

# CMR update

## Programme 2011/12

The Contract Management Review programme for the 2011/12 financial year is approaching completion, with all of the 23 scheduled reviews now completed.

The programme, which reviews a range of NZ Transport Agency (NZTA) contracts nationwide, is focused on determining compliance with contract requirements and identifying areas for improvement.

These reviews are one of the key ways for the NZTA to obtain feedback on how its suppliers are performing and also to identify opportunities to improve documentation and processes.

### Positives

There are aspects of contract delivery that are being done really well by some of our suppliers, for example:

- briefing of sub-consultants and sub-contractors
- optimisation of project during design phase
- consultation with public and stakeholders.

It has been encouraging to see some suppliers sharing the lessons learnt identified within their own organisations in order to contribute to improving the delivery of NZTA contracts.

### Contract Management Reviews (CMRs)

- 5 professional services (2 maintenance, 3 improvements)
- 1 term maintenance
- 6 physical works

### Lessons Learnt Reviews (LLRs)

- 9 improvement projects
- 2 maintenance contracts

'A CMR is beneficial for all involved. It improves the quality of the contract under review and all participants take away a more thorough knowledge of contract management and contract documentation.' *Senior NZTA Project Manager as Co-reviewer*



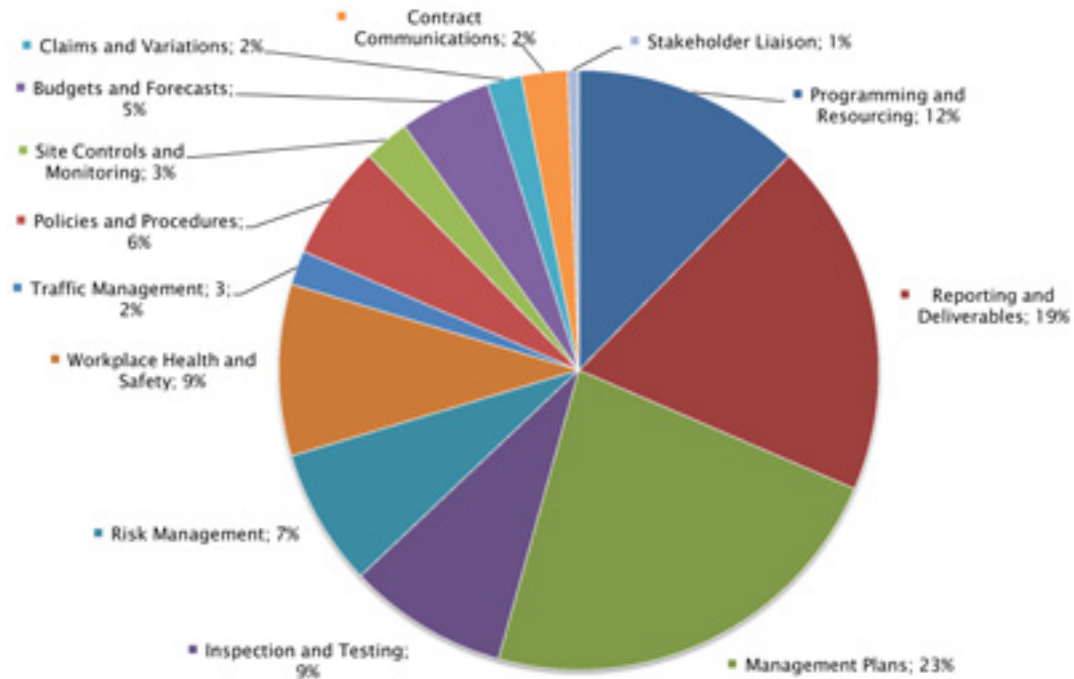
## CMR non-conformance trends

Figure 1 shows that the top 5 non-conformance categories identified are:

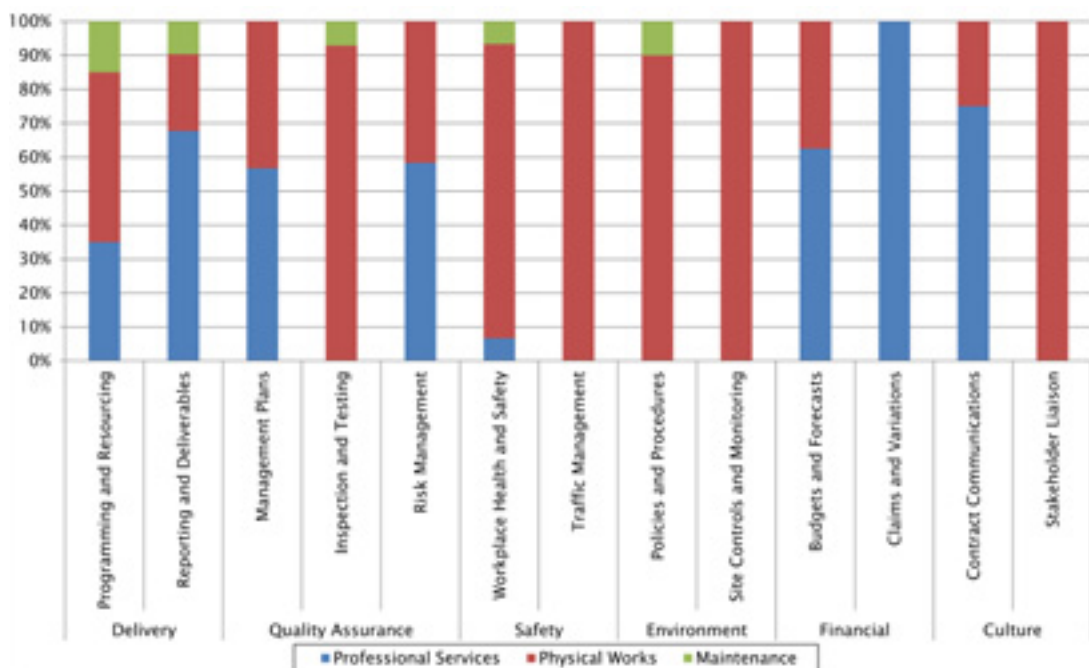
- management plans
- reporting and deliverables
- programme and resourcing
- inspection and testing
- workplace health and safety.

There is a similar trend with observations.

**Figure 1** National non-conformances identified by subject category



**Figure 2** National non-conformances and observations identified by contract type



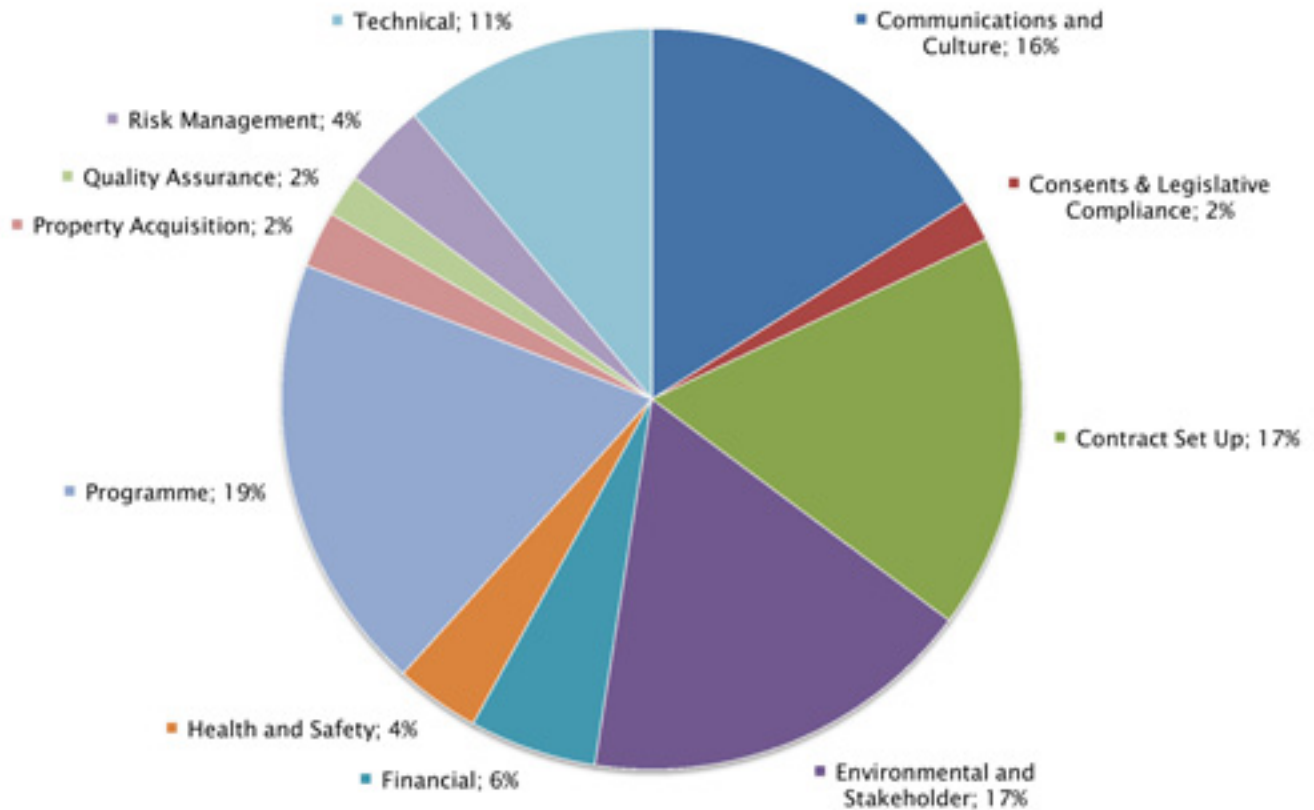
## Lessons learnt trends

Figure 3 shows that the top 5 lessons learnt categories identified are:

- programme
- contract set-up
- environmental and stakeholder
- communications and culture
- technical.

'The LLR provided a neutral forum to put issues on the table. It created an opportunity to allocate sufficient time for a review with all parties present.' *Supplier*

**Figure 3** Lessons learnt identified by subject category



## NZTA CMR and LLR data

To locate CMR and LLR reports in Kete, search using the **Subproject/ Subtopic** field with CMR as the search criteria.

To locate non-conformances and lessons learnt information in Kete, search using the **Subproject/ Subtopic** field with CMR Lessons Learnt as the search criteria. Supplier specific information is not included in these databases.

We are also looking at ways to readily provide information to our suppliers.



# What happens next?

A number of NZTA document and process improvements have been identified during the CMRs and LLRs. These will now be collated and submitted for consideration as manual updates. For example, a number of the items around risk management have been incorporated into the new Risk Management Specification which is due to be submitted for internal NZTA approval in June 2012.



'An advantage in offering to take part in a review is that individuals get the opportunity to see how suppliers in other regions are performing first hand. Often these reviews identify a whole bunch of things that are being done well and that we can all learn from. We need to get away from the idea that these reviews are only about identifying problems and things that aren't being done well.'

*Senior NZTA Project Manager as Co-reviewer*



## 2012/13 review programme

The review programme for 2012/13 is nearing completion and is due to be submitted for internal NZTA approval in June 2012. The programme includes 7 CMRs and 12 LLRs. In addition, we intend to undertake Special Purpose Audits to look at some issues identified around procurement and Alliance projects.

### Newsletter distribution

We are continually updating the newsletter distribution list so please forward this newsletter on to colleagues who may have missed out.

If you would like to receive this newsletter, please email [cmr@forty1south.co.nz](mailto:cmr@forty1south.co.nz) with your details.



#### For more information

We welcome your feedback or questions on the NZTA's Contract Management Review programme or this newsletter. Please contact:

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