

CMR update



Programme 2012/13

The Contract Management Review (CMR) programme for the 2012/13 year is well underway. This year's programme currently has 23 reviews scheduled, comprising 7 CMRs, 14 Lessons Learnt Reviews (LLRs) and two Special Purpose Audits (SPAs).

To date, 13 of the 23 scheduled reviews have been completed.

There is still room for additional reviews to be included in the 2012/2013 programme. If you have a review you would like included, please contact Ian Rich or Peter Martineau.

Improvements to Construction CMRs in 2012/13

A combined professional services and physical works CMR was completed earlier this year at the request of the NZTA project manager.

This approach was very successful, enabling a full assessment of how both the MS&QA consultant and the contractor were performing and identifying the underlying causes of noted issues. We encourage project managers to consider this approach for future reviews.

'Thanks for the review. Overall this was a worthwhile process to ensure we meet the expectations of the NZTA and help deliver a better service.' *Supplier*

'Extremely positive, worthwhile exercise.'
Supplier

'Thanks to the NZTA for the opportunity. Full and frank, all key issues out on the table.' *Supplier*

'Great experience and very valuable. Excellent to understand other issues of similar nature from other projects and how they've been dealt with.' *Supplier*

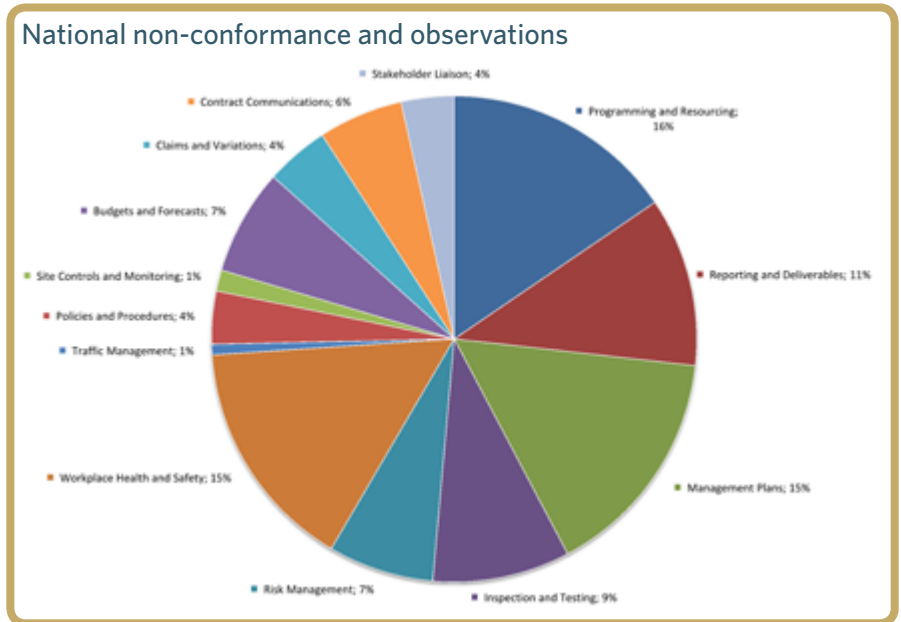
'I welcome CMR reviews as not only does it highlight areas where there are non-conformances, it also provides an additional means to have a basis for continuous improvement.' *Supplier*

'It's a great opportunity for all the parties to get feedback to work together better for the future.' *Supplier*

Common issues for CMRs

The top five categories of non-conformances and observations identified in CMRs undertaken in the year to date are Programme and Resourcing, Management Plans, Reporting and Deliverables, and Inspection and Testing.

This is consistent with the top categories identified at the end of the 2011/12 year.

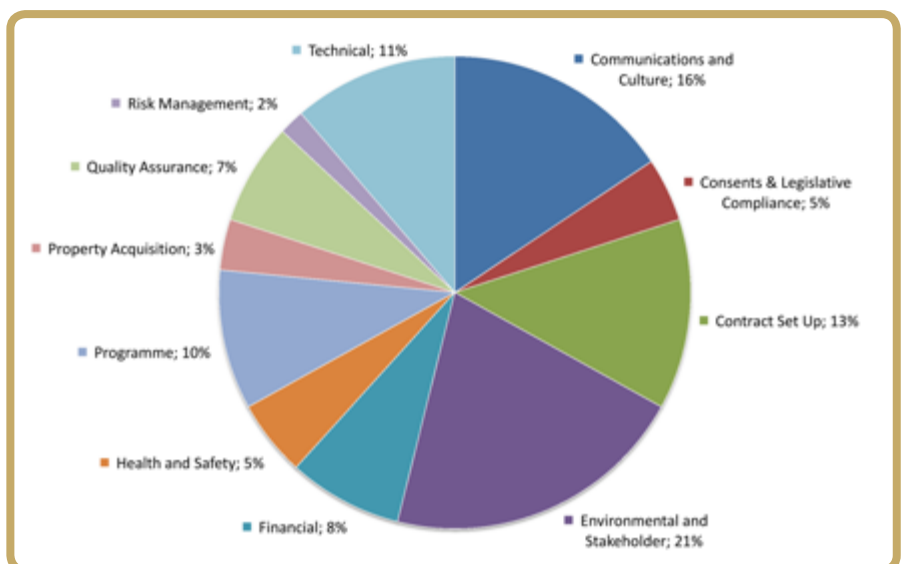


Common issues for LLRs

The top five lessons learnt categories identified in LLRs are Environmental and Stakeholder, Communications and Culture, Contract Set Up, Technical and Programme. Lessons learnt cover both the good things that are being done as well as the things that could be improved.

Again, this is consistent with categories identified at the end of the 2011/12 year.

The review team was recently asked what percentage of the lessons learnt are related to 'people factors'. Looking at the statistics, the answer is approximately 85%.



Top areas to focus on to ensure a good outcome

Forty 1 South were asked to present at a recent workshop held for project managers in the NZ Transport Agency's Highways and Network Operations (HNO) group. We were asked to identify 'the top 10 most important areas identified in LLRs'. This request highlighted a number of themes that are consistently recognised in both LLRs and CMRs. These themes are summarised below:

Resourcing – people, people, people

While it may be stating the obvious, having the right people involved in a project is central to its success. Actions to consider:

- Ensure resources are appropriate for the project (all parties).
- Ensure you have appropriate resource experience and commitment.
- Clearly define roles and responsibilities.
- Establish and ensure an appropriate level of MSQA input throughout the contract.
- Actively manage change.
- Take early action.
- Remember it's all about the people.

Project mobilisation – take time to plan

There is often considerable pressure to get projects started in a short period of time, reducing the planning period in favour of a visible start on site. This approach can put unnecessary pressure on the delivery team (all parties). It's important to plan for an early construction finish not construction start. Actions to consider:

- Allow time to plan and mobilise resources.
- Share knowledge – risk, stakeholders, consents.
- Develop and approve management plans before work commences.
- Agree baseline programme.
- Discuss and agree a clear method of work/Inspection and Test Plans (ITPs). Allow appropriate time for mobilisation.



Programme – active programme management

A common finding at reviews is that a baseline programme was not agreed before work commenced and the programme was not actively used to manage work or report progress. Actions to consider:

- Agree the baseline programme before work is allowed to commence.
- Actively manage the programme.
- Ensure programme changes are agreed as they arise.
- Determine appropriate milestones (break down long-duration activities).
- Develop a risk-adjusted programme.
- Consider constructability.
- Monitor the programme and take action.

Stakeholders – proactive approach

Early and effective stakeholder communication is important on all projects. Informed stakeholders tend to be much more receptive to projects. Actions to consider:

- Engage with stakeholders early.
- Ensure that stakeholders have a shared understanding of the project.
- Determine clear roles and responsibilities (points of contact and decision maker).
- Align objectives (as far as possible).
- Update stakeholders regularly.
- Ensure issues are addressed.
- Ensure discussions with stakeholders are closed out.

Stakeholder feedback

Stakeholder feedback is invaluable to the LLR process as it is an important part of understanding the NZTA's customers and is in line with the NZTA's Customer First initiative. The initiative aims to put customers at the centre of the NZTA's thinking when it delivers services and it recognises the need to listen, take responsibility for issues and commit to action and follow up.

This is an area that the review team is customising to meet the needs of the individual reviews. In a standard LLR we contact key stakeholders by phone. However, recently face-to-face meetings have been held with some key stakeholders and the NZTA stakeholder manager.

Some of the comments from stakeholders across the various projects reviewed have similar themes. These include:

- the importance of ongoing, regular communication and consultation
- the value of early involvement of stakeholders
- most stakeholders, regardless of issues along the way, are happy with the final project outcome.

Stakeholders often comment on issues they feel are still outstanding and an uncertainty about the current status of the project and what the next steps are. Making contact with stakeholders at the end of the project is important to 'close the loop'.

'Project went really well - NZTA PM coordinated the project well, held regular meetings, good communications.'

'Appreciated the early engagement and being involved during the consent and conceptual design stages...these early discussions really helped develop the relationship and prevented any surprises.'



Sharing the lessons

Information gained from the CMR/LLR programme is shared in the following ways:

- Review reports are circulated to all parties involved. All reports are available to NZTA staff through the Kete document management system.
- Non-conformance, observation and lessons learnt data is maintained within Kete, and a Quarterly Regional Dashboard is circulated to HNO regional management.
- Forty 1 South conducts HNO CMR/LLR roadshows.
- This newsletter is disseminated.

If you have any other ideas on how to improve the outcomes of the CMR/LLR contract, please contact Ian or Peter.

We are constantly updating the newsletter distribution list so please forward this to colleagues who may have missed out. If you would like to receive this newsletter, please email 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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For general information about the NZTA, visit our website at www.nzta.govt.nz or call our contact centre on 0800 699 000.