benefits and measures in the AMP, the benefits and measures in the MOR, and whether there is an appropriate level of continuity.
• If new benefits and measures are selected, and they are not part of the ONRC or Waka Kotahi's Benefits Framework, assess whether they whether they add value. | |

ECONOMIC CASE				
	Focus Area	**Questions**	**Guidance**	
5	**Core Programme**	For the programme as a whole and for each of the work category bids, is there sufficient evidence to show the programme has been optimised for both the mix and timing of interventions, and is there an appropriate procurement approach to deliver value for money in the short, medium and long term?	The business case and supporting information must demonstrate and you need to be satisfied that: • A sufficient range of alternatives and options have been identified and explored, and that the preferred maintenance programme, within the AO's total transport programme, as set out in the AMP is the best way to respond to the problems and to deliver the expected benefits • The programme has been optimised effectively for scope, quantity, timing and deliverables • What consideration was given to addressing the problems/opportunities through maintenance and/or additional improvement activities (funded through the relevant Improvements Activity Classes) and/or enhanced delivery arrangements • Cost and level of service performance benchmarking compared to national, regional and local peers	**Is the programme optimising value for money?**
6	**Evidence**	Is there sufficient evidence to underpin the problems, benefits and the response?	The business case and supporting information must demonstrate and you need to be satisfied that: • Sufficient evidence has been provided to supports the proposed programme. This includes evidence such as modelling, benchmarking, incremental analysis & sensitivity analysis	
7	**Alignment of programme expenditure**	How well are planning documents aligned to the core programme (and any associated funding applications) in TIO?	Review documentation/references provided and provide assurance that there is: • An alignment between the planning documentation and the TIO funding application for the total core programme (including any service improvement(s)) • Any gaps are identified	

FIANCIAL CASE

	Focus Area	Questions	Guidance	
8	Affordability	What is the confidence that the local funding share will be available to support the proposed programme?	Briefly describe: • If the proposed programme is feasible	**Is the programme affordable?**

COMMERCIAL CASE

	Focus Area	Questions	Guidance	
9	**Procurement**	What is the status of Council's procurement strategy?	Briefly identify & describe: • When the Council's procurement strategy was last reviewed by Waka Kotahi • Whether there is a procurement assessment consistent with the Smart Procurement evaluation guide published by the Road Efficiency Group (REG) procurement group • Any emerging risks or opportunities related to procurement that need to be addressed or accommodated in future • If there are any issues or risks identified in the procurement strategy where further mitigation is required	**Is the programme commercially viable?**

MANAGEMENT CASE

	Focus Area	Questions	Guidance	
10	**Integration / Partnering**	How well is the delivery of the proposed programme and related activities aligned and integrated?	Briefly describe: • How the programme takes account of other agencies programmes/activities (such as Regional Public Transport Plans) highlighting areas that may affect and/or be critical to delivering the necessary outputs to achieve the desired outcomes? • Does the proposal ensure optimal programme delivery efficiency and co-ordination with suppliers and partner organisations?	**Can the programme be delivered successfully?**

11	**Performance Management**	How will suppliers and the programme be monitored and managed?	The business case and supporting information must demonstrate and you need to be satisfied that: • Key milestones outlined and are traceable • Key parties involved in managing & delivering the Maintenance, Operations & Renewals programme are identified, and their role outlined • Programme delivery is described and will be monitored	
12	**Confidence in delivery / Risk management**	What is the confidence that the programme can be delivered, and risks managed?	Briefly describe: • How findings from previous Transport Agency audits have been, or will addressed, and your confidence in the programme owner to deliver on the planned approach • Identify, if any, concerns related to delivery of the maintenance programme such as work quality, timeliness of responses, and ability to detect and respond to changes in conditions or circumstances • The proven track record of sound delivery with previous investments in the continuous programme and related activities (particularly in terms of timing and alignment/management of the funding allocation) • The capability and capacity of the organisation to deliver and manage the future programme and related activities, particularly in terms of adequacy of resourcing and skillsets available • The extent to which risks have been adequately identified for the type / complexity of the network (and/or related activities) and whether there is a sound risk mitigation strategy in place • The organisation's self-assessment and/or its independent assessment result from the application of the REG Excellence Framework	