

NETWORK OUTCOMES CONTRACT 2019

Volume 3: Basis of Payment

SYSTEM MANAGEMENT

3 MARCH 2020

VERSION 3.1

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More information

Waka Kotahi NZ Transport Agency
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If you have further queries, call our contact centre on 0800 699 000 or write to us:

Waka Kotahi NZ Transport Agency
Private Bag 6995
Wellington 6141

This document is available on the Transport Agency's website at <http://www.nzta.govt.nz>

Contents

NETWORK OUTCOMES CONTRACT 2019	1
DOCUMENT CHANGE – FORMAT CODES	8
preamble	9
1 Preliminary and General	21
1.1 Contract Establishment (NON-TIME-related Costs) Works	21
1.1.1 Facilities Establishment	21
1.1.2 Contract Plans Establishment.....	21
1.1.3 Set-up Costs other than schedule items 1.1.1 and 1.1.2 above.....	21
1.2 Contract Management and Supervision (Time-related Costs)	21
1.2.1 Network Management.....	21
1.2.2 Management and Supervision of Physical Works	22
1.3 Contractor’s Facility Running Costs	22
2 Value Management Proposition	23
2.1 Value Management.....	23
2.2 KRA Reward	23
2.3 Asset Growth	23
2.4 Routine Maintenance Treatments.....	23
2.4.1 Pavement Digout Repairs.....	23
2.4.2 Pavement Stabilisation Repairs.....	23
2.4.3 Rip and Remake	24
2.4.4 Premix Reshaping	24
2.4.5 Cold Mill and Inlay	24
2.4.6 Crack Sealing.....	24
2.4.7 Crack Filling	24
2.4.8 Scabbing and Stripping.....	24
2.4.9 Watercutting.....	24
2.4.10 Slurry Rut Filling.....	25
2.4.11 W-Section Barrier Guardrail.....	25
2.4.12 Terminal Entry/Ends for W-Section Barrier	25
2.4.13 Wire Rope Barrier	25
2.4.14 Service Cover Adjustments	25
2.4.15 Hot Chipping	25
2.4.16 Geotextile Seal Repairs	25
2.4.17 375mm RCRRJ Culvert installation, including bedding.....	26
2.4.18 375mm Traversable Culvert End installation, including bedding.....	26
2.4.19 Renew or Upgrade New Lined Water Channels.....	26
3 Contract Management	27
3.1 Contract Management	27
3.1.1 LRMS Updates.....	27

3.1.2	Geospatial Information.....	27
3.1.3	Unscheduled Inspections.....	27
4	Contract Plan	28
4.1	Contract Plan	28
5	Network Management.....	29
5.1	Network Management.....	29
5.2	Asset Information Management.....	29
5.2.1	Implementation of Data Improvement Plan	29
5.2.2	RAMM Updating for Other Projects	29
5.3	Renewal programming and design	29
5.3.1	Pavement Rehabilitation Site Investigation	29
5.3.2	Pavement Rehabilitation Design Report.....	29
5.4	Planning Management.....	29
5.4.1	Attendance at Regional Planning Forums	29
5.4.2	Planning Assessment Reports.....	30
5.5	Road Safety Management	30
5.5.1	Regional Road Safety Strategy Updates	30
5.5.2	Proactive Minor Road Safety Initiatives	30
5.5.3	Treatment of Small Customer Road Safety Related Issues	30
5.5.4	Reporting	30
5.5.4.1	Death and Serious Injury Crash Reports.....	30
5.5.4.2	Road Safety Reports	30
5.5.4.3	Update KiwiRAP	30
5.5.5	Road Safety Meetings, Forums, Workshops and Studies.....	30
5.5.5.1	Crash Reduction Studies and Road Safety Audits Study Participation.....	30
5.6	Geotechnical Management.....	30
5.6.1	Geotechnical Assessment Reporting (Preliminary and Detailed).....	30
6	Physical Works	31
6.1	Routine Sealed Pavement Maintenance	31
6.2	Pavement Rehabilitation	31
6.2.1	Base Pavement Rehabilitations	31
6.3	Pavement Rehabilitation Modifications.....	32
6.3.1	Base Pavement Rehabilitation No.1 – Basecourse Overlay	32
6.3.2	Base Pavement Rehabilitation No.2 – In-situ Stabilisation Inlay.....	32
6.3.3	Base Pavement Rehabilitation No.3 – Granular Replacement	32
6.3.4	Base Pavement Rehabilitation No.4 – Structural Asphaltic Concrete.....	33
6.3.5	Shape Irregularity Extra Shape Correction and Shoulder Treatment.....	33
6.3.5.1	Transport Agency M/4 Basecourse	33
6.3.5.2	AP65 Sub-basecourse	33
6.3.5.3	Solid Fill	33
6.3.5.4	Cut to Fill.....	33

6.3.5.5	Cut to Waste	33
6.4	Sealed Road Resurfacing.....	34
6.4.1	Chip Seal	34
6.4.2	Asphaltic Concrete.....	34
6.5	Resurfacing Modifications.....	35
6.5.1	Chip Seal	35
6.5.1.1	Extra over-rate for polymer modified seal, single coat	35
6.5.1.2	Extra over-rate for polymer modified seal, two coat	35
6.5.1.3	Extra over-rate for exceeding 0.45 ESC after a minimum of 24 months from construction	35
6.5.1.4	Extra over-rate for exceeding 0.5 ESC, but less than 0.55 ESC after a minimum of 24 months from construction	36
6.5.1.5	Extra over-rate for Geotextile.....	36
6.5.1.6	Texturising pre-resurfacing repair for Single Chip Seals	36
6.5.2	Asphaltic Concrete.....	36
6.5.2.1	Extra over-rate for exceeding 0.45 ESC after a minimum of 24 months from construction	36
6.5.2.2	Extra over-rate for exceeding 0.5 ESC but less than 0.55 ESC after a minimum of 24 months from construction	36
6.5.2.3	Milling up to 50mm.....	36
6.5.2.4	Pre-levelling	37
6.5.2.5	Membrane seal	37
6.5.2.6	Extra over-rate for polymer modified asphaltic concrete	37
6.5.3	Transport Agency T/10 Skid Resistance Resurfacing.....	37
6.5.3.1	Extra over-rate for small site productivity	37
6.6	Drainage	37
6.6.1	Routine Drainage Maintenance	37
6.6.2	Planned Drainage Renewals	38
6.6.2.1	High Lip Removal	38
6.6.2.2	Reform Unlined Water Channels.....	38
6.6.2.3	Clear and Regrade Side Drains.....	38
6.6.2.4	Supply and Install Subsoil Drain	38
6.6.3	Other Drainage Asset Renewals	38
6.6.3.1	Renew or Upgrade or Install New Culverts	38
6.7	Structures.....	38
6.7.1	Routine Structures Maintenance	38
6.7.2	Repair Noise Walls and Debris Fences.....	39
6.7.3	Debris Catch Fence Cleaning.....	39
6.8	Environmental Maintenance	39
6.8.1	Routine Environmental Maintenance.....	39
6.8.2	Winter Services Management.....	39
6.8.3	Winter Event Patrols	39
6.8.4	Winter Maintenance Activities – Plant	39
6.8.5	Winter Maintenance Activities – Materials.....	40

6.8.5.1	Supply Grit	40
6.8.5.2	CMA Storage	40
6.8.5.3	CMA Mixing.....	40
6.8.5.4	CMA Bulk Liquid Transfer	40
6.8.6	Vegetation Control Activities	40
6.8.6.1	Type 4 Vegetation Control	40
6.8.7	Replace Rest Area Furniture	40
6.8.8	NO ² Sample Collection Services	41
6.9	Routine Traffic Services.....	41
6.9.1	Routine Traffic Services Maintenance	41
6.9.2	Transport Agency P/22 Pavement Marking Standard Remark	41
6.9.3	Pavement Marking (220 micron) (Extra over-rate for Schedule 6.9.2).....	41
6.9.4	Pavement Marking (300 micron) (Extra over-rate for Schedule 6.9.2).....	41
6.9.5	Non-Routine and Urgent Marking.....	41
6.9.5.1	Non-Routine Marking.....	41
6.9.5.2	Establishment	42
6.9.6	High Performance Road Marking	42
6.9.7	Audio Tactile Profiled Road Marking	42
6.9.7.1	Remove existing ATP Audio Tactile Profiled Road Marking	42
6.9.7.2	150mm Edgeline	42
6.9.7.3	150mm Centreline	42
6.9.7.4	150mm Continuous Centreline	42
6.9.7.5	200mm Centreline	42
6.9.7.6	200mm Continuous Centreline	43
6.9.8	Replace or Repair Electronic Warning Signs	43
6.9.9	Renewal of Street Lights.....	43
6.10	Operational Traffic Management	43
6.10.1	Operational Traffic Management	43
6.11	Pedestrian, cycle, motorcycle and Bridle Route Maintenance	43
6.11.1	Routine Route Maintenance	43
6.11.2	Accessway Sealing.....	43
7	Network Specific Information and Requirements	44
7.1	Mobile Variable Message Signs	44
7.2	Unsealed Pavements.....	44
7.2.1	Routine Unsealed Pavement Maintenance	44
7.2.2	Unsealed Basecourse Renewal.....	44
7.2.3	Wearing Course Renewals	44
7.3	Fire Risk Controls	44
7.4	Slurry Rut Filling.....	44
7.5	Office Accommodation.....	45
7.6	Post Winter Pavement Marking	45

7.7	Streetlighting Energy Conciliations	45
7.8	Traffic Signal Maintenance Delegation	45
7.9	Traffic Signal Maintenance	45
7.9.1	Preventive Maintenance	45
7.9.2	Repairs and Emergency Maintenance	45
7.10	Enhanced Incident Management	45
7.11	Unmanned Aerial Vehicle	45
7.12	Road Condition Information Signage	45
7.13	Traffic Management: Regional Specific Activities	46
7.13.1	Traffic Congestion	46
7.13.2	Passing Lane Closures	46
7.13.3	Police Checkpoint Assistance	46
7.14	Type 5 Vegetation Control – Moss and Lichen Removal from Sealed Surfaces	46
7.15	Sealing Chip Broken faces	46
7.16	High-lip Spray programme	46
7.17	Vegetation Type 8 Management	46
7.18	Incident recovery plan	46
7.19	Other	47
8	Local Roads	48
9	Tunnels	49
9.1	Tunnel Specific Operations and Maintenance	49
9.1.1	Tunnel Specific Operations and Management	49
9.2	<<Name>> Tunnel Maintenance	49
9.2.1	<<Name>> Tunnel Traffic Management for Tunnel Closure	49
9.2.2	<<Name>> Tunnel Maintenance	49
9.2.3	<<Name>> Tunnel Cleaning	49
9.3	Ancillary Minor Tunnel Maintenance	49
10	Unscheduled Works	50
10.1	Plant and Equipment	50
10.2	Materials	51
10.2.1	Materials	51
10.2.2	Contractor's On-cost to Materials	51
10.3	Labour	51
10.4	Variation Overheads	52
10.4.1	On-site Overheads	52
10.4.2	Off-site Overheads and Profit	52
10.5	Cost Fluctuations	52

DOCUMENT CHANGE – FORMAT CODES

Black

Black text is mandatory and may not be changed without approval from the Network Outcomes Contract Model Governance Management Group.

~~Black~~

Struck out black text is used for removing mandatory content that has been prior approved by the Network Outcomes Contract Model Governance Management Group to be removed. Struck out text provides transparency of changes to an otherwise nationally consistent document. All struck out text must be confirmed within Section 7 of this Maintenance Specification.

Red

Red text is used for data which requires fields to be updated or at least considered for each contract. Text can also be used as is, modified or replaced. All red text adjustments must have the Manager System Management's approval.

Blue

Blue text is used for optional clauses which can be included as is or deleted in full.

<<Guidance Notes>>

Blue text with yellow highlighting and marked at the beginning with << and the end with >> are guidance notes for the Tender Document creator. Guidance notes must be removed prior to tender document release.

PREAMBLE

The following Clauses apply to all Items included in the Schedule of Prices.

i. Abbreviations

Units of measurement shown in the unit column of the Schedule of Prices are abbreviated as follows:

%	=	Percent
cl.km	=	Centreline kilometres
day	=	Day
ea	=	each
ea.year	=	Each years
edgeline.m	=	Edgeline metres
edgeline.km	=	Edgeline kilometres
hr	=	Hour
km	=	Kilometre
LS	=	Lump Sum
LS/year	=	Lump Sum per year
m	=	Metre
m.year	=	Metre years
month	=	Month
m ²	=	Square Metre
m ² .yr	=	Square Metre years
m ³	=	Cubic Metre
t	=	tonnes
t.month	=	tonne months
PS	=	Provisional Sum

ii. Measurement

Payment for all work completed in relation to Schedule of Prices, Section 1, Items 6.2, 6.4, 6.9.2, and Section 2 will be based on the quantities stated on the collaborative programme. No payment will be made for any work completed by the Contractor that is:

- a) Not agreed with the Principal
- b) Not on an agreed Programme
- c) Deleted by the Principal from any programme
- d) Not fully complete at the time of measurement.

No additional payment will be made for any increase in the extent of work required to complete activities if this happened only because the activities were not completed by the date agreed with the Principal.

iii. **Payment Adjustments**

General

Lump Sum Payments will be prorated in equal monthly instalments for the Contract Period, for each month assets are maintained according to the Maintenance Specification.

Other payment adjustments will be made at the appropriate time for:

- a) Annual KRA Reward
- b) Monthly At-Risk Payment
- c) Pavement Rehabilitation Design Achievement
- d) Resurfacing Design Achievement
- e) Changes to Renewal Investment Levels
- f) Cost Fluctuations
- g) Asset Growth Reconciliation
- h) 3 yearly adjustment

Annual KRA Reward

The Principal has set a maximum annual KRA reward of **\$200,000**/annum. In August of each year, the KRA Reward will be assessed based on the overall annual performance level for the year as calculated in accordance with Section 2.2, Key Result Area of the Maintenance Specification. The August claim will include any KRA reward payment adjustment, if earned.

The annual KRA reward is a one-off annual payment adjustment it is not subject to escalation and does not carry over into the next financial year in the case of only partial or non-achievement.

Payment will be made within one month of the Principal's approval.

The KRA reward is dependent on the overall annual performance level achieved for the year, as follows:

- a) By June 30th of each year, where the overall annual performance level achieved is rated Poor or Minimum Condition of Satisfaction, then no KRA Reward is earned
- b) By June 30th of each year, where the overall annual performance level achieved is rated Best Practice, then a one-off payment of 50% of the KRA reward is earned
- c) By June 30th of each year, where the overall annual performance level achieved is rated Outstanding, then a one-off payment of 100% of the KRA reward is earned.

Road Safety Strategy Implementation

The Principal has set a maximum road safety fund of **\$100,000**/annum. To assist the Supplier with the delivery and implementation of the Safety Strategy as set out in the Safety KRA 1, provided an overall annual performance score of MCOS, Best Practise or Outstanding is achieved.

A further additional \$50k/annum will be distributed for minor customer related safety activities/improvements as agreed with the Principal.

Monthly At-Risk Payment

The Principal has set a maximum monthly value of the at-risk payment at 10% of the Contractor's monthly tendered base lump sum, being 1/12th of the annualised total tendered base lump sum less Schedule item 1.1, Contract Establishment, (Schedule 1 total lump sum items minus Contract Establishment. This at-risk value will be adjusted annually to allow for any asset growth and adjustments to schedule item 1.1, this annual reset will not be less than the original tendered sum. The amount that is potentially deducted per month is dependent on the level of non-compliance reported for any given month and is non-recoverable.

The at-risk payment will not be deducted from the Contractor's monthly lump sum payment if the Monthly Compliance Score is less than or equal to [[45]].

100% of the at-risk payment will be deducted from the Contractor's monthly lump sum payment if the Monthly Compliance Score exceeds [[65]].

The proportion of the at-risk payment to be deducted from the Contractor's monthly lump sum payment for scores between [[46]] and [[65]] will be based on the following sliding scale equation:

<< Guidance on setting the values is available within the NOCMM>>

$$\text{Proportion adjustment} = 100 - (-0.2336x^2 + 21.188x - 380.78) \text{ <<this formula needs to be modified if the scores of 45 and 65 are altered>>}$$

Where x = Monthly Network Compliance Score between [[46]] and [[65]].

This is a quadratic equation that results in the:

- lower score producing a payment of 100%
- score meeting the lower quarter of the range producing a payment of 95%
- score meeting the middle of the range producing a payment of 80%
- score meeting the upper quarter of the range producing a payment of 40%
- upper score producing a payment of 0%.

Figure 1.0 shows the proportions diagrammatically. As the above is a polynomial equation, where the calculation returns an increase to the contractor, the payment deduction will be \$0.

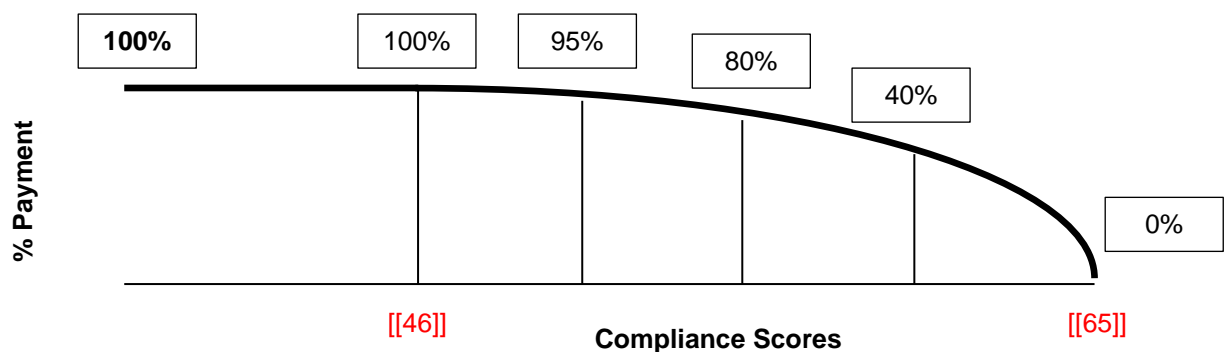


Figure 1.0: OPM Proportion Adjustment Diagram

The at-risk payment levels are set based on the monthly compliance scores, which in turn are a function of the results from Network compliance and reporting.

Pavement Rehabilitation Design Achievement

If the Contractor fails to comply with the contract standard as defined in Maintenance Specification, Section 6.2.4, Pavement Rehabilitation, a payment deduction shall be made in the month of June following the final year assessment for each pavement rehabilitation site.

The amount to be deducted shall be based on the greater deduction of the following:

- a) Deduction for roughness
- b) Deduction for rutting.

Deduction for Roughness

Where the roughness fails to comply in the final year assessment or is greater than 50% of the calculated moving averages in any assessment year, the percentage value earned (%VE) shall be obtained from the following table.

To determine the payment reduction of a non-complying site requires the calculation of the 85th Percentile Inclusive array of data points from the 100 metre moving average of lane roughness over the extent of works.

The method to determine this is done by using the following Microsoft Excel function:

PERCENTILE.INC(array,k)

Where the array, is the 100 metre moving averages of lane roughness over the extent of works

k is the percentile of values in the range.

The percentage value earned (%VE) shall be obtained from the following table.

% VE	ALL ROAD CLASSIFICATIONS CHIP SEAL OR NON-STRUCTURAL AC SURFACE (MIX DEPTH <= 40MM THICKNESS)
	85 TH PERCENTILE
100	<= 75
95	> 75 to <= 80
90	> 80 to <= 85
80	> 85 to <= 95
60	> 95 to <= 100
50	> 100

% VE	ALL ROAD CLASSIFICATIONS STRUCTURAL AC (MIX DEPTH > 40MM THICKNESS)
	85 TH PERCENTILE
100	<= 60
95	> 60 to <= 65
90	> 65 to <= 70
50	> 70

The deduction to be made shall be calculated as follows:

Roughness Deduction = (100% – %VE) x value of the rehabilitation site paid by the Principal at completion of the pavement rehabilitation works.

Example:

The target for a structural AC surface is 60 NAASRA, it has an array of 100m moving lane average of (60, 56, 60, 68, 59, 75, 63, 55) the site has 3 100m averages for a lane that exceed 60 NAASRA requirement) and therefore is considered non-compliant.

PERCENTILE.INC(60,56,60,68,59,75,63,55,0.85) = 67.75

The %VE from the Structural AC Table is 90.

The percentage deduction is then (100% - % Value Earned), (100 – 90) = 10. Thus, in this example the deduction would be 10% of the value of the rehabilitation works.

The Value Earned is determined for the worst lane only (lowest level of compliance).

Deduction for Rutting

Where the rutting fails to comply in the final year assessment, the deduction for rutting shall be calculated as detailed herein.

To determine the payment reduction of a non-complying site requires the calculation of the cumulative normal distribution of the rehabilitation site that meets the specification requirements. This is the “% tile compliant” in the rutting deduction table provided below.

The method to determine this is done by using the following Microsoft Excel function:

NORMDIST(x,mean,standard_dev,cumulative)

Where x is the value for which you want the distribution (i.e for chip seal surface x is 10mm, for AC surfacing x is 8mm)

Mean is the arithmetic mean of the distribution (ie the mean of the wheelpath)

Standard_dev is the standard deviation of the distribution

Cumulative is a logical value that determines the form of the function. If cumulative is TRUE, NORMDIST returns the cumulative distribution function; if FALSE, it returns the probability mass function (ie Set to True).

The level compliance is returned by the function and this is then multiplied by 100 to provide the “%tile compliant”.

The percentage value earned (%VE) shall be obtained from the following table.

% TILE COMPLIANT	NUMBER OF YEARS AFTER CONSTRUCTION					
	0	1	2	3	4	5
≤ 55	1	1	0	0	0	0
60	6	6	5	4	4	3
65	23	21	19	17	15	12
70	51	47	44	39	35	30
75	79	75	71	67	61	54
80	95	93	91	87	83	77
85	99	99	98	97	95	92
90	100	100	100	100	99	98
95	100	100	100	100	100	100
100	100	100	100	100	100	100

The deduction to be made shall be calculated as follows:

Rutting Deduction = (100% – %VE) x value of the rehabilitation site paid by the Principal at completion of the pavement rehabilitation works.

Example:

The target for a chip seal surface is 10mm, it has a site mean of 6mm and a site standard deviation of 3.6mm. The function becomes

$$\text{NORMDIST}(10,6,3.6,\text{True}) * 100 = 87\% \text{ compliant}$$

The “% tile compliant” is entered into the table above and the percentage value earned is determined. In the example, an 87% compliance at year 2 would be approximately 99% value earned. Linear interpolation between points in the Table should be used. The percentage deduction is then (100% - % Value Earned). Thus, in this example the deduction would be 1% of the value of the rehabilitation works.

The Value Earned is determined for the worst wheel path only (lowest level of compliance).

Resurfacing Design Achievement

Deduction for Skid Resistance (Chip and AC)

For Skid Assessment Lengths (SALs) within treated sites that do not comply with the on-road skid resistance performance requirement of the Maintenance Specification a percentage reduction payment (or Principal credit) may be required, or a suitable remedy may be agreed or a suitable remedy may be required by the Principal at the Contractor’s cost for that Skid Assessment Length or Lengths deemed not to comply.

The deduction to be made shall be calculated as follows:

Percentage price reduction = $\{((IL-0.02) - ESC)/((IL-0.02) - (TL-0.02))\} * 100$

Where:

IL = Investigatory Level of the chip seal agreed on road Skid Resistance performance

ESC = Equilibrium SCRIM Coefficient as measured by the Principal's annual HSD survey

TL = Threshold Level of the chip seal agreed on road Skid Resistance performance.

If the site has an:

- ESC \geq IL - 0.02 after two years then the site complies
- ESC < IL - 0.02 or \geq IL - 0.04 after two years then a further measure will be required in Year Three. For the Year Three measure, if the measured ESC is \leq 0.01 lower than the ESC measure in Year Two then the site complies. If the ESC is > 0.01 lower than the ESC measure in Year Two then the site does not comply then a percentage reduction payment (or Principal credit) will be required, or a suitable remedy may be agreed with the Principal at the Contractor's cost,
- ESC < IL - 0.04 or \geq TL + 0.02 after two years then the site does not comply then a percentage reduction payment (or Principal credit) will be required, or a suitable remedy may be agreed with the Principal at the Contractor's cost,
- ESC < TL + 0.02 after two years then the site does not comply and a suitable remedy will be required and by the Principal at the Contractor's cost.

Example 1:

Required IL = 0.45

If the site has an ESC of 0.40 after two years then the percentage reduction in life will be calculated as follows:

$$(((0.45 - 0.02) - 0.40) / ((0.45 - 0.02) - (0.35 - 0.02))) * 100 = 30\%$$

Therefore, the percentage price reduction (or Principal credit) is 30% of the cost of the site treatment.

Example 2:

Required IL = 0.5

Reading in year 2 = 0.47 (less than 0.02 but greater than 0.05, a year three reading is required)

Reading in year 3 = 0.44 (greater than 0.01, therefore percentage reduction will apply)

The percentage reduction in life is calculated as follows:

$$(((0.5 - 0.02) - 0.44) / ((0.5 - 0.02) - (0.4 - 0.02))) * 100 = 40\%$$

Therefore, the percentage price reduction (or Principal credit) is 40% of the cost of the site treatment.

Deduction for Transport Agency P/17 (Chip)

For chip sealing, Transport Agency P/17, Section 11 shall apply to all resurfacing treatments.

If the Contractor fails to comply with the contract standard as defined in Maintenance Specification, Section 5.3.3, Road Resurfacing and Maintenance Specification, Section 6.3.5, Chip Seal Post-Construction Verification Testing, a payment deduction shall be made in the month of June following the final year assessment for each resurfacing site.

Deduction for Roughness and Rutting (AC)

If the Contractor fails to comply with the contract standard as defined in Maintenance Specification, Section 6.3.6, Sealed Road Resurfacing, a payment deduction shall be made in the month of June following the final year assessment for each AC site.

The amount to be deducted shall be based on the greater deduction of the following:

- a) Deduction for roughness
- b) Deduction for rutting.

Where the roughness fails to comply in the final year assessment or is greater than 50% of the calculated moving averages in any assessment year, the percentage value earned (%VE) shall be obtained from the following table.

To determine the payment reduction of a non-complying site requires the calculation of the 85th Percentile Inclusive array of data points from the 100 metre moving average of lane roughness over the extent of works.

The method to determine this is done by using the following Microsoft Excel function:

PERCENTILE.INC(array,k)

Where the array, is the 100 metre moving averages of lane roughness over the extent of works

k is the percentile of values in the range.

The percentage value earned (%VE) shall be obtained from the following table.

% VE	ALL ROAD CLASSIFICATIONS NON STRUCTURAL AC (MIX DEPTH <= 40MM THICKNESS)
	85 TH PERCENTILE
100	<= 75
95	> 75 to <= 80
90	> 80 to <= 85
80	> 85 to <= 95
60	> 95 to <= 100
50	> 101

The deduction to be made shall be calculated as follows:

Roughness Deduction = (100% – %VE) x value of the AC resurfacing site paid by the Principal at completion of the AC resurfacing works.

Example:

The target for a non-structural AC surface is 75 NAASRA, it has an array of 100m moving lane average of (75,72,78,62,69,65,78,79,72,89,86) the site has 5 100m averages for a lane that exceed 75 NAASRA requirement) and therefore is considered non-compliant.

$$PERCENTILE.INC(75,72,78,62,69,65,78,79,72,89,86,0.85) = 82.5$$

The %VE from the Non-Structural AC Table is 90.

The percentage deduction is then (100% - % Value Earned), (100 – 90) = 10. Thus, in this example the deduction would be 10% of the value of the rehabilitation works.

The Value Earned is determined for the worst lane only (lowest level of compliance).

Where the rutting fails to comply in the final year assessment, the deduction for rutting shall be calculated as detailed herein.

To determine the payment reduction of a non-complying site requires the calculation of the cumulative normal distribution of the AC surface site that meets the specification requirements. This is the “% tile compliant” in the rutting deduction table provided below.

The method to determine this is done by using the following Microsoft Excel function:

$$NORMDIST(x,mean,standard_dev,cumulative)$$

Where x is the value for which you want the distribution (i.e. for AC surfacing x is 8mm)

Mean is the arithmetic mean of the distribution (i.e. the mean of the wheelpath)

Standard_dev is the standard deviation of the distribution

Cumulative is a logical value that determines the form of the function. If cumulative is TRUE, NORMDIST returns the cumulative distribution function; if FALSE, it returns the probability mass function (i.e. Set to True).

The level compliance is returned by the function and this is then multiplied by 100 to provide the “%tile compliant”.

The percentage value earned (%VE) shall be obtained from the following table.

% TILE COMPLIANT	NUMBER OF YEARS AFTER CONSTRUCTION					
	0	1	2	3	4	5
55	1	1	0	0	0	0
60	6	6	5	4	4	3
65	23	21	19	17	15	12
70	51	47	44	39	35	30
75	79	75	71	67	61	54
80	95	93	91	87	83	77
85	99	99	98	97	95	92
90	100	100	100	100	99	98

% TILE COMPLIANT	NUMBER OF YEARS AFTER CONSTRUCTION					
	0	1	2	3	4	5
95	100	100	100	100	100	100
100	100	100	100	100	100	100

The deduction to be made shall be calculated as follows:

$$\text{Rutting Deduction} = (100\% - \%VE) \times \text{value of the AC resurfacing site paid by the Principal at completion of the AC resurfacing works.}$$

Example:

The target for an AC surface is 8mm, it has a site mean of 5.3mm and a site standard deviation of 2.5mm. The function becomes

$$\text{NORMDIST}(8, 5.3, 2.5, \text{True}) * 100 = 86\% \text{ compliant}$$

The “% tile compliant” is entered into the table above and the percentage value earned is determined. In the example, an 86% compliance at year 3 would be approximately 97% value earned. Linear interpolation between points in the Table should be used. The percentage deduction is then (100% - % Value Earned). Thus, in this example the deduction would be 3% of the value of the AC surface works.

The Value Earned is determined for the worst wheel path only (lowest level of compliance).

Contract Flexibility

As this contract is a combined lump sum and measure and value contract, and the Principal is seeking best for Network solutions and flexibility to fairly value changes, the following adjustment mechanisms are in place:

- Asset Growth (refer to Basis of Payment, Section 2.3, Asset Growth)
- Routine Maintenance Treatments (refer to Basis of Payment, Section 2.4, Routine Maintenance Treatments)
- Pavement Rehabilitation and Re-surfacing Modifications (refer to Basis of Payment, Section 6.3 and 6.5)
- All measure and value items.
- Three Yearly Pavement Maintenance Lump Sum Review

Cost Fluctuations

Cost fluctuations shall be calculated in accordance with Conditions of Contract, 17th Schedule.

iv. Contractor’s Monthly Payment Claim

Unless the Principal and the Contractor agree otherwise in writing, the Contractor shall each month submit to the Engineer a progress payment claim. The progress payment claim shall:

- Claim the appropriate payment for each item identified in the Schedule of Prices
- Include an editable electronic file version of the claim.

Before payment, the Engineer will check all amounts claimed by the Contractor for work, and process the payment claim in accordance with 12.2 of the General Conditions of Contract as amended by the Special Conditions of Contract, Schedule 2.

Progress payments will be made in accordance with clauses 12.1 and 12.2 of the NZS3917, General Conditions of Contract, and as amended by the Special Conditions of Contract – Schedule 2, to this contract.

All payments will be by direct credit only.

v. Inspections

The tendered rates must include all the Contractor's costs associated with undertaking and completing all routine, self-compliance and joint inspections as specified within the Maintenance Specification unless specified as provisional items.

vi. Open Book Philosophy

In the event of disagreement with respect to a claim for any activities completed as part of this contract the parties, by mutual agreement consistent with partnering, shall use first principles for substantiating the claim. This may mean the Contractor shall make available to the Principal, on a reasonable basis, its pricing information.

Commercial and price-sensitive information provided by the Contractor to the Principal will be treated with the utmost confidentiality.

vii. Stockpile and Disposal Areas

The tendered rates must include all the Contractor's costs to ensure compliance with Maintenance Specification, Section 3.16, Stockpile and Disposal Areas.

viii. Site Investigation and Materials Testing

The tendered rates must include all the Contractor's costs associated with completing site investigations and materials testing other than where separately scheduled.

ix. On-site and Off-site Overheads and Profit

The tendered rates must include all the Contractor's costs associated with all on-site and off-site overheads and profit.

x Traffic Control

The tendered rates must include all the Contractor's costs associated with providing Level 1 traffic control

xi. Scheduled Quantities

The scheduled quantities stated in the Schedule of Prices are for **[[7]]** years. Rates provided will also directly apply to any additional years of tenure as agreed with the Principal. Quantities adjustments may be made for additional tenure years.

xii. Provisional Sums

Provisional sums are amounts of money the Principal enters into the Schedule of Prices. These sums provide for work that may or may not be carried out by the Contractor. Such work shall only be performed on the written instruction of the Principal.

The amount payable to the Contractor shall be that agreed within the written instruction.

Payment will be made on completion of activities to the satisfaction of the Principal.

xiii. Provisional Items

Provisional items provide for work that may or may not be carried out by the Contractor, but must still be priced by the Contractor. This work shall only be performed on the written instruction of the Principal.

The amount payable to the Contractor shall be for the quantity of work directed by the Principal, at the tendered rate.

The tendered rate for provisional items shall fully compensate the Contractor for all their costs for that item, including but not limited to, Labour, Plant, Materials, On-Site Overheads, Off-Site Overheads and Profit.

1 PRELIMINARY AND GENERAL

1.1 Contract Establishment (NON-TIME-related Costs) Works

Payment of the lump sum for items 1.1.1, 1.1.2 and 1.1.3 will be made as follows:

1. 10% of the lump sum on completion and acceptance of each individual subsection of the contract plan, except for the Maintenance Management Plan
2. 20% of the lump sum on completion and acceptance of the full contract plan, including the Maintenance Management Plan.

The Contractor is entitled to make a separable claim as each Plan is accepted.

No payment will be made, without reasonable grounds, after four months from contract commencement for any plans other than the Maintenance Management Plan not accepted however they still need to be completed.

No payment will be made, without reasonable grounds, after eight months from contract commencement for the full contract plan including the Maintenance Management plan not accepted however they still need to be completed.

The tendered rate must not be greater than the value stated in the Schedule of Prices.

1.1.1 Facilities Establishment

Payment will be made as stated in 1.1 above.

The tendered rate must include all the Contractor's costs associated with the setting up of a physical presence, including but not limited to, set-up and fit-out of offices, storage compounds, workshops, satellite facilities, communication systems, and computer systems (hardware and software), minor plant and security systems.

1.1.2 Contract Plans Establishment

Payment will be made as stated in 1.1 above.

The tendered rate must include all the Contractor's costs associated with developing the contract plan and the individual subsections, including but not limited to setting up the systems, processes and external consulting advice (contract plan specific).

1.1.3 Set-up Costs other than schedule items 1.1.1 and 1.1.2 above

Payment will be made as stated in 1.1 above.

The tendered rate must include all the Contractor's costs associated with any other contract related set-up costs including joint venture or subcontract agreements, legal advice, recruitment, mobilisation and relocation of people and equipment.

1.2 Contract Management and Supervision (Time-related Costs)

1.2.1 Network Management

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is managed according to the Contract Documents.

The tendered rate must:

- include all the Contractor's costs associated with Network Management including (but not limited to) reporting, self-compliance and auditing, quality assurance, information management, value management (refer Schedule of Prices, Schedule item 2.1), contract management (refer Schedule of Prices, Schedule item 3.1), contract plan (refer Schedule of Prices, Schedule item 4.1), and Network Management (refer Schedule of Prices, Schedule item 5.1),
- allow for staff costs associated with the provisions of Network Management and support services including salaries and employment-related allowances and provisions, statutory payroll burdens, provisions for training, vehicles and vehicle running costs (excluding pool vehicles which are assumed to be activity specific), personal protective equipment, and if applicable allocation of corporate overheads.

1.2.2 Management and Supervision of Physical Works

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with the management of the Contract Works and supervision of the physical works (other than that included in schedule items 1.2.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.8, 6.9, and 7) including, but not limited to, salaries and staff related costs associated with the contract management and site supervision, inspections, programming and coordination, customer and stakeholder communications, reporting and delivery.

1.3 Contractor's Facility Running Costs

Payment will be a 1/12th of the tendered rate for each month of the Contract Period a Contractor's facility is required according to the Contract Documents.

The tendered rate must include all the Contractor's time-related (running) costs associated with providing a physical presence, including but not limited to, lease of premises, rates, power, water, security, cleaning, waste removal, IT (hardware and software) running costs, internet service provider, data transfer, computer hire, licences, communications, and insurances and bonds.

2 VALUE MANAGEMENT PROPOSITION

2.1 Value Management

Payment for this item is included in Schedule Items 1.2.

2.2 KRA Reward

This is a provisional sum item.

Refer to Preamble, ii.

2.3 Asset Growth

These are provisional items only.

The payment must fully compensate for the on-going annual maintenance of each individual asset (added or removed), as a result of any Network changes completed by the Contractor or others, in full accordance with the contract scope, performance criteria and risk profile. Individual rates for each asset shall only apply from 1st July after installation or removal.

These rates are not for supplying and installing the asset.

The total asset reconciliation amount calculated annually shall become a lump sum and payment will be prorated in equal payments for each month of the subsequent 12-month period.

The tendered rates must include all the Contractor's maintenance and management costs associated with the addition (or removal) of individual assets as recorded in the asset register (in accordance with Maintenance Specification, Section 2.4.1) and the costs to complete the asset growth calculations.

The rate shall be used as both an over and under rate, relative to asset growth or reduction reconciliation.

2.4 Routine Maintenance Treatments

These are provisional items only.

The tendered rates shall be used by the Contractor and the Principal as the basis for routine maintenance treatment options.

The tendered rates shall also include reinstatement of delineation for any areas affected by the completed works.

2.4.1 Pavement Digout Repairs

Payment will be made for the total area (m²) completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.2 Pavement Stabilisation Repairs

Payment will be made for the total area (m²) completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.3 Rip and Remake

Payment will be made for the total area (m²) completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.4 Premix Reshaping

Payment will be made for the total area (m²) completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.5 Cold Mill and Inlay

Payment will be made for the total area (m²) completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.6 Crack Sealing

Payment will be made for the total area (m²) completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.7 Crack Filling

Payment will be made for the total length (m) completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.8 Scabbing and Stripping

Payment will be made for the total area (m²) completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.9 Watercutting

Payment will be made for the total area (m²) completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.10 Slurry Rut Filling

Payment shall be made per tonne (t) of dry aggregate, and shall include all constituents of the total mix, completed in accordance with Maintenance Specification, Section 2 and Section 7.

The tendered rate must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.11 W-Section Barrier Guardrail

Payment shall be made per linear metre (m) of barrier installed, and shall include all components of the guardrail system (excluding end treatment system), completed in accordance with Manufacturer's requirements and Maintenance Specification, Section 2.

The tendered rate must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.12 Terminal Entry/Ends for W-Section Barrier

Payment shall be made for each (ea) terminal installed, and shall include all components of the treatment system, completed in accordance with Manufacturer's requirements and Maintenance Specification, Section 2.

The tendered rate must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.13 Wire Rope Barrier

Payment shall be made per linear metre (m) of wire rope barrier installed, and shall include all components of the wire rope barrier system (excluding end treatment system), completed in accordance with Manufacturer's requirements and Maintenance Specification, Section 2.

The tendered rate must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.14 Service Cover Adjustments

Payment shall be made for each (ea) service cover adjusted, to sit flush with the surrounding surface level, as requested by the Principal.

The tendered rate must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.15 Hot Chipping

Payment shall be made per square metre (m²) of hot chipping laid in accordance with the Maintenance Specification, Section 2.

The tendered rate must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.16 Geotextile Seal Repairs

Payment shall be made per square metre (m²) of fabric sealing laid in accordance with the Maintenance Specification, Section 2.

The tendered rate must include all the Contractor's costs associated with management, programming, supervision, materials, plant, resources, disposals and construction activities.

2.4.17 375mm RCRRJ Culvert installation, including bedding

This is a provisional item. Refer to Preamble, xiii.

Payment shall be made on the total length in linear metres (m) for each 375mm diameter new culvert pipe supplied and installed up to a maximum depth of 1.5m as requested by the Principal and constructed in accordance with the Maintenance Specification, Section 2.

The tendered unit rate must include all the Contractor's costs associated with the supply and complete construction of the culvert pipes including the excavation, supply and placement of the bedding, the supply and placement of the culverts and complete construction of the backfill and surfacing.

2.4.18 375mm Traversable Culvert End installation, including bedding

This is a provisional item. Refer to Preamble, xiii.

Payment shall be made for each (ea) Transport Agency approved mountable culvert end that has been requested by the Principal, supplied and constructed in accordance with the Maintenance Specification, Section 2.

The tendered unit rate must include all the Contractor's costs associated with the supply and complete construction of the culvert ends including the excavation, removing and disposing of surplus material, supply and placement of the bedding, levelling, pipe connections, the supply and placement of the traversable culvert ends and complete construction of the backfill and surfacing.

2.4.19 Renew or Upgrade New Lined Water Channels

This is a provisional sum item.

Refer to Preamble, xii.

3 CONTRACT MANAGEMENT

3.1 Contract Management

Payment for all work included in Section 3 of the Maintenance Specification, with the exception of those items listed below, is included in Schedule Item 1.2.

3.1.1 LRMS Updates

This is a provisional sum item.

Payment will be made on completion of any Principal-requested LRMS Updates completed in accordance with the Specification.

Applicable rates shall be taken from Schedule of Prices, Section 9, Unscheduled Works, relative to work activities requested by the Principal.

3.1.2 Geospatial Information

This is a provisional sum item.

Payment will be made on completion of any Principal-requested Geospatial Information deliverable, completed to the satisfaction of the Principal.

Applicable rates shall be taken from Schedule of Prices, Section 9, Unscheduled Works, relative to work activities requested by the Principal.

3.1.3 Unscheduled Inspections

This is a provisional sum item.

Payment will be made on completion of any Principal-requested inspection, and completed to the satisfaction of the Principal.

Applicable rates shall be taken from Schedule of Prices, Section 9, Unscheduled Works, relative to work activities requested by the Principal.

4 CONTRACT PLAN

4.1 Contract Plan

Payment for this item is included in Schedule Items 1.2.

5 NETWORK MANAGEMENT

5.1 Network Management

Payment for all work included in Section 5 of the Maintenance Specification, with the exception of those items listed below, is included in Schedule Item 1.2.

5.2 Asset Information Management

5.2.1 Implementation of Data Improvement Plan

This is a provisional sum item.

Refer to Preamble, xii.

5.2.2 RAMM Updating for Other Projects

This is a provisional sum item.

Refer to Preamble, xii.

5.3 Renewal programming and design

5.3.1 Pavement Rehabilitation Site Investigation

Payment will be made for the total area (m²) of site investigation for pavement rehabilitation completed in accordance with the Maintenance Specification Section 5, for sites agreed with the Principal.

The tendered rate must fully compensate for all site investigation and testing required for pavement design as specified in Section 5.

Payment will be made based on the estimated quantity of area in need of pavement rehabilitation treatment, payable upon loading of test pit information within the Principal's asset database.

5.3.2 Pavement Rehabilitation Design Report

Payment will be made for each (ea) Pavement Design Report completed in accordance with the Maintenance Specification Section 5.

The tendered rate must fully compensate for all works in completing the design report, including survey, pavement design, pavement rehabilitation safety assessment form and safety in design assessment, and geometric design of the base renewal treatment.

Payment will be made upon acceptance from the Principal of the design report.

5.4 Planning Management

5.4.1 Attendance at Regional Planning Forums

This is a provisional sum item.

Refer to Preamble, xi.

5.4.2 Planning Assessment Reports

This is a provisional sum item.

Refer to Preamble, xi.

5.5 Road Safety Management

5.5.1 Regional Road Safety Strategy Updates

This is a provisional sum item.

Refer to Preamble, xi.

5.5.2 Proactive Minor Road Safety Initiatives

This is a provisional sum item.

Refer to Preamble, xi.

5.5.3 Treatment of Small Customer Road Safety Related Issues

This is a provisional sum item.

Refer to Preamble, xi.

5.5.4 Reporting

5.5.4.1 Death and Serious Injury Crash Reports

Payment for this item is included in Schedule Items 1.2.

5.5.4.2 Road Safety Reports

Payment for this item is included in Schedule Items 1.2.

5.5.4.3 Update KiwiRAP

This is a provisional sum item.

Refer to Preamble, xi.

5.5.5 Road Safety Meetings, Forums, Workshops and Studies

5.5.5.1 Crash Reduction Studies and Road Safety Audits Study Participation

This is a provisional sum item.

Refer to Preamble, xi.

5.6 Geotechnical Management

5.6.1 Geotechnical Assessment Reporting (Preliminary and Detailed)

This is a provisional sum item.

Refer to Preamble, xi.

6 PHYSICAL WORKS

6.1 Routine Sealed Pavement Maintenance

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

6.2 Pavement Rehabilitation

6.2.1 Base Pavement Rehabilitations

Payment will be made for the total area (m²) of sealed pavement rehabilitation completed in accordance with Maintenance Specification, Section 5 (excluding investigation and design) and Section 6.

For each approved individual rehabilitation work site, the Contractor will be required to produce a Lump Sum price (built up from initial costings (at the very least, built up from an agreed schedule based on the Contract Schedule of Prices) for agreement with the Principal. The lump sum is to include all costs associated with the completion of the individual site in accordance with Basis of Payment Section 6 and the Maintenance Specification.

Where the value of the individual site works exceeds \$250,000, the Principal will pay Progress Claims. The Contractor shall each month for each individual site under construction submit to the Principal a progress payment claim. The first claim shall be submitted within one month after the date the rehabilitation site works begin. The individual site progress payments shall:

- i) Claim the appropriate amount for each item identified in the agreed schedule
- ii) Not include costs associated with the first coat seal, traffic services reinstatement or as built data and RAMM entry
- iii) Comply with the requirements of Clause 12.1 and 12.2 of the General Conditions of Contract (NZS 3917) and as amended by the Special Conditions

Once the rehabilitation works site has had its first coat seal, traffic services reinstatement and the as built data has been entered into RAMM, the Contractor will make the final payment claim based on the agreed schedule with as-built quantities.

Before payment the Principal will check all amounts claimed by the Contractor for work completed in that month.

The tendered rates must fully compensate for completely constructing the pavement rehabilitation, including but not limited to:

- i) Development of Renewal Quality Plan
- ii) Public notification
- iii) Compliance reporting
- iv) Dis-establishment and Reinstatement of all traffic services
- v) Any required service cover adjustments to ensure a flush surface is maintained
- vi) Preparing the surface
- vii) Supplying and complete construction of the rehabilitation, including any transition lengths

- viii) First coat seal
- ix) For asphalt pavements, tack coat membrane
- x) Sweeping of excess chip
- xi) Clean up
- xii) Post-verification testing and reporting.
- xiii) Management and supervision

Appendix 5.2, Typical Shoulder Slope Details for Pavement Rehabilitation, defines the extent of shoulder treatment required within the unit rate.

6.3 Pavement Rehabilitation Modifications

The tendered rates must include all the Contractor's costs associated with providing all traffic control in accordance with Maintenance Specification, Section 4, and all management and supervision costs.

6.3.1 Base Pavement Rehabilitation No.1 – Basecourse Overlay

Payment will be made for the total area (m²) of base pavement rehabilitation No.1, adjusted (increase or decrease) by the design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are adjustments to the base pavement rehabilitation No.1 rate schedule item 6.2.1.1 of Schedule 4 and must include all the Contractor's costs associated with materials, resourcing and construction activities, in addition to the base pavement rehabilitation No.1 rate item 6.2.1.1 of Schedule 4.

Any stated increments are solid measure increments.

6.3.2 Base Pavement Rehabilitation No.2 – In-situ Stabilisation Inlay

Payment will be made for the total area (m²) of base pavement rehabilitation No.2, adjusted (increase or decrease) by the design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are adjustments to the base pavement rehabilitation No.2 rate schedule item 6.2.1.2 of Schedule 4 and must include all the Contractor's costs associated with materials, resourcing and construction activities, in addition to the base pavement rehabilitation No.2 rate item 6.2.1.2 of Schedule 4.

Any stated increments are solid measure increments.

6.3.3 Base Pavement Rehabilitation No.3 – Granular Replacement

Payment will be made for the total area (m²) of base pavement rehabilitation No.3, adjusted (increase or decrease) by the design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are adjustments to the base pavement rehabilitation No.3 rate schedule item 6.2.1.3 of Schedule 4 and must include all the Contractor's costs associated with materials, resourcing and construction activities, in addition to the base pavement rehabilitation No.3 rate item 6.2.1.3 of Schedule 4.

Any stated increments are solid measure increments.

6.3.4 Base Pavement Rehabilitation No.4 – Structural Asphaltic Concrete

Payment will be made for the total area (m²) of base pavement rehabilitation No.4, adjusted (increase or decrease) by the design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are adjustments to the base structural asphaltic concrete No.4 rate schedule item 6.2.1.4 of Schedule 4 and must include all the Contractor's costs associated with materials, resourcing and construction activities, in addition to the base structural asphaltic concrete No.4 rate item 6.2.1.4 of Schedule 4.

Any stated increments are solid measure increments.

6.3.5 Shape Irregularity Extra Shape Correction and Shoulder Treatment

6.3.5.1 Transport Agency M/4 Basecourse

Payment will be made for the solid volume in cubic metres (m³) of material supplied and constructed as specified.

The tendered rate shall be in full compensation for the supply of all plant, labour and materials required for the complete construction of the basecourse as specified.

6.3.5.2 AP65 Sub-basecourse

Payment will be made for the solid volume in cubic metres (m³) of material supplied and constructed as specified.

The tendered rate shall be in full compensation for the supply of all plant, labour and materials required for the complete construction of the sub-basecourse as specified.

6.3.5.3 Solid Fill

Payment will be made for the solid volume in cubic metres (m³) of material supplied and constructed as specified.

The tendered rate shall be in full compensation for the supply of all plant, labour and materials required for the complete construction of the solid fill as specified.

6.3.5.4 Cut to Fill

Payment will be made for the total solid volume in cubic metres (m³) of material cut to fill and constructed as specified. The quantity for payment purposes will be the solid volume following placement and compaction of the filling.

The tendered rate shall be in full compensation for the supply of all plant and labour required for the complete construction of the fill including the identification of all areas to be cut to fill, uplifting of the in-situ material, carting, placement, compaction and complete construction of the cut to fill material as specified.

6.3.5.5 Cut to Waste

Payment will be made for the total solid volume in cubic metres (m³) of material cut and carted to the Contractor's off-site disposal area. The quantity for payment purposes will be the solid volume between the surveyed ground levels prior to and after excavation.

The tendered rate shall be in full compensation for the supply of all plant and labour required for the complete excavation and disposal of the cut to waste material including uplifting, carting, off-loading at the dump site and complete management of the dump site as specified.

6.4 Sealed Road Resurfacing

6.4.1 Chip Seal

Payment will be made for the total area (m²) of sealing completed in accordance with Maintenance Specification, Section 5 and Section 6.

Payment will be made upon completion of each site following confirmation that the asset information has been collected and loaded into RAMM.

The tendered rates must fully compensate for completely constructing the reseal, including but not limited to:

- i) Designing each reseal
- ii) Development of Renewal Quality Plan
- iii) Public notification
- iv) Compliance reporting
- v) Dis-establishment and Reinstatement of all traffic services
- vi) Any required service cover adjustments to ensure a flush surface is maintained
- vii) Preparing the surface
- viii) Supplying and complete construction of the sealing chip and associated binder
- ix) Sweeping of excess chip
- x) Pavement marking, excluding profiled marking
- xi) Clean up
- xii) Post-verification testing and reporting.
- xiii) Management and supervision

6.4.2 Asphaltic Concrete

Payment will be made for the total area (m²) of AC completed in accordance with Maintenance Specification, Section 5 and Section 6.

Payments will be made upon completion of each site following confirmation that the asset information has been collected and loaded into RAMM.

The tendered rates must fully compensate for completely constructing the AC, including but not limited to:

- i) Designing each AC
- ii) Development of Renewal Quality Plan
- iii) Public notification
- iv) Compliance reporting
- v) Dis-establishment and Reinstatement of all traffic services
- vi) Any required service cover adjustments

- vii) Preparing the surface
- viii) Any saw cutting required
- ix) Supplying and complete construction of the AC
- x) Clean up and disposal of waste millings
- xi) Pavement marking, excluding profiled marking
- xii) Post-verification testing and reporting.
- xiii) Management and supervision

If a membrane seal is required prior to the application of asphaltic concrete then schedule item 6.5.2.5 applies.

6.5 Resurfacing Modifications

The tendered rates must include all the Contractor's costs associated with providing all traffic control in accordance with Maintenance Specification, Section 4, and all management and supervision costs.

6.5.1 Chip Seal

Payment will be made for the total area (m²) of resurfacing adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are extra over-rates to the base resurfacing schedule items 6.4.1 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.1.1 Extra over-rate for polymer modified seal, single coat

Payment will be made for the total area (m²) of polymer modified chip seal adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rate is an extra over-rate to the base chip seal schedule items 6.4.1 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.1.2 Extra over-rate for polymer modified seal, two coat

Payment will be made for the total area (m²) of polymer modified chip seal adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rate is an extra over-rate to the base chip seal schedule items 6.4.1 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.1.3 Extra over-rate for exceeding 0.45 ESC after a minimum of 24 months from construction

Payment will be made for the total area (m²) of chip seal adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rate is an extra over-rate to the base chip seal schedule items 6.4.1 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.1.4 Extra over-rate for exceeding 0.5 ESC, but less than 0.55 ESC after a minimum of 24 months from construction

Payment will be made for the total area (m²) of chip seal adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rate is an extra over-rate to the base chip seal schedule items 6.4.1 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.1.5 Extra over-rate for Geotextile

Payment will be made for the total area (m²) of geotextile chip seal adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rate is an extra over-rate to the base chip seal schedule items 6.4.1 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.1.6 Texturising pre-resurfacing repair for Single Chip Seals

Payment will be made for the total area of texturising seal applied constructed in accordance with Maintenance Specification, Section 6.

The tendered rate must include all the Contractor's costs associated with materials, resourcing and construction activities.

The texturising rate shall only apply where the amount of texturing is less than 50% of the overall surfacing site. Sites in excess of 49% will be valued based on the appropriate chip seal type rate

6.5.2 Asphaltic Concrete

6.5.2.1 Extra over-rate for exceeding 0.45 ESC after a minimum of 24 months from construction

Payment will be made for the total area (m²) of asphaltic concrete adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rate is an extra over-rate to the base asphaltic concrete schedule items 6.4.2 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.2.2 Extra over-rate for exceeding 0.5 ESC but less than 0.55 ESC after a minimum of 24 months from construction

Payment will be made for the total area (m²) of asphaltic concrete adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rate is an extra over-rate to the base asphaltic concrete schedule items 6.4.2 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.2.3 Milling up to 50mm

Payment will be made for the total area (m²) of milling carried out prior to the base asphaltic concrete surfacing constructed in accordance with Maintenance Specification, Section 6.

This rate applies to the milling of tie-ins and all perimeter edges such as kerb line edges, vehicle access ways and other locations where a physically constrained edge exists.

The tendered rate must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.2.4 Pre-levelling

Payment will be made for each tonne (t) of pre-levelling applied prior to the base asphaltic concrete surfacing constructed in accordance with Maintenance Specification, Section 6.

The tendered rate must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.2.5 Membrane seal

Payment will be made for the total area (m²) of membrane seal applied prior to the base asphaltic concrete surfacing constructed in accordance with Maintenance Specification, Section 6.

The tendered rate must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.2.6 Extra over-rate for polymer modified asphaltic concrete

Payment will be made for the total area (m²) of polymer modified asphaltic concrete adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rate must include all the Contractor's costs associated with materials, resourcing and construction activities.

6.5.3 Transport Agency T/10 Skid Resistance Resurfacing

This is a provisional sum item.

Refer to Preamble, xii.

6.5.3.1 Extra over-rate for small site productivity

This is a provisional item.

Refer to Preamble, xiii.

Payment will be made for the total area (m²) of skid resistance resurfacing sites under 5000m², which are not adjoining at adjacent skid resistance or resurfacing site, constructed in accordance with Maintenance Specification, Section 6.

The tendered rate is an extra over-rate to the base Chip Seal Sealed Road Resurfacing, Schedule 6.4.1 and must include all the Contractors cost resulting from reduced productivity.

6.6 Drainage

6.6.1 Routine Drainage Maintenance

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

6.6.2 Planned Drainage Renewals

The tendered rates must include all the Contractor's costs associated with providing all traffic control in accordance with Maintenance Specification, Section 4, and all management and supervision costs.

6.6.2.1 High Lip Removal

Payment will be made for each edgeline metre (edgeline.m) of high lip removed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity, including removal of excess material off site.

Where high lip removal is undertaken as a single activity in conjunction with reforming unlined water channels then only the reform unlined water channel rate shall apply.

6.6.2.2 Reform Unlined Water Channels

Payment will be made for each edgeline metre (edgeline.m) of unlined water channel reformed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity, including high lip removal if undertaken as part of this operation, removal of excess material off site, but excluding culvert level repositioning, adjustments or new culvert installations (see schedule item 6.7.5).

6.6.2.3 Clear and Regrade Side Drains

Payment will be made for each metre (m) of side drain cleared and regraded as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity, including removal of excess material off site.

6.6.2.4 Supply and Install Subsoil Drain

Payment will be made for each metre (m) of fabric-wrapped subsoil drain installed as approved by the Principal and in accordance with Maintenance Specification, Section 5.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity, including removal of excess material off site.

6.6.3 Other Drainage Asset Renewals

6.6.3.1 Renew or Upgrade or Install New Culverts

This is a provisional sum item.

Refer to Preamble, xii.

6.7 Structures

6.7.1 Routine Structures Maintenance

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

6.7.2 Repair Noise Walls and Debris Fences

This is a provisional sum item.

Refer to Preamble, xii.

6.7.3 Debris Catch Fence Cleaning

Payment for removing debris from the catch fence will be made for each cubic metre (m³) on the loose measure on board the plant. The Operator of the plant shall record on a tally docket acceptable to the Principal the quantity of each load before leaving the site.

The tendered rate shall be in full compensation for the supply of all plant and labour required for the complete removal off-site of disposal of waste material.

6.8 Environmental Maintenance

6.8.1 Routine Environmental Maintenance

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

6.8.2 Winter Services Management

Payment will be made for each month (month) that winter services management (including but not limited to off-site Network and weather monitoring) is provided in accordance with the Winter Services requirements.

The tendered rate shall allow for all services as specified, including a Winter Services Manager.

6.8.3 Winter Event Patrols

Payment will be made for each hour (hr) when of winter event patrols are required.

The tendered rate shall allow for all plant and labour sufficient to resource winter event patrols as specified, including mobilisation and patrolling. Patrol plant must be capable of applying treatment if required. The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking these activities including initiation, mobilisation, providing operator shift changes and completion of winter maintenance operations.

6.8.4 Winter Maintenance Activities – Plant

Payment will be made for each hour (hr) the winter maintenance activity is undertaken as approved by the Principal, in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking these activities, including initiation, mobilisation, providing operator shift changes and completion of the winter maintenance operations.

The rates shall include additional safety personnel and equipment (including pilot vehicles if appropriate) associated with the winter maintenance operations in addition to the normal number of operators for the plant.

The cost for operating grit loading equipment for the loading of the grit ex-stockpile is included in the rate for the Type 4 plant with no additional hours or payment being allowed for such loading plant.

6.8.5 Winter Maintenance Activities – Materials

6.8.5.1 Supply Grit

Payment for supplying grit will be made for each cubic metre (m³) on the loose measure on board the Type 4 plant. The Operator of the plant shall record on a tally docket acceptable to the Principal the quantity of each load before leaving the grit stockpile area.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity.

6.8.5.2 CMA Storage

CMA will be supplied by the Principal.

Payment for storage and handling of CMA will be made for each tonne stored over each one-month period (t.month).

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity.

6.8.5.3 CMA Mixing

Payment for mixing of CMA will be made for each tonne (t) in granular form mixed to liquid form.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity.

6.8.5.4 CMA Bulk Liquid Transfer

Payment will be made for each hour (hr) of undertaking the CMA bulk liquid transfer service.

The tendered rate shall allow for all plant and labour sufficient to carry out the service as specified.

6.8.6 Vegetation Control Activities

6.8.6.1 Type 4 Vegetation Control

Payment will be made for each rural edgeline.km of Type 4 Vegetation control completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered rate must include all the Contractor's costs associated with undertaking this activity including, materials, resourcing and reporting.

6.8.7 Replace Rest Area Furniture

This is a provisional sum item.

Refer to Preamble, xii.

6.8.8 NO² Sample Collection Services

Payment will be made for each month the NO² samples are collected, replaced and delivered in accordance with Maintenance Specification, Section 7.

The tendered rate must include all the contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.6.1.7.

6.9 Routine Traffic Services

6.9.1 Routine Traffic Services Maintenance

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

6.9.2 Transport Agency P/22 Pavement Marking Standard Remark

Payment will be made for the agreed quantity (km, m, or ea) at the tendered rates contained for each pavement marking item marked at 180 micron as defined in Schedule 6 P/22 Pavement Marking Standard Remark, completed in accordance with Maintenance Specification, Section 6.

The tendered rates must fully compensate for supplying all materials, site establishment, testing and remarking existing marking assets excluding high-performance and ATP within the carriageway as specified, over the entire road section as scheduled and as approved by the Principal based on the agreed Safety Delineation Strategy. The unit rates shall also allow for post-marking compliance assessments and reporting.

The extra over-rates shall allow for any change in standard, as prior approved by the Principal, for any centreline kilometre length, for all line types.

6.9.3 Pavement Marking (220 micron) (Extra over-rate for Schedule 6.9.2)

Payment will be made for centre line length (cl/km) marked at 220 microns. This rate is an extra over-rate to Schedule Item 6.9.2.

6.9.4 Pavement Marking (300 micron) (Extra over-rate for Schedule 6.9.2)

Payment will be made for centre line length (cl/km) marked at 300 microns. This rate is an extra over-rate to Schedule Item 6.9.2.

6.9.5 Non-Routine and Urgent Marking

6.9.5.1 Non-Routine Marking

This is a provisional sum item.

Refer to Preamble, xii.

Payment for any one-off non-routine or urgent marking, will be made at the rates tendered in Schedule 6 P/22 Pavement Marking Standard Remark, with an additional establishment payment as below.

6.9.5.2 Establishment

Payment for establishment for any one-off non-routine and urgent marking, will be made for the total distance in kilometres (km) travelled within the Network, by the shortest route, from the network boundary, current worksite or the Contractors Depot, to the site of the non-routine marking in accordance with the Maintenance Specification, Section 6.

6.9.6 High Performance Road Marking

This is a provisional sum item.

Refer to Preamble, xii.

6.9.7 Audio Tactile Profiled Road Marking

These are provisional items only.

Refer to Preamble, xiii.

6.9.7.1 Remove existing ATP Audio Tactile Profiled Road Marking

Payment will be made for each metre (m) of audio tactile profiled marking removed from the road surface as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity, including material disposal offsite.

6.9.7.2 150mm Edgeline

Payment will be made for each metre (m) of audio tactile profiled marking completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity.

6.9.7.3 150mm Centreline

Payment will be made for each metre (m) of audio tactile profiled marking completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity.

6.9.7.4 150mm Continuous Centreline

Payment will be made for each metre (m) of audio tactile profiled marking completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity.

6.9.7.5 200mm Centreline

Payment will be made for each metre (m) of audio tactile profiled marking completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity.

6.9.7.6 200mm Continuous Centreline

Payment will be made for each metre (m) of audio tactile profiled marking completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity.

6.9.8 Replace or Repair Electronic Warning Signs

This is a provisional sum item.

Refer to Preamble, xii.

6.9.9 Renewal of Street Lights

This is a provisional sum item.

Refer to Preamble, xii.

6.10 Operational Traffic Management

6.10.1 Operational Traffic Management

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

6.11 Pedestrian, cycle, motorcycle and Bridle Route Maintenance

6.11.1 Routine Route Maintenance

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.11

6.11.2 Accessway Sealing

This is a provisional sum item.

Refer to Preamble, xii.

7 NETWORK SPECIFIC INFORMATION AND REQUIREMENTS

7.1 Mobile Variable Message Signs

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is maintained according to the contract documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.1.

7.2 Unsealed Pavements

7.2.1 Routine Unsealed Pavement Maintenance

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Network is maintained according to the contract documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.2, excluding any other Section 7.2 items below.

7.2.2 Unsealed Basecourse Renewal

Payment will be made for each loose cubic metre (m³) of basecourse aggregate supplied and constructed in accordance with Maintenance Specification, Section 7.2.2

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity.

The quantity claimed must be supported by weigh bridge docketts and site measurements to verify the volume claimed.

7.2.3 Wearing Course Renewals

Payment will be made for each loose cubic metre (m³) of wearing course aggregate supplied and constructed in accordance with Maintenance Specification, Section 7.2.3.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity.

The quantity claimed must be supported by weigh bridge docketts and site measurements to verify the volume claimed.

7.3 Fire Risk Controls

Payment for this item is included in Schedule Item 6.8.1 Routine and Environmental Maintenance.

7.4 Slurry Rut Filling

Payment will be made and included in Basis of Payment Schedule Item 2.4.10 Routine Maintenance Treatments, for all sites maintained in accordance with Maintenance Specification, Section 7.

The tendered rate must fully compensate for all the Contractor's costs associated with the undertaking the design, construction activity and reporting in accordance with Maintenance Specification, Section 7.4.

7.5 Office Accommodation

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Contractor makes available appropriate office space, power supply and telephone and internet landline.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.5.

7.6 Post Winter Pavement Marking

Payment will be made for post winter remark completed in accordance with Maintenance Specification, Section 7.6 using Schedule rates 6.9.2

7.7 Streetlighting Energy Conciliations

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Contractor completed the energy conciliation process in accordance with Maintenance Specification, Section 7.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.7.

7.8 Traffic Signal Maintenance Delegation

Payment for this item is included in Schedule Item 6.9.1 Routine Traffic Services Maintenance.

7.9 Traffic Signal Maintenance

7.9.1 Preventive Maintenance

Payment for this item is included in Schedule Item 6.9.1 Routine Traffic Services Maintenance.

7.9.2 Repairs and Emergency Maintenance

This is a provisional sum item.

Refer to Preamble, xii.

7.10 Enhanced Incident Management

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Contractor provides the enhanced incident response service.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.7.

7.11 Unmanned Aerial Vehicle

Payment will be made for each day (day), up to a 10-hour period, an unmanned aerial vehicle is utilised as approved by the Principal.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity including the operator in accordance with Maintenance Specification, Section 7.8.

7.12 Road Condition Information Signage

Payment for this item is included in Schedule Item 6.10.1 Operational Traffic Management.

7.13 Traffic Management: Regional Specific Activities

7.13.1 Traffic Congestion

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Contractor manages traffic congestion during holiday periods.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.13.

7.13.2 Passing Lane Closures

Payment will be made for each day (day), a 24-hour period, temporary traffic management is completed as approved by the Principal.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity in accordance with Maintenance Specification, Section 7.13.

7.13.3 Police Checkpoint Assistance

Payment will be made for each day (day), up to a 10-hour period, temporary traffic management is completed as approved by the Principal.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity in accordance with Maintenance Specification, Section 7.13.

7.14 Type 5 Vegetation Control – Moss and Lichen Removal from Sealed Surfaces

This is a provisional sum item.

Refer to Preamble, xii.

7.15 Sealing Chip Broken faces

Payment for this item is included in Schedule Items 6.4.

7.16 High-lip Spray programme

Payment will be made for each edgeline kilometre (edgeline.km) of high lip treated as approved by the Principal and in accordance with Maintenance Specification, Section 7.16.

The tendered unit rate must fully compensate for all the Contractor's costs associated with delivering the scope of services as defined in Maintenance Specification, Section 7.16.

7.17 Vegetation Type 8 Management

Payment for this item is included in Schedule Items 6.8.1

7.18 Incident recovery plan

Payment for all work included in Section 5.4.5.1 of the Maintenance Specification (with the exception of emergency works which are approved as a qualifying event), is included in Schedule Item 1.2.

For emergency works which are approved qualifying events preparation costs of the Incident recovery plan will be developed using appropriate Unscheduled Works rates.

<<insert Contract Name>>
Network Outcomes Contract
Contract No: <<insert no>>

Waka Kotahi NZ Transport Agency
Basis of Payment

7.19 Other

<<include any other Network specific information or requirements>>

8 LOCAL ROADS

<<This section to be completed on a Network by Network basis pending inclusion of local roads>>

9 TUNNELS

<<This section to be completed on a Network by Network basis pending inclusion of local roads>>

9.1 Tunnel Specific Operations and Maintenance

9.1.1 Tunnel Specific Operations and Management

Payment will be a 1/12th of the tendered rate for each month (month) of the Contract Period the Network is maintained according to the contract documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 9.1.

9.2 <<Name>> Tunnel Maintenance

<<Tunnel name to be inserted. Insert additional subsections for each tunnel>>

9.2.1 <<Name>> Tunnel Traffic Management for Tunnel Closure

Payment will be at the tendered rate for each occasion (ea) during the Contract Period that the Tunnel is closed for the purposes of maintenance according to the contract documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 9.2.

9.2.2 <<Name>> Tunnel Maintenance

Payment will be at the tendered rate for each month (month) during the Contract Period that the Tunnel is maintained according to the contract documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 9.2.

9.2.3 <<Name>> Tunnel Cleaning

Payment will be made for each centreline kilometre (centreline.km) of tunnel wall cleaning completed as approved by the Principal and in accordance with Maintenance Specification, Section 9.4.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 9.2.

9.3 Ancillary Minor Tunnel Maintenance

This is a provisional sum item.

Refer to Preamble, xi.

10 UNSCHEDULED WORKS

Schedule Section 10 are Provisional Items only.

In general, payment will be made on a lump sum or measure and value basis for all Unscheduled Work completed in accordance with Maintenance Specification. The tendered plant and labour rates must include all costs associated with supplying traffic management equipment such as signs, cones and rumble strips, required to complete the work.

If the work is completed on a day works basis, a priced Daily Job Record (DJR) must be completed to support each claim. The DJRs must accurately reflect the work completed:

- i) Include a description of the work completed, including date(s) completed, location and extent
- ii) State the type of equipment, total hours, rate and total value of payment claimed for each type of equipment
- iii) State the total labour hours, rate and total value of payment claimed.

In addition, all invoices for materials used must be available for the Principal's inspection within one month of the time of the incident.

10.1 Plant and Equipment

The tendered hourly rates for plant and equipment, including the normal number of operators (plant), will be paid for the number of hours each item of plant is used. If the plant is not used efficiently, the Principal may reduce the hours paid.

The total hours worked is defined as being when plant is used cost-effectively:

- a) Working with other resources, if appropriate, so the operation is completed with maximum efficiency
- b) Established or disestablished under its own power to or from the nearest depot, or its previous work site, or the Network's boundary, whichever is closer (unless it is cheaper to establish or disestablish the plant by other means)
- c) Plant is being loaded on to trucks and transporters, whether the operator is assisting or not
- d) In any one hour plant has idle time of less than 10 minutes.

The total hours worked must not include unproductive time:

- The plant operator has breaks or is unavailable
- The plant is not working, including periods when the plant is broken down, being serviced, fuelled etc., or transported other than under its own power
- The plant operator is returning to depots at the end of each day without the plant
- In any one hour, there is idle time in excess of 10 minutes.

The tendered rate must fully compensate for the plant operator's wages, the Contractor's profit, on-cost, corporate overheads, all insurances, levies and holidays with pay and penal allowances, accommodation and travelling costs, all clerical, and all other overhead and incidental costs.

10.2 Materials

10.2.1 Materials

The provisional sum for materials provides for paying the net invoiced cost of all materials delivered to the site and used for constructing the permanent works by day works, as authorised by the Principal.

10.2.2 Contractor's On-cost to Materials

The percentage on-cost to Schedule Item 10.2.1 applies to the cost of materials and must cover all overhead charges and profits.

10.3 Labour

The tendered hourly rate for labour will be paid for the total hours worked. The use of small tools is deemed to be included in these rates.

For professional labour, a percentage of the tendered hourly rate for labour will be paid for the total hours worked and based on position level as defined in the following table.

POSITION LEVEL	INDICATIVE EXPERIENCE	% OF TENDERED RATE
Principal	Is recognised as a subject matter technical expert on highly specialised matters. Has made a considerable contribution to the technical field, profession or industry. Extensive (15+ years) experience and holds a degree (may be Masters).	225
Senior	Degree or other tertiary qualification with 7+ years' experience. Significant operational experience if not tertiary qualified with clear demonstration of having gained appropriate on-the-job skills equivalent to that gained through tertiary education. High-level practical experience in field of expertise and demonstrates sound, practical and theoretical knowledge in areas of specialisation.	150
Intermediate	Tertiary qualified with 5+ years' experience. Several years' experience if no tertiary qualification with clear demonstration of having gained on-the-job skills. Strong practical knowledge in area of specialisation and able to apply theoretical principles in broader context. Considered an intermediate-high level specialist in field of expertise. Has advanced technical/operational skills, with several years of relevant experience.	100
Graduate	Has sound technical/operational skills and relevant work experience. Typically support roles carrying out a variety of support functions.	80

Where nominated personnel are 100% committed to the contract, their time cannot be included in any variations unless formal backfilling arrangements have been agreed. Nominated personnel with less than 100% commitment can be included into variations provided their total commitment does not exceed 100%.

If the labour is not used efficiently, the Principal may reduce the hours paid in direct proportion to the efficiency with which the labour is used.

The total hours worked is defined as the hours when the labour is working with other resources, if appropriate, so the operation is completed with maximum efficiency.

The tendered hourly rate must fully compensate for:

- a) The Contractor's profit, on-cost, corporate overheads, all insurances, levies and holidays with pay and penal allowances
- b) Accommodation and travelling expenses, all clerical, office, and all other overhead and incidental costs.

The rates not allow for vehicle costs.

10.4 Variation Overheads

10.4.1 On-site Overheads

Where it has been agreed to provide a variation built up from first principles, and Schedule items 10.1, 10.2 and 10.3 do not apply, the percentage on-site overheads applies to the cost of materials, labour and plant and must cover all on-site overhead charges.

10.4.2 Off-site Overheads and Profit

Where it has been agreed to provide a variation built up from first principles, and Schedule items 10.1, 10.2 and 10.3 do not apply, the percentage off-site overheads and profit applies to the cost of materials, labour and plant and must cover all off-site overhead charges and profits.

10.5 Cost Fluctuations

The provisional sum allows for the payment of cost fluctuations. Payment will be made according to First Schedule, Clause 12.8.