WAKA KOTAHI
NZ TRANSPORT AGENCY

STATE HIGHWAY NETWORK OUTCOMES CONTRACT MANAGEMENT MANUAL

Manual number: SM034

PROJECT SERVICES

OCTOBER 2020

VERSION 2

DISCLAIMER: THIS IS AN INTERIM VERSION OF SM034 AND HAS NOT BEEN UPDATED EXCEPT WHERE IDENTIFIED IN THE SUMMARY OF AMENDMENTS. IT IS THE RESPONSIBILITY OF THE MANUAL USER TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED THEREIN.

New Zealand Government

More information

Waka Kotahi NZ Transport Agency
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This document is available on the Waka Kotahi website at https://www.nzta.govt.nz/resources/state-highway-network-outcomes-contract-management-manual/

MANUAL MANAGEMENT PLAN

Purpose

This is the Manual Management Plan for the Network Outcomes Contract Management Manual.

Document Information

DOCUMENT NAME	Network Outcomes Contract Management Manual
MANUAL NUMBER	SM034
MANUAL OWNER	National Maintenance and Operations Manager
MANUAL SPONSOR	Maintenance Contract Governance Group
REVIEW TEAM	NOC Clarification and Governance Group

Amendment and Review Strategy

All Corrective Action/Improvement Requests (CAIRs) suggesting changes will be acknowledged by the Manual Owner.

	COMMENTS	FREQUENCY
Amendments through annual review	These will be coordinated by the National Maintenance and Operations Manager and approved by the NOC Governance and Management Group.	Annual: January – March Quarter
Urgent amendments	These will be coordinated by the National Maintenance and Operations Manager and approved by the NOC Governance and Management Group.	As required

Distribution

The Manual Management Plan is included in the manual and sent to Information Management.

RECORD OF AMENDMENT

This document is a controlled document and is therefore subject to review and amendment from time to time. Amendments will be recorded on this Amendment Control Sheet. Amendment Notices, detailing the changes, will be published online with the manual.

All individuals seeking to rely on, or implement, Waka Kotahi Network Outcomes Contract Management Manual, or any other manual referred to in this document, have a duty to ensure that they are familiar with the most recent amendments.

AMENDMENT NUMBER	DESCRIPTION OF CHANGE	EFFECTIVE DATE	UPDATED BY
1	Partially updated to align with the new NOC 3.1 **DISCLAIMER: THIS IS AN INTERIM VERSION OF SM034 AND HAS NOT BEEN UPDATED EXCEPT WHERE IDENTIFIED IN THE SUMMARY OF AMENDMENTS. IT IS THE RESPONSIBILITY OF THE MANUAL USER TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED THEREIN.**	October 2020	Tania Cleary

FOREWORD

Here at Waka Kotahi NZ Transport Agency we are focused on providing an integrated land transport system that creates well-connected communities, where people have choices about how they move around so they get the most out of their lives. We work in partnership with local authorities, contractors, the transport industry and communities, to deliver an integrated, safe, responsive and sustainable land transport system. The Network Outcomes Contracts (NOCs) are one of our most important ways of managing this nationally significant asset.

The Network Outcomes Contract Management Manual (NOCMM) has been developed to provide guidance and assistance to Waka Kotahi staff involved with NOCs. The NOCMM covers the contract cycle from procurement, contract establishment, contract management, and the maintenance, operations and renewal delivery, through to contract close-out. While the NOC contract document sets the contractual arrangement and specifications, the NOCMM sits alongside this to further explain processes in the NOC and clarifies who is responsible for them, with a focus on Waka Kotahi contract management processes.

I strongly encourage the use of this manual by all those with a role in the NOCs and anyone wishing to gain a better understanding of the elements of good contract management. This manual will be an important part of our approach going forward to ensuring we work together to deliver a strong, resilient land transport system for today and into the future.

Brett Gliddon

General Manager, Transport Services

Waka Kotahi

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1 PROCESS OWNERS

The following process owners are responsible for the accuracy, review and periodic updating of the individual processes which constitute the Network Outcomes Contract Management Manual.

No	Process	Owner	Name	Date
1.1	Set-up		John Keenan	June 2020
1.2	Project Plan		Mike Manion	June 2020
1.3	Preselection Process		Steve Rusbatch	Nov 2015
1.4	Contract Document (RFT) Preparation		Steve Rusbatch	Nov 2015
1.5	Tendering and Award		Steve Rusbatch	Nov 2015
2.1	Project Plan Update		Tim Siau	Nov 2015
2.2	Financial Update		John Keenan	June 2020
2.3	Role Delegation and Confirmations		John Keenan	June 2020
2.4	Systems Set-up		John Keenan	June 2020
2.5	Pre-commencement Activities		Frank Nieuwland	June 2020
2.6	Contract Commencement		Frank Nieuwland	June 2020
2.7	Performance Framework Set-up		Penny Marriot	June 2020
2.8	Alignment		Bill Hickman	Nov 2015
2.9	Contract Plan Development		Bill Hickman	Nov 2015
2.10	Reporting Set-up		Tim Siau	Nov 2015
3.1	Project Plan Maintenance		Iqbal Idris	June 2020
3.2	Contract Plan Management		Bill Hickman	Nov 2015
3.3	CMT		John Keenan	June 2020
3.4	Engineer to Contract		Jack Hansby	June 2020

3.5	Contract Board		Rob Campbell	Nov 2015
3.6	Roles and Responsibilities		Mark Owen	Nov 2015
3.7	Contract Administration		Bill Hickman	Nov 2015
3.8	Financial Management		John Keenan	June 2020
3.9	Variation Management		John Keenan	June 2020
3.10	Model and Specification Enhancements		Janice Brass	June 2020
3.11	Dispute Resolution		Bill Hickman	Nov 2015
3.12	Contractor Performance		Penny Marriot	June 2020
3.13	Handover of Assets from other contractors		Tim Siau	Nov 2015
3.14	System and Process Audits and Reviews		John Keenan	June 2020
4.1	OPM Management		Barry O'Shea	June 2020
4.2	PIPs		John Keenan	June 2020
4.3	Cost Recovery		Bevan Percival	June 2020
4.4	Asset Management Programming		Roger Bailey	Nov 2015
4.5	Network Controls		Bevan Percival	June 2020
4.6	Safety Management		James Hughes	Nov 2015
4.7	Accumulated Pavement Rehabilitation and AC Quantity Reconciliation		Roger Bailey	Nov 2015
4.8	Resurfacing Quantity Management		Roger Bailey	Nov 2015
4.9	Vegetation Control Types 3 and 4		John Keenan	June 2020
4.10	Pavement Marking		Bevan Percival	June 2020
4.11	Drainage Renewals		Roger Bailey	Nov 2015

4.12	Asset Reconciliation		Paul Geck	Nov 2015
4.13	Routine Maintenance Treatments		Bevan Percival	June 2020
4.14	Pavement Rehabilitation Design Development		Roger Bailey	Nov 2015
4.15	Surfacing Treatment Selection		Roger Bailey	Nov 2015
4.16	Construction Assurance Monitoring		John MacDonald	Nov 2015
4.17	Post-construction Pavement Rehabilitation Design Assessment		John MacDonald	Nov 2015
4.18	Post-construction Resurfacing Design Assessment		John MacDonald	Nov 2015
4.19	Winter Services Management		Bevan Percival	June 2020
4.20	Traffic Services		Bill Hickman	Nov 2015
4.21	Incident Response		Jacqui Hori-Holt	Nov 2015
5.1	New Project Development Plan		Iqbal Idris	June 2020
5.2	Renewal Quantity Management Reward		John Keenan	June 2020
5.3	Procurement Process		Steve Rusbatch	June 2020
5.4	Hand Back of Assets		Colin Hey	Nov 2015
6.1	Contract End		Colin Hey	Nov 2015
6.2	Defects Liability		Frank Nieuwland	June 2020
6.3	Contract Close-out		Bevan Percival	June 2020
6.4	Project Close-out		David Perry	Nov 2015

2 REVIEW PROCESS

2.1 NOCMM

Each process owner is entitled to instigate a review of their process at any time. However, on an annual basis, the manual owner will request through the NOC Clarification and Governance Group (NOC CGG) that each process owner confirms the current validity of their process. Any changes that are required and signed off by the process owner will be updated in the published manual.

Should it be deemed by the manual owner that the manual requires a more thorough overhaul, then a review team will be formed to manage the change process or advise on points of discussion.

If you have any comments on this manual please email procurement@nzta.govt.nz with the subject line "Feedback for SM034".

2.2 NOC Clarification and Governance Group (CGG)

The purpose of the NOC Clarification and Governance Group (NOC CGG) is a central group representing the interests of the Waka Kotahi Maintenance and Operations teams in the delivery of the network outcomes contracts. The group resolves issues, looks at opportunities for improvement, recommends changes to the national contact documentation, and ensures a consistent application, understanding and implementation of the NOC delivery model. This group leads the review of the NOCMM.

3 ACRONYMS

Refer to SM032, Network Outcomes Contract Proforma Appendices, Section 1.2.

https://www.nzta.govt.nz/assets/resources/state-highway-maintenance-contract-proforma-manual/docs/march-2020/SM032-NOC3-Volume-5-Appendices-March-2020.pdf

4 REFERENCED DOCUMENTS

- Project management manual (SM011)
- State highway control manual (SM012)
- Annual plan instructions manual (SM018)
- Contract procedures manual (SM021)
- State highway maintenance contract proforma manual (SM032)
- State highway database operations manual (SM050)
- State highway procurement Strategy
- National implementation programme
- Regional procurement strategy
- Network procurement strategy
- Current Memorandum of Understandings (MoUs)
- M/10 – Specification for dense graded and stone mastic asphalts
- P/9 – Specification for construction of asphaltic concrete paving
- P/11 – Specification for open graded porous asphalt
- P/17 – Bitumous reseals
- P/22 – Specification for reflectorized pavement marking
- P/30 – Specification for high performance roadmarking
- T/10 – Specification for state highway skid resistance
- Z/1 - Minimum requirements for quality management plans
- Z/15 – Asset owner's manual
- Z/44 – Risk
- NZS 3910:2003
- NZS 3910:2013
- NZS 3197:2013
- Austroads Pavement Design Guide
- Austroads Geometric Design Guide
- The National Code of Practice for Utility Operator's Access to Transport Corridors
- Highway Information Sheets (HIS)
- ROI Proforma
- NOI Proforma
- TET Report 1 Proforma
- TET Report 2 Proforma
- Code of Practice for Temporary Traffic Management
- New Zealand Utilities Advisory Group Code

5 HOW TO USE THIS MANUAL

5.1 Manual Structure

5.1.1 This manual is in four parts: **Part 1 Checklists; Part 2 Processes; Part 3 Forms and Examples; Part 4 Guidelines**.

5.1.2 **Part 1** contains checklists of what is to be done during the course of the Contract.

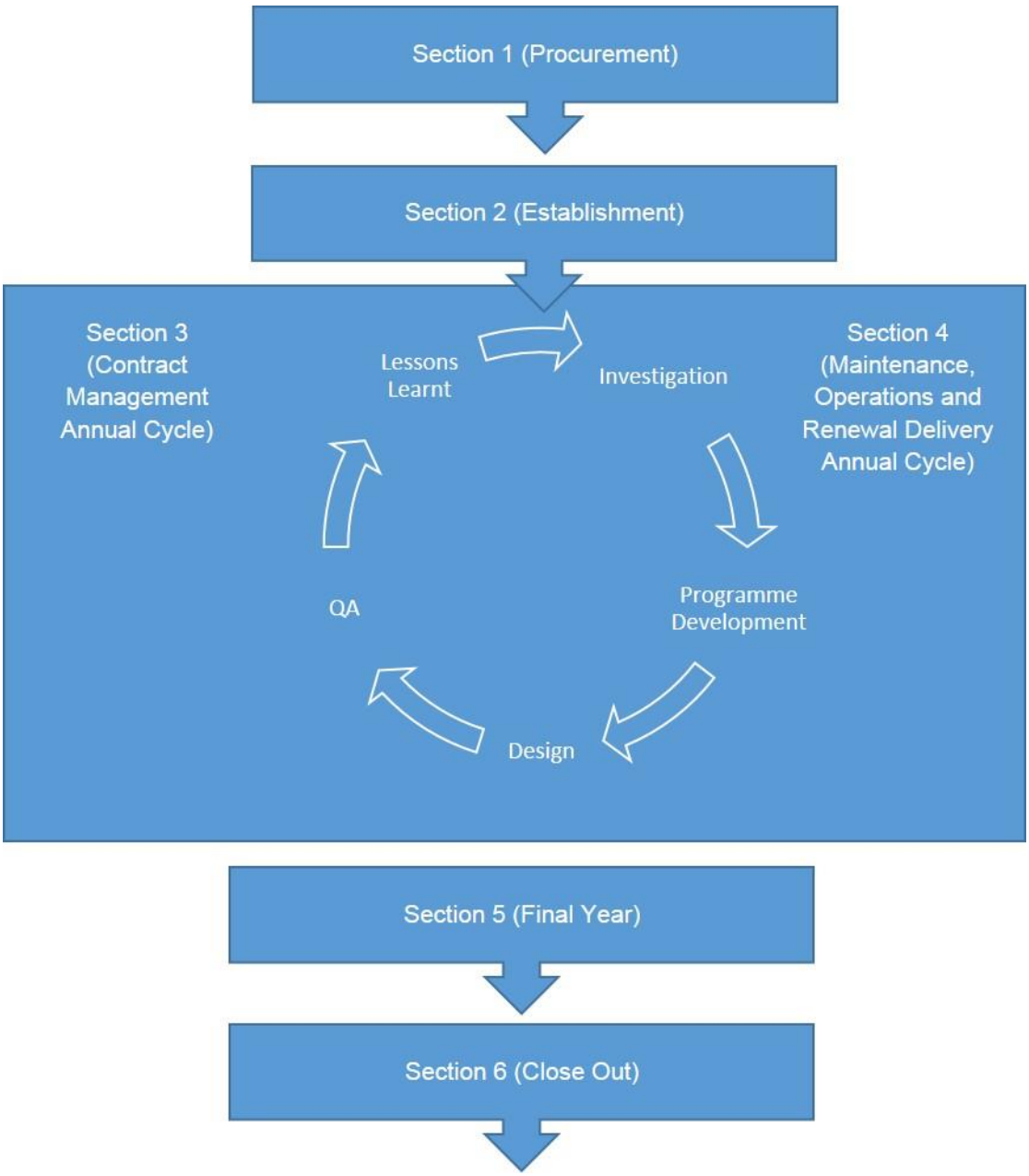
5.1.3 **Part 2** of the manual informs of what processes are be done in order to manage a compliant Contract. Each process within Part 2 includes a responsibility section that identifies the person within Waka Kotahi who generally is accountable for implementing the process and ensuring the outcomes are achieved. It should be noted that in each process a number of people are involved. This manual only identifies the primary leaders of the process.

5.1.4 **Part 3** of the manual contains forms (and examples of forms), related to the processes in Part 2.

5.1.5 **Part 4** of the manual contains further guidance on how to achieve the requirements of Part 2.

5.1.6 The Parts are divided into 5 common sections, relating to the overall Network Outcomes Contract life cycle, briefly described as follows, and represented in the figure below:

- **Section 1 Procurement** – e.g. Strategy, risk analysis, ROI/NOI, RFT document set-up, tendering and award.
- **Section 2 Establishment** – Systems, Contract Plan, roles and partnering set-up.
- **Section 3 Contract Administration** – Cyclic Contract management tasks, performance reviews, financial activities, scope, specification controls and post-contract award.
- **Section 4 Maintenance, Operations and Renewals Delivery Cycle** – Management of OPMs, PIPs, safety and asset responsibilities; renewal, measure and value item management; risk and quality controls; and audits and reviews.
- **Section 5 Final Year** – Preparing for the new Contract.
- **Section 6 Close Out** – Hand back process, reward and liability management, Contract close.


Section 1 (Procurement)
Section 2 (Establishment)
Section 3 (Contract Management Annual Cycle)
Lessons Learnt
Investigation
Section 4 (Maintenance, Operations and Renewal Delivery Annual Cycle)
QA
Programme Development
Design
Section 5 (Final Year)
Section 6 (Close Out)

6 INTRODUCTION

6.1 Overview

6.1.1 The Network Outcomes Contract Management Manual is for all Waka Kotahi staff to use to assist in understanding the Network Outcomes Contract service delivery and performance mechanisms. It provides the necessary support material to enable Waka Kotahi to play its part within the collaborative planning, design, programming and continuous improvement elements of each Network Outcomes Contract throughout New Zealand.

6.2 Contract Proforma Alignment

6.2.1 This version of the Network Outcomes Contract Management Manual was produced in alignment to the Network Outcomes Contract proforma, version 3.0 dated March 2020.

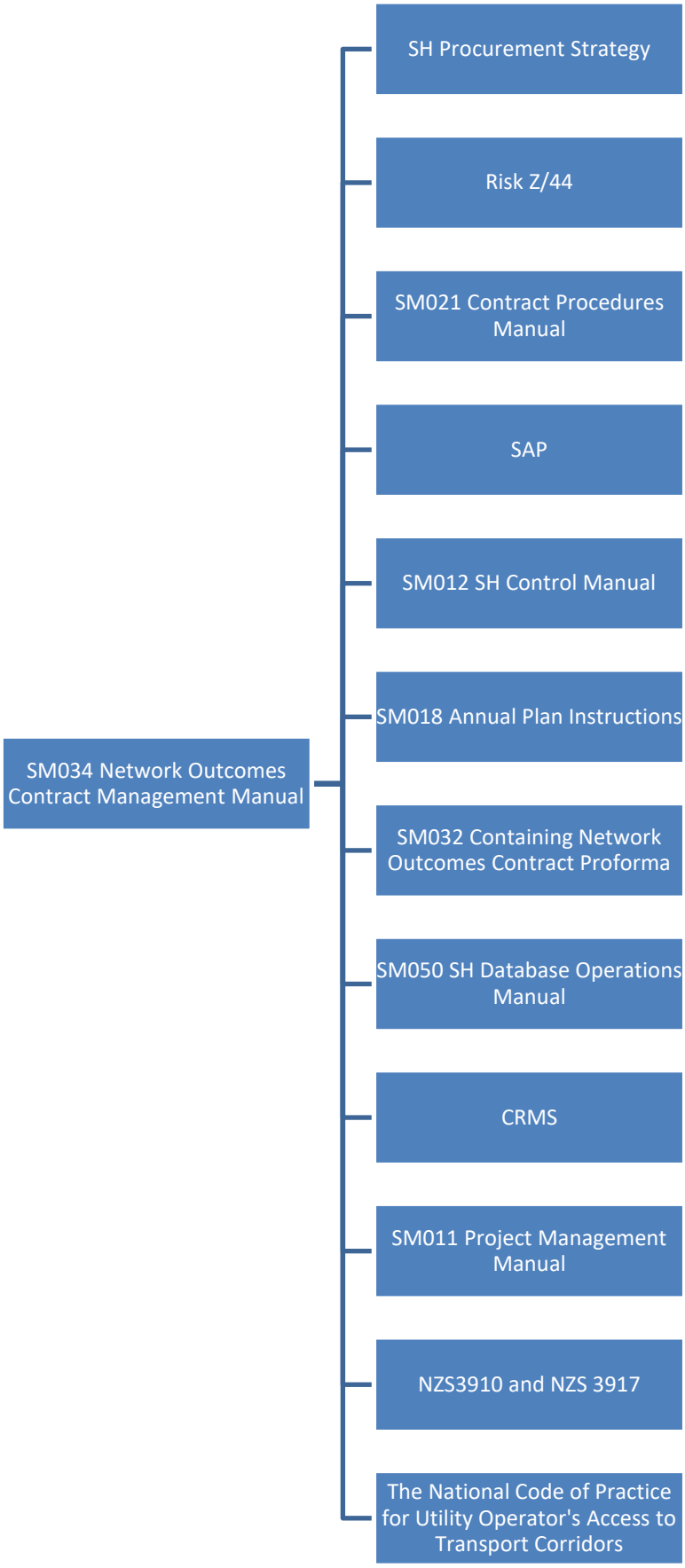
6.2.2 SM032, Waka Kotahi's State Highway Maintenance Contract Proforma Manual, contains the most recent Contract proforma version, which may not necessarily fully align with this manual, this is found online at https://www.nzta.govt.nz/resources/state-highway-maintenance-contract-proforma-manual/

6.2.3 Contact Waka Kotahi's Project Services in National Office for further advice and guidance.

6.3 Context

6.3.1 This manual provides internal processes specific to Waka Kotahi's business, supporting Waka Kotahi staff with the delivery intent of the Network Outcomes Contract model. It does not attempt to lead Waka Kotahi managers on general project or asset management principles or repeat details of the various processes that are documented in other Waka Kotahi manuals such as SM018 Annual Plan Instructions Manual (see Standards and guidelines manual (SM/P/21)). Clear references to the other supporting publications are provided where applicable, and are summarised in the figure below.

6.3.2 The manual sets out guidance on contract management practice that is specific to Waka Kotahi business and has been developed by various project managers. This guidance attempts to document lessons learnt as we have developed and delivered contracts, and to provide advice on the best way to progress through various mandatory processes, while avoiding pitfalls along the way.


SM034 Network Outcomes Contract Management Manual
SH Procurement Strategy
Risk Z/44
SM021 Contract Procedures Manual
SAP
SM012 SH Control Manual
SM018 Annual Plan Instructions
SM032 Containing Network Outcomes Contract Proforma
SM050 SH Database Operations Manual
CRMS
SM011 Project Management Manual
NZS3910 and NZS 3917
The National Code of Practice for Utility Operator's Access to Transport Corridors

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1 PROCUREMENT

1.1 Set-up

1.1.1	Appoint procurement Project Manager.	☐
1.1.2	Develop procurement strategy and programme.	☐
1.1.3	Obtain approval for any required adjustments to the procurement strategy.	☐
1.1.4	Set up project and financial allocation in SAP.	☐
1.1.5	Obtain Contract number.	☐
1.1.6	Identify and engage support resources.	☐
1.1.7	Set up project file.	☐
1.1.8	Engage with probity auditor.	☐
1.1.9	Complete Base Preservation Network tour.	☐
1.1.10	Complete an OPM LOS sample of the Network and define the LOS parameters.	☐

1.2 Project Plan

1.2.1	The Project Manager is to prepare the Project Plan.	☐
1.2.2	Sponsors to approve of project plan received.	☐

1.3 Preselection Process

1.3.1	Declaration of Conflict of Interest form completed by each TET member.	☐
1.3.2	Complete request for Approval to Advertise.	☐
1.3.3	Complete Registration of Interest (ROI) or Notice of Intention (NOI).	☐
1.3.4	Hold a Combined Group Interactive 1 meeting.	☐
1.3.5	Evaluate ROI or NOI submissions and shortlist.	☐

1.4 Contract Document (RFT Preparation)

1.4.1	Obtain latest Network Outcomes Contract proforma.	☐
1.4.2	Complete Information for Tenderers.	☐
1.4.3	Complete Conditions of Contract (Volume 1).	☐
1.4.4	Complete Schedule of Prices (Volume 2).	☐
1.4.5	Complete Basis of Payment (Volume 3).	☐
1.4.6	Complete Maintenance Specification (Volume 4).	☐
1.4.7	Complete Appendices (Volume 5).	☐
1.4.8	Gain Section 7 National Office approval.	☐
1.4.9	Review document (regional peer review).	☐
1.4.10	Complete Engineer's estimate.	☐
1.4.11	Review estimate (regional peer review or parallel estimate).	☐
1.4.12	Complete National Office Review.	☐

1.5 Tendering and Award

1.5.1	Complete approval to advertise.	☐
1.5.2	Provide master Contract document to tenders secretary.	☐
1.5.3	Advertise tender (call for registration of interest).	☐
1.5.4	Hold a combined Benchmarking Interactive.	☐
1.5.5	Evaluate (or negotiate) tenders.	☐
1.5.6	Notify preferred and non-preferred tenderers.	☐
1.5.7	Undertake pre-letting meeting (if required).	☐
1.5.8	Obtain approval to award, including due diligence.	☐
1.5.9	Award Contract.	☐
1.5.10	Set budgets within SAP.	☐
1.5.11	Publicise and celebrate tender award.	☐

Procurement phase checklist is completed.

Name Date / /

2 CONTRACT ESTABLISHMENT

2.1 Project Plan

2.1.1 Hold inception Contract meeting internally. ☐

2.1.2 Update Project Plan. ☐

2.2 Financial Update

2.2.1 Update SAP with financial updates for each work category. ☐

2.2.2 Set Contractor's monthly tendered base lump sum for monthly at-risk payment. ☐

2.3 Role Delegation and Confirmations

2.3.1 Hold inception Contract meeting with Contractor. ☐

2.3.2 Confirm Contractor (and subcontractors) personnel and roles. ☐

2.3.3 Confirm Principal personnel and roles. ☐

2.3.4 Confirm Engineer to Contract personnel, roles and responsibilities (NTC No.1). ☐

2.3.5 Notify all key stakeholders of key personnel roles and communication protocols. ☐

2.3.6 Confirm CMT and CB members. ☐

2.3.7 Set up first meeting for CMT and CB and agree future meeting dates. ☐

2.4 Systems Set-up

2.4.1 Provide appropriate SAP access and training material to Contractor. ☐

2.4.2 Provide access to RAMM and CAR Manager.

2.4.3 Provide access to Highway Information Sheets (HIS) and Highway Information Portal (HIP).

2.4.4 Provide access to Highways Structure Information Management System (HSIMS).☐

2.4.5

2.4.6 Provide access to KiwiRAP

2.4.7 Provide access to SWIP.

2.4.8 Provide access to traffic monitoring systems.

2.4.9 Provide access to site-specific warning systems.☐

2.4.10

2.4.11 Provide access to Contractor's Web-based Portal ☐

2.4.12 Provide access to Health & Safety Monthly Performance Reprting. ☐

2.4.13 Provide access to CS-VUE. ☐

2.4.14 Provide access to CAR. ☐

2.4.15 Provide access to CRMS. ☐

2.4.16 Provide access to the MetConnect. ☐

2.4.17 Provide access to the TREIS/NIEMS and training material to Contractor. ☐

2.4.18 Provide access to CAS. ☐

2.4.19 Obtain from Contractor confirmation of their document management system and access arrangement. ☐

2.5 Pre-commencement Activities

2.5.1 Receive and confirm Conditions of Contract schedules. ☐

2.5.2 Obtain Insurance Certificates and Bonds. ☐

2.5.3 Sign Contract by all parties. ☐

2.5.4 Obtain Contractor's company banking details for Finance team. ☐

2.5.5 Jointly agree Contract Plan build process with Contractor. ☐

2.5.6 Prepare and accept Health and Safety Management Plan. ☐

2.5.7 Prepare and accept Traffic Control Plan. ☐

2.5.8 Prepare and accept Emergency Procedures and Preparedness Plan. ☐

2.5.9 Principal to provide all information to the Contractor in accordance with Maintenance Specification, 3.4.1. ☐

2.5.10 Complete a joint handover inspection with the Contractor and incumbent contractor. ☐

2.5.11 Receive handover report from incumbent contractor. ☐

2.5.12 Obtain and hand over any other relevant information and reports to the Contractor. ☐

2.5.13 Obtain and hand over any other relevant databases to the Contractor. ☐

2.5.14 Ensure systems are in place for Waka Kotahi staff who will be working remotely. ☐

2.5.15 Review Contractor's tender submission for document deliverables and pledges. ☐

2.6 Contract Commencement

2.6.1 Set up, agree and monitor start up and establishment pledges. ☐

2.6.2 Transfer any keys to Contractor. ☐

2.6.3 Hand over any assets and materials from previous contractor to Contractor. ☐

2.6.4 Remove system access by previous contractor. ☐

2.7 Performance Framework Set-up

2.7.1 Contractor to set up KRA, KPI and OPM performance framework and agree within 4 months of possession of the site. ☐

2.7.2 Set up performance framework system for Contract. ☐

2.7.3 Provide appropriate performance framework access to Contractor. ☐

2.8 Alignment

2.8.1 Hold a partnering workshop within 3 months of Contract commencement. ☐

2.8.2 Hold a joint Network inspection with the Contractor. ☐

2.8.3 Hold first meeting for CMT and CB. ☐

2.9 Contract Plan Development

2.9.1 Accept Quality Management Plan. ☐

2.9.2 Accept Environmental and Social Management Plan. ☐

2.9.3 Accept Customer and Stakeholder Communications Management Plan. ☐

2.9.4 Accept Risk Management Plan. ☐

2.9.5 Accept Maintenance Management Plan. ☐

2.9.6 Accept the Contract Plan. ☐

2.10 Reporting Set-up

2.10.1 Agree monthly report format. ☐

2.10.2 Agree CB report format. ☐

2.10.3 Contractor to provide access to their web-based portal and other relevant systems. ☐

Establishment phase checklist is completed.

Name Date / /

3 CONTRACT MANAGEMENT ANNUAL CYCLE

3.1 Project Plan

3.1.1	Project Plan Updated and will withstand annual audit scrutiny.	☐
3.1.2	Project Plan socialised within the CMT.	☐

3.2 Contract Plan Management

3.2.1	Quarterly validation of the Health and Safety Management Plan completed in accordance with Quarterly review of KRAs and KPIs.	☐
3.2.2	Quarterly validation of the Quality Management Plan completed in accordance with KPI 8.	☐
3.2.3	Quarterly validation of the Traffic Control Plan completed in accordance with KPI 3.	☐
3.2.4	Quarterly validation of the Environmental and Social Management Plan completed in accordance with KPI 6.	☐
3.2.5	Quarterly validation of the Customer and Stakeholder Communication Management Plan completed in accordance with KPI 4.	☐
3.2.6	Quarterly validation of the Emergency Procedures and Preparedness Plan completed in accordance with KPI 15.	☐
3.2.7	Quarterly validation of the Maintenance Management Plan completed in accordance with KPI 7.	☐

3.3 CMT

3.3.1	Agree CMT membership and monthly meeting date.	☐
3.3.2	Recommendations to the CB for contractual resolution.	☐
3.3.3	Quarterly CMT report to the CB.	☐
3.3.4	Quarterly review of KRAs and KPIs completed.	☐
3.3.5	6-monthly relationship survey completed by the Principal and an improvement plan implemented where necessary.	☐
3.3.6	Agree on the annual KRA score and recommendation to the CB.	☐

3.4 Engineer to Contract

3.4.1	The Engineer to Contract has signed off on all contractual changes.	☐

3.5 Contract Board

3.5.1	Held 4-monthly CB meetings.	☐
3.5.2	Reported KRAs and KPIs to board every 4 months.	☐
3.5.3	4-monthly Contract risk process review completed.	☐

3.6 Roles and Responsibilities

3.6.1	Distributed any changes to the Principal's organisational structure to Contractor and key stakeholders.	☐
3.6.2	Distributed any changes to the Contractor's organisational structure to key stakeholders.	☐

3.7 Contract Administration

3.7.1	Reviewed appropriate bond and insurances coverage.	☐
3.7.2	Reviewed validity of personnel qualifications and certifications.	☐

3.8 Financial Management

3.8.1	Confirmed Contractor's monthly financial forecasts for the next 12 months.	☐
3.8.2	Reviewed and updated the remaining GPS/NLTP forecast with the Contractor.	☐
3.8.3	Received, assessed and approved monthly claim in accordance with the Contract.	
3.8.4	Received, assessed and approved all variation claims in accordance with the Contract.	
3.8.5	Updated SAP monthly and verified forecast and accrual values and provided commentary on variances.	☐
3.8.6	All appropriate elements that build up the annual forecasts have been accounted for.	☐
3.8.7	Completed end-of-year financial reconciliation.	☐
3.8.8	Annually assessed and recorded contingent liabilities.	☐

3.9 Variation Management

3.9.1	Challenged the validity of any proposed variations.	☐
3.9.2	Considered supplier delivery options.	☐
3.9.3	Peer reviewed Contractor's price for variations.	☐
3.9.4	Maintained a list of all approved and declined variations, risk profile events, provisional sum activities and additional works for financial management and audit purposes.	☐

3.10 Model and Specification Enhancements

3.10.1	Identified specification improvement opportunities.	☐
3.10.2	Recommendations submitted to Network Outcomes steering committee.	☐
3.10.3	MCGG approved specification changes have followed 3.9 above.	☐

3.11 Dispute Resolution

3.11.1	Disputes assessed collaboratively within CB.	☐
3.11.2	Evaluated unresolved disputes in accordance with NZS3910 or NZS 3917.	☐

3.12 Contractor Performance

3.12.1	Contractor performance reported monthly via the national reporting system (local Contractor system).	☐
3.12.2	Completed 4-monthly KRA performance evaluation.	☐
3.12.3	Completed KRA annual performance evaluation.	☐
3.12.4	Completed an annual performance workshop.	☐
3.12.5	Principal had visibility into subcontractor performance.	☐
3.12.6	Principal has completed a systems review on Contractor's performance calculation methods (refer 3.14).	☐

3.12.7 Monthly Contractor performance is reflected in monthly financial management process. ☐

3.13 Handover of Assets from other Contractors

3.13.1 Completed joint inspection before Practical Completion. ☐

3.13.2 Completed joint inspection before the end of the Defects Liability Period. ☐

3.13.3 Received Asset Owner's manual and contents embedded into business-as-usual maintenance processes and procedures. ☐

3.14 System and Process Audits and Reviews

3.14.1 Audited Contractor's self-compliance reporting systems and procedures. ☐

3.14.2 Audited Contractor's 12-month defect intervention process. ☐

3.14.3 Audited Contractor's deliverable tracking system. ☐

3.14.4 Asset database and completed-work quality audits completed. ☐

3.14.5 Audited Contractor's CAR, LUD and CS-VUE management systems and processes. ☐

Contract Management Annual Cycle checklist for Year ____ is completed.

Name Date / /

4 MAINTENANCE, OPERATIONS AND RENEWAL DELIVERY ANNUAL CYCLE

4.1 OPM Management

4.1.1 Review and approval of Contractor's OPM auditing process and systems within Contractor's Quality Plan.

4.1.2 Monthly OPM results reviewed including participation in OPM audits from time to time. ☐

4.1.3 Monthly Non-compliance Score agreed and approved for upload. ☐

4.1.4 . ☐

4.2 PIPS

4.2.1 All PIPs notified are appropriate and actioned. ☐

4.2.2 PIP response times achieved. ☐

4.3 Cost Recovery

4.3.1 Principal has agreed and has visibility into all cost recovery pursuits. ☐

4.3.2 Contractor is actively pursuing and recovering all agreed cost recovery opportunities for Principal risk events. ☐

4.4 Asset Management Programming

4.4.1 Provided Annual Plan instructions (SM018) to Contractor. ☐

4.4.2 Principal's regional team and Asset Integrators convey expectations to Contractor. ☐

4.4.3 Contractor provided draft Annual Plan. ☐

4.4.4 Submitted annual projects are tested against the justification requirements defined within SM018 and the Contractor's MMP. ☐

4.4.5 Principal's regional team and Asset Integrators review draft Annual Plan. ☐

4.4.6 RAPT team finalises Annual Plan. ☐

4.4.7 Funded Plan has been confirmed with Contractor. ☐

4.4.8 Effects of Funded Plan are reconciled with Contractor's MMP baseline plans (refer to 4.7 below). ☐

4.4.9 Contractor's Maintenance Activity Cost model workshop completed annually. ☐

4.5 Network Controls

4.5.1 The Contractor is using CRMS, TRIES, CS-VUE, CAR and LUD management systems ☐

4.5.2 The Principal is using CRMS, TREIS, CS-VUE, CAR and LUD management systems. ☐

4.5.3 All CARs and LUDs are coordinated with other programmes. ☐

4.5.4 Timeliness of all Principal's CAR and LUD approvals are tracked and recorded. ☐

4.6 ☐Safety Management

4.6.1 Quarterly Contractor's safety trend reporting identifies high-risk areas. ☐

4.6.2 Principal regional asset team expectations are provided to Contractor along with annual skid-resistance report. ☐

4.6.3 Contractor recommendations address both Contractor and Principal skid exception sites and outline treatment standard and life options. ☐

4.6.4 Contractor confirmation that approved work has been completed. ☐

4.7 Accumulated Pavement Rehabilitation and AC Quantity Reconciliation

4.7.1 Provided the Contractor with the annual Funded Plan. ☐

4.7.2 Tracked and monitored the funded accumulated pavement rehabilitation and AC lengths against the tendered baseline plans. ☐

4.7.3 Completed site walkovers on all Principal risk sites or Principal credit sites as set out in the Annual Renewal reconciliation. ☐

4.8 Resurfacing Quantity Management

4.8.1 Submitted annual projects are tested against the Contractor's MMP engineering and economic justification process. ☐

4.8.2 Provided the Contractor with the annual Funded Plan. ☐

4.8.3 Compared funded resurfacing length against the tendered baseline plan length (if justified). ☐

4.8.4 Completed site walkovers on all Principal risk sites, and agreed Contractor and Principal responsibility for repairs. ☐

4.9 Vegetation Control Types 3 and 4

4.9.1 Principal and Contractor agreed on the intervention condition, prioritisation parameters and available budget for annual programme development. ☐

4.9.2 Contractor monitored condition and customer feedback and advised Principal when agreed intervention parameters were triggered. ☐

4.9.3 Principal provided timely and coordinated approval for the Contractor to complete the necessary work in conjunction with all other types of vegetation control activities. ☐

4.10 Pavement Marking

4.10.1 Principal and Contractor agreed on the intervention condition, prioritisation parameters and available budget for annual programme development. ☐

4.10.2 Contractor provided Waka Kotahi P/22 and Waka Kotahi P/30 remark programmes for Principal approval. ☐

4.10.3 Contractor provided Principal with 100% quality audit results as per OPM 108. ☐

4.10.4 Contractor monitored Network for isolated safety-related pavement marking maintenance. Programme submitted for variation approval. ☐

4.11 Drainage Renewals

4.11.1 Assessed the Contractor's request for drainage renewals. N.B. Work Category 113 Drainage Maintenance activities (High Lip, Surface Water Channel and Side Drain cleaning are referred to within the NOC maintenance specification as "Drainage Renewals". WC213 also includes Sub Soil Drains, Lined Water Channels and Culverts as "Drainage Renewals" ☐

4.12 Asset Reconciliation

4.12.1 Checked asset reconciliation report and it is supported by RAMM records. ☐

4.13 Routine Maintenance Treatments

4.13.1 Routine maintenance treatment options have two purposes:

- For avoidance of doubt they are the standard of repair the Contractor should deliver to ☐ demonstrate a defect has been permanently repaired.
- They are used by the Principal to value variations, provisional sums or risk transfer.

4.13.2 The treatments listed in 2.4.3 are not exhaustive and additional maintenance treatments may be added and rates agreed. ☐

4.13.3 Prior approval of the Principal must be gained when routine maintenance treatments are required to value variations or transfer risk. ☐

4.14 ☐Pavement Rehabilitation Design Development

4.14.1 Project site investigations completed in accordance with the Contractor's MMP process. ☐

4.14.2 Pavement designs reflected lessons learnt from 4.17 below. ☐

4.14.3 Approved design, NPV, cost and pavement renewals quality plan. ☐

4.14.4 A minimum of three options per project was provided by the Contractor in accordance with the Contractor's MMP. ☐

4.14.5 Other associated improvements assessed. ☐

4.14.6 Approved project scope and standard. ☐

4.15 Surfacing Treatment Selection

4.15.1 Project site investigations completed in accordance with the Contractor's MMP process. ☐

4.15.2 Resurfacing designs reflected lessons learnt from 4.18 below. ☐

4.15.3 Waka Kotahi P/17 treatment selection recommendation was provided for each site by the Contractor and was in accordance with the Contractor's MMP. ☐

4.15.4 Other associated improvements assessed. ☐

4.15.5 Approved design, NPV, cost and surfacing quality plan. ☐

4.15.6 Zero OPM defects on all resurfacing sites. ☐

4.16 Construction Assurance Monitoring

4.16.1 Proactive involvement in the work programme development to enable onsite presence. ☐

4.16.2 Collaborative monitoring of quality plans completed. ☐

4.17 Post-construction Pavement Rehabilitation Design Assessment

4.17.1 Received and reviewed each pavement rehabilitation construction completion report. ☐

4.17.2 Annually received and reviewed pavement rehabilitation post-construction design assessment report for all projects completed. (Use JunoViewer tool) ☐

4.17.3 Assessed and applied performance standard rutting and roughness payment deductions, if applicable, annually. ☐

4.17.4 Completed peer review for a sample of projects. ☐

4.18 Post-construction Resurfacing Design Assessment

4.18.1 Received and reviewed each resurfacing construction completion report. ☐

4.18.2 Annually received and reviewed Waka Kotahi P/17 resurfacing post-construction design assessment report for all sites completed. (Use JunoViewer tool)

4.18.3 Assessed and applied performance standard Waka Kotahi P/17 payment deductions, if applicable, in the last two construction seasons. ☐

4.18.4 Two years after chip resurfacing, assessed and applied ESC standard payment deductions, if applicable. ☐

4.18.5 Annually received and reviewed AC post-construction design assessment report for all sites completed. ☐

4.18.6 Assessed and applied performance standard AC rutting and roughness payment deductions, if applicable, annually. ☐

4.18.7 Completed peer review for a sample of projects. ☐

4.19 Winter Services Management

4.19.1 The supplier has identified and detailed their own winter services management plan into their EPPP. ☐

4.19.2 Annual stock requirement for CMA has been communicated to the Waka Kotahi Winter Services Group. ☐

4.19.3 Daily Treatment Record forms have been completed by the supplier during the winter period. ☐

4.19.4 Monthly reporting and post-winter reporting completed and delivered by Supplier. ☐

4.20 Traffic Services

4.20.1 Contractor supplied the results from the 6-monthly and annual Electronic Warning Signs maintenance inspections. ☐

4.20.2 Any maintenance repairs identified by the Contractor are passed to the appropriate owner (Contract Provisional Sum or National VMS contract or other contract). ☐

4.20.3 Principal secured appropriate funding to implement electronic sign asset preservation programme (refer to Annual Plan preparation). ☐

4.21 Incident Response

4.21.1 Assessed the need for the Contractor to complete additional asset inspections after an incident. ☐

4.21.2 Events have been managed in accordance with the EPPP. ☐

4.21.3 An incident recovery plan was developed and implemented when agreed. ☐

4.21.4 Records were kept by the Contractor and were available for events exceeding 10 hours. ☐

Maintenance, Operations and Renewal Delivery Annual Cycle checklist is completed.

Name Date / /

5 FINAL YEAR

5.1 New Project Plan Development

5.1.1 Prepare Project Plan. ☐

5.1.2 Sponsors to approve of project plan received. ☐

5.2 Renewal Quantity Management Reward

5.2.1 Commence the assessment the appropriateness of the end of Contract award in accordance with the Contract at the beginning of the final year. ☐

5.2.2 CMT recommendation made to the CB. ☐

5.2.3 CB recommendation made to the Principal. ☐

5.3 Procurement Process

5.3.1 Commence procurement process for next Contract (refer to 1.1 above). ☐

5.4 Hand Back of Assets

5.4.1 Complete joint inspection before Practical Completion. ☐

5.4.2 Received a full handover report. ☐

Final Year phase checklist is completed.

Name Date / /

6 CLOSE-OUT

6.1 Contract End

6.1.1 Complete final performance framework evaluation with Contractor. ☐

6.1.2 Complete joint inspection prior to issue of Practical Completion. ☐

6.1.3 Reconcile final project cost including full assessment and reconciliation of all post construction completion performance measures. ☐

6.2 Defects Liability

6.2.1 Completed pavement rehabilitation and resurfacing work locations for last two construction seasons clearly defined. ☐

6.2.2 Principal implements a regular site inspection regime to capture defects requiring Contractor intervention. ☐

6.2.3 Complete joint inspection prior to issue of Final Completion Certificate. ☐

6.2.4 Release bond or retentions to Contractor. ☐

6.3 Contract Close-out

6.3.1 All deliverables completed. ☐

6.3.2 File all records including ensuring handover to Waka Kotahi of all hardcopy and electronic records owned by the Principal as part of any deliverable under the contract. ☐

6.3.3 Close Contract files. ☐

6.4 Project Close-out

6.4.1 Register the project closure in SAP. ☐

6.4.2 File all records. ☐

Close-out phase checklist is completed.

Name Date / /

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1 PROCUREMENT

1.1 Set-up

1.1.1 Introduction

The purpose of this process is to define procedures for the setting up of the project including the appointment of key personnel and agreeing the procurement strategy.

1.1.2 Reference(s)

State highway maintenance contract proforma manual (SM032).

1.1.3 Responsibility

Senior Procurement Manager and the Regional System Manager.

1.1.4 Assign Project Manager

The Manager Systems Management and Regional System Manager will assign the Project Manager for the respective Networks.

1.1.5 Procurement Strategy

A Network Procurement Strategy is required to be drafted by the Project Manager, or delegated person, for MCGG approval. It is useful to obtain a copy of the last strategy developed as a starting point when developing this document.

As part of the preparation of the strategy, a market analysis shall be performed to understand the market conditions (sustainability) of the suppliers and local authorities. Some of the findings from this analysis will feed into the procurement strategy, ROI/NOI and RFT, such as percentage market share for subcontractors.

A supplier selection method must also be nominated in the strategy and approved by the MCGG. This could be either the Price Quality Method or Purchaser Nominated Price Method.

As a result of the procurement strategy, Network-specific approval may be granted to adjust the non-price marking attributes. Any endorsement will be from the Procurement Team and approval from the MCGG.

1.1.6 Project Set-up

Administrative duties include:

- Setting up the project and financial allocation in SAP
- Obtaining a Contract number
- Identifying and engaging with support resources
- Setting up the project file
- Engaging with the Evaluation Team
- Engaging with the probity auditor.

1.1.7 Base Preservation Network (BPL) Tour

This Network tour is a review of the needs of the Network at treatment-length level for the period of the Contract. It is conducted by the nominated Network Team assisted by the Outcome Delivery Team. The Network tour will not include any local suppliers. The output of the tour is to produce the specimen programme and lock in appropriate Base Preservation Levels (BPLs) for pavement, sealing and TAC renewals.

As a guide, up to 150km of a carriageway can be covered each day; however, it will depend on the characteristics of individual networks.

1.1.8 OPM Level of Service Sample

In order to ascertain the appropriate OPM level of service, a sample of the Network measuring current compliance with most of the OPMs may need to be completed. This involves representatives from the local Network Team and the Outcome Delivery Team. The results are evaluated to determine the OPM scoring threshold parameters and may provide reliable supporting evidence to justify the Contract estimate quantities.

As a guide, to sample 5km sections over a Network, allow a production rate of approximately five to six 5km sections each day. The achievement rate will depend on the characteristics of individual Networks.

The sample results are also provided to tenderers.

1.1.9 Linkage(s)

- National Implementation Programme
- Regional Procurement Strategy
- Network Procurement Strategy https://www.nzta.govt.nz/resources/state-highway-maintenance-contract-proforma-manual/
- Other current procurement strategies
- SAP, http://hip.nzta.govt.nz/technical-information/sap/sap-portfolio-and-project-management
- OPM Visual Intervention Guidelines

1.2 Project Plan

1.2.1 Introduction

A Network Outcomes Contract Project Plan is a mandatory requirement.

The Project Plan development should commence in the final year of the current Contract and should help guide the collection of information throughout the life cycle of the upcoming Contract.

The purpose of the process is to:

- Provide a template to meet Waka Kotahi internal requirements for managing, tendering, awarding, and operating a Network Outcomes Contract
- Assist with meeting our quality requirements, principles, and best practices.
- Assist staff during internal and external audits, such as Office of Auditor General, showing compliance with best practice and internal requirements.
- Provide a reference document for completing the necessary steps to complete the management of maintenance contracts
- Provide a reference guide for staff and supporting information to National Office
- This document will be a “living” document and hence will require updating and review throughout the Contract Period. This plan will be supported by a programme identifying the activities, their durations and the resources required. The plan should be tracked on a weekly basis to ensure milestones are achieved. Refer to relevant sections later within this manual.

1.2.2 Reference(s)

Nil.

1.2.3 Responsibility

Manager Systems Management.

1.2.4 Project Plan Development

Developing the Plan

The development of a Project Plan is to assist Waka Kotahi staff and Contractors to set up and undertake the Contract with an understanding of the regional framework, risks, roles and responsibilities. The necessary steps to be undertaken are:

- Draft the electronic Project Plan proforma
- Hold an internal inception Contract meeting to help collect the necessary information and obtain buy-in
- Complete the Project Plan and the Regional Management Team (RMT) will sign off.

The Project Plan should reflect the region's Network issues and explain how the maintenance operations are to be managed within the region.

Using the Plan

The Project Plan can be used as a reference document. It will be useful, for example, to include the Project Plan with procurement strategies and internal information papers.

1.2.5 Risk

Guidance on managing risk throughout the Project duration is provided Highways Information on the Portal http://hip.nzta.govt.nz/technical-information/risk

1.2.6 Distribution

The Tender Project Manager is responsible for ensuring all named personnel stated within the Project Plan's distribution list receive a copy.

1.2.7 Linkage(s)

- Risk Guidance on Highways Information Portal http://hip.nzta.govt.nz/technical-information/risk

1.3 Preselection Process

1.3.1 Introduction

The purpose of this process is to define procedures for the preparation, advertising and evaluation of the Registration of Interest (ROI) or Notice of Intention (NOI) processes.

1.3.2 Reference(s)

Nil.

1.3.3 Responsibility

Project Manager.

1.3.4 Purpose

An ROI or NOI is the initial procurement process during which suitably experienced applicants can formally express interest in being shortlisted as prospective tenderers.

This shortlisting is the first stage in a two-stage procurement process. More detailed and specific attribute information will be requested in the second stage RFT and will be required to be submitted with tenders for the purpose of the tender evaluation.

1.3.5 Conflict of Interest

Each TET member and supporting personnel is to complete a Conflict of Interest form in advance of the ROI or NOI being prepared so that any risk of bias can be dealt with at an early stage. Refer to Waka Kotahi's Contract Procedures Manual.

1.3.6 Approval of Insurances

A request for Approval of Insurance Amounts is required to be completed only for Milford Road, Wellington and Auckland Networks, refer Contract Procedures Manual, Appendix XXIII.

The request is to be submitted to:

- Waka Kotahi's broker for endorsement
- Senior Managers Procurement & Risk and Assurance for approval and final sign off.

For all other Networks, it is the responsibility of the Project Manager to determine the appropriate levels of insurance.

1.3.7 Preselection Process

The determination of whether the Registration of Interest (ROI) or Notice of Intention (NOI) process is to be used for preselecting tenderers shall be agreed with the Principal Procurement Manager (Maintenance).

1.3.8 Preparing the ROI/NOI

A proforma ROI or NOI is provided for the Project Manager to complete for a particular Network from the Principal Procurement Manager (Maintenance).

Network-length parameters can be sourced from the generation of standard reports from within the RAMM database.

The determination of subcontractor involvement within the Contract is ascertained from the market analysis performed in Section 1.1, Procurement Strategy.

The Large Maintenance Renewals Programme (national programme) is used as a guide to determine the dates for:

- ROI/NOI Advertising and close
- Tender Period
- Tender Evaluation Period
- Contract Commencement.

It is important that the dates defined are in line with the national programme.

It is advisable to ensure all dates and appointments are accepted and agreed by all members of the TET and the Probity Auditor.

1.3.9 Advertising

A request for Approval to Advertise is required to be completed, refer Contract Procedures Manual.

The request is to be submitted to the Manager Systems Management for approval and signoff

1.3.10 ROI Combined Group Interactive

During the ROI tender period prepare and present a PowerPoint or similar to interested parties. The aim is to explain:

- The process of the ROI and the RFT
- Any changes to the Contract
- The Network and any specific requirements
- Key contact details for the Probity Auditor and TET Team Leader.

This is also a chance for the prospective tenderers to raise any questions they may have about the process. There are examples of those used already that can be obtained from the Principal Procurement Manager (Maintenance).

The presentation may require input from the Network Team so that the presentation makes tenderers aware of the key Network specifics.

1.3.11 ROI/NOI questions raised

Any questions raised during the ROI/NOI process that relate to the Contract will be processed by the Tenders Secretary and managed by the TET Team Leader.

1.3.12 Evaluating the ROI/NOI

Refer Contract Procedures Manual and the National Procurement Team for advice.

The Maintenance Contract Manager and Network Manager should set aside time should the TET require assistance in the evaluation.

1.3.13 Linkage(s)

- Waka Kotahi's Contract Procedures Manual (SM021)
- ROI Proforma (refer to Principal Procurement Manager (Maintenance)
- NOI Proforma (refer to Principal Procurement Manager (Maintenance)
- Large maintenance renewals programme, online at http://www.nzta.govt.nz/resources/large-maint-renewals-programme/?category=&subcategory=&audience=&term=large+maintenance+renewals

1.4 Contract Document (RFT) Preparation

1.4.1 Introduction

The purpose of this process is to define procedures for developing the Network Outcomes Contract documentation.

1.4.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Information for Tenderers
- Conditions of Contract (Volume 1)
- Schedule of Prices (Volume 2)
- Basis of Payment (Volume 3)
- Maintenance Specification (Volume 4)
- Appendices (Volume 5).

1.4.3 Responsibility

Project Manager.

1.4.4 Document Preparation

The proforma Contract documents are provided for the Project Manager to complete for a particular Network from the Principal Procurement Manager (Maintenance). The proforma is structured using a colour-coded format that guides the Contract preparation. Refer to Document Change Format Codes within each Contract Document volume.

It is important that all section references within the Contract Document align. For example any authorised changes in any volume must have corresponding changes in other subsequent volumes, i.e. an allowable change in the Maintenance Specification may result in a corresponding change in the Schedule of Prices and Basis of Payment. This is particularly important for Section 7 of the Maintenance Specification.

Most entries, in particular the quantities and decisions, should be documented as to the calculation and determination of the outcome.

Complete Information for Tenderers

Network- length parameters can be sourced from the generation of standard reports from within the RAMM database.

IFT, Table 4, includes all key standard Contract data including important dates. These need to have local agreement with all TET members and advisors.

The variation benchmarking scenarios require Network Team knowledge. Therefore, further to the scenarios already provided, this team should develop scenarios that have relevance to the local area being tendered. The Principal Procurement Manager (Maintenance) can assist if required.

Complete Conditions of Contract (Volume 1)

There are many user-defined entries required within this volume that will require some sourcing.

Guidance for completing this volume can be obtained from the Principal Procurement Manager (Maintenance).

Complete Schedule of Prices (Volume 2)

This section is applicable for completing the schedule of prices, quantities and allowable specification changes.

The SOP is structured as follows:

- 1.0 Schedule of Prices – Lump-sum Items.
- 2.0 Schedule of Prices – Measure and Value Items.

Section 2.0 contains 3 sub-schedules to cater for Networks that contain more than one level of Code of Practice for Temporary Traffic Management (CoPTTM) traffic control. A Network that has only one level of traffic control need only use one of the following subsections; for example, if a Network is all Level 1, then sub-sections 2.2 and 2.3 are not required and can be removed.

For Networks that contain more than one level of CoPTTM traffic control, the Schedule of Prices needs to be duplicated for the applicable level as follows:

- 2.1 CoPTTM LEVEL 1 MEASURE AND VALUE ITEMS
- 2.2 CoPTTM LEVEL 2 MEASURE AND VALUE ITEMS
- 2.3 CoPTTM LEVEL 3 MEASURE AND VALUE ITEMS

The quantity estimating process for Networks with more than one CoPTTM level requires separate assessments of quantity need for each CoPTTM level road extent. The assessment process for each item is essentially the same regardless of CoPTTM level, hence the following guidance is provided only once.

- 3.0 Tender Summary
  No quantity calculation is required within this section.
- 4.0 Pavement Rehabilitation Schedule
  Refer to table below.
- 5.0 Resurfacing Schedule
  Refer to table below.
- 6.0 Important Note for Tenderers about Quantities
  No quantity calculation is required within this section.

Each Schedule of Prices item that requires a scheduled quantity to be calculated is listed in Part 4, along with guidance on what the item is for, and how the quantity value can be obtained.

The Network Team should develop the Schedule of Prices based on historic quantities, but specifically tailored to meet the new levels of services of the Network Outcomes Contract.

In all instances, the Schedule of Prices developer must refer to the corresponding Network Outcomes Conditions of Contract (Volume 1), Basis of Payment (Volume 3), Maintenance Specification (Volume 4) and Appendices (Volume 5) before attempting to calculate each quantity.

This will enable the Schedule of Prices developer to have an understanding of the scope of each Schedule of Prices item, and when and how the quantity should be applied within the context of the 13th Schedule Contract Risk Profile.

Each Schedule of Prices provisional sum (PS) item requires an estimated cost to be built up for the Contract term.

Any additional items, as specified within Section 7 of the Maintenance Specification, will require specific items to be added into the Schedule of Prices and not incorporated into the Lump Sum.

Guidance for completing this volume can be obtained from the Procurement Team.

Complete Basis of Payment (Volume 3)

The standard Basis of Payment proforma is required to be completed.

Any additional items, as specified within Section 7 of the Maintenance Specification, will require specific items to be added into the Schedule of Prices and Basis of Payment and not incorporated into the Lump Sum without prior approval.

Guidance for completing this volume can be obtained from the Principal Procurement Manager (Maintenance).

Complete Maintenance Specification (Volume 4)

The following table includes guidance for the various document tables.

TABLE REFERENCE	DESCRIPTION
1.7, Summary of Road Classifications	This information is sourced from RAMM. There is a standard report available from within RAMM Manager.
2.3.1, Network Sampling Weightings by Road Class	The Network Team is to set the number of 5km audit lengths per road class weighted toward higher classes. This equals the number of 5km lengths for each classification apportioned by classification percentage of total Network length then altered to weight more sections to the higher classified roads.
3.15, Road Benchmark and Calibration Sites	These sites should be identified within the carriageway table in RAMM.
5.3.1, Indicative Network Control Annual Numbers	This information is generally sourced from the incumbent supplier. Many existing measure and value professional service contracts are likely to include this information also, which could be used as a guideline. Refer to the last professional services RFT or Contract document.
5.3.2, Location of Established Weather Recording Stations	These sites should be identified within the features table in RAMM.
6.1.1, Pavement Rehabilitation Base Preservation Lengths	This information is sourced from the outcomes of the BPL tour, specimen programme and report summarising lengths passed onto the Network Team by the Asset Management Integrators (AMIs).
6.1.5, Resurfacing Base Preservation Lengths	Use the data from the specimen programme developed during the BPL Network tour to populate the renewals schedules. The specimen programme breaks down the treatments to what is Waka Kotahi's initial best guess to an appropriate level to

	populate all the different treatment options within the schedules for pavement and surfacing renewals. Please note that the preservation lengths need to align with the Schedule of Prices quantities.
6.1.6, Skid Resistance Renewal Quantities	The Lane km figures are provided by the AMIs in conjunction with local input by the Network Team.
6.2, Base Preservation Drainage Lengths	Calculated by multiplying the standard percentages by the Network length.

Section 7 includes only Network-specific information and requirements.

Section 8 is allocated to maintenance specifications specifically for a local authority that has agreed to a combined maintenance Contract.

To develop Section 8 refer to the Procurement Team.

Complete Appendices (Volume 5)

The following table includes guidance for the various appendices.

Table Reference	Description
1.3, Location of Works	Maps are available; please use Waka Kotahi's NMA Principal Road Network Maps.
1.4.1, Network Extents	This table splits the total Network length by classification and by TLA. There are RAMM scripts available for generating this information. For assistance contact the Information Systems Administrator.
1.4.3, Foot and Cycle Path Extents	This information is sourced from the appropriate table in RAMM.
1.5, Specific Distances between Centreline and Road Boundary	This information is useful in assisting Contractors to understand the areas involved for Type 4 vegetation control – wide verge mowing, in particular. The maintenance boundaries for the network must be confirmed with the Network Team. It is recognised that most Networks may not have this information readily available as limits vary considerably over the length of the Network. If left unpopulated there are likely to be questions over the extent of Type 4 mowing control required, which may result in tender clarifications as to the extent of Type 4 mowing in general.
3.1, Local Authority Maintenance Activities and Locations	Include any current Memorandum of Understandings (MOUs) for maintenance responsibilities within urban areas.
3.2, Sections of the Network under Current or Future Control of Separate Contractors	Include any applicable types of work and relevant details. This includes road sections that are under Defects Notification Period from other contracts.

3.5.1, Stockpile Sites	Stockpile sites are generally identified within RAMM in the features table. Alternatively, existing maintenance Contracts should already contain schedules of these and their locations.
3.5.2, Disposal Sites	Existing disposal sites, if any, should be detailed in existing maintenance Contract schedules.
3.6, Land Entry Agreements	This information could be sourced from existing maintenance Contract schedules.
4.3, Other Registers to be Maintained by the Contractor	In addition to the provided list, there may be Network-specific registers that require maintaining by the Contractor.
4.4, Level of Temporary Traffic Management	This information is sourced from the RAMM Carriageway table. There are RAMM scripts available for generating this information. For assistance contact the Information Systems Administrator.
4.5.1, Schedule of No Spray Zones	This information could be sourced from existing maintenance contract schedules.
4.5.2, Schedule of Protected Trees	This information should be able to be sourced, if available, from schedules from within the existing maintenance Contract documents. The information may also be sourced from local authority District Plans.
4.6, Site Specific Operations and Emergency Management Plans	Site Specific Operations and Emergency Management Plan information, if there is any, can be sourced from the incumbent supplier.
5.2.1, Resource Consents	This information can be sourced from CS-VUE. Check this information with the local planning team.
5.2.2, Designations	
5.3, Geological Hazard Site Inspection Register	This information, if there is any, can be sourced from the incumbent supplier. The intent of this table is to document those sites, or short lengths, within the Network that require a particular focus on geological issues to reduce Waka Kotahi's risk of compromising Network availability, safety and/or vehicle passage. A workshop with key personnel to discuss and agree these sites is preferable.
5.4, Inventory of Bridges and Other Structures	A schedule, in spreadsheet form, is required to be inserted in the document. This schedule can be developed from sourcing the information from the Regional Bridge Consultant.
6.5.1, Vulnerable Flooding Areas	This schedule is used to document those sites, or short lengths, within the Network that require a higher level of service to the standard specifications in order to reduce Waka Kotahi's risk of compromising Network availability, safety and/or vehicle passage. A workshop with key personnel to discuss and agree these sites is preferable.
6.5.2, Vulnerable Drainage Assets	

6.6, Culverts, Subsoil and Horizontal Drains Maintenance Schedule	There may be specific assets that require maintenance or inspections in addition to the standard drainage specifications. A workshop with key personnel to discuss and agree these sites is preferable.
6.7, Winter Maintenance Requirements	This is a separate document, specifically tailored for the Network, which defines the requirements for winter maintenance. The Winter Maintenance Group can assist in developing any Network specific requirements if required.
6.8, Winter Service Targets and Indicative Quantities	These targets and quantities are based on the Winter Maintenance Requirements included in Appendix 6.7. The information could be sourced from the current maintenance Contract or discussions with incumbent suppliers.
6.9.1, Vegetation Control – General	The information could be sourced from the current maintenance Contract or discussions with incumbent suppliers.
6.9.2, Vegetation Control – Rest Areas	
6.9.3, Vegetation Control – Miscellaneous Areas	
6.9.4, Vegetation Control - Omissions	It is important to specifically state any vegetation control omissions within this table. Examples may include specific areas that are maintained by others.
6.10, Extent of Vegetation Control	In addition to the standard diagrams that identify the zones for the various vegetation control types, provide any specific planted area maps for Type 7. Examples may include isolated areas in urban sections or as defined within a MOU where maintenance work is required. Get input from the Regional Council about their plant pest issues.
6.11, Rest Area and Heavy Commercial Vehicle Facility Maintenance	The information could be sourced from the current maintenance Contract or discussions with incumbent suppliers. Also insert any site-specific management plans that assist in defining Waka Kotahi's or the Contractor's responsibility.
6.12, Basic Electronic Warning Signs Maintenance Checklist	The information could be sourced from RAMM, the current maintenance Contract or discussions with incumbent suppliers.
6.14, Location of Variable Message Signs	This information is sourced from the RAMM Signs table.
6.15, Recurring Hazards	The information could be sourced from the current maintenance Contract or discussions with incumbent suppliers. Define how these are to be

	treated within the document, especially whether the risks are to be with the Principal or with the Contractor. Examples include material fretting, debris from trees and damage-prone sites.
6.16, Schedule of Site-Specific Warning System Locations	The information could be sourced from the current maintenance Contract or discussions with incumbent suppliers.

Document Review

The Network Team must be given the opportunity to review the Contract document before the work is tendered. The Network Team should also be invited to attend all formal project progress.

The Project Manager must review the tender documentation to ensure completeness, accuracy and currency. The Project Manager or an independent person can undertake the review. Waka Kotahi has in-house procurement experts available for this purpose.

The Highway Manager and then the Procurement Team will review and approve the document for release. Also refer to Document Change Format Codes.

1.4.5 Develop Engineer's Estimate

An Engineer's Estimate is required to be developed for the Network. For contracts with a Purchaser Nominated Price supplier selection method the Engineer's Estimate is developed further to become the Purchaser Nominated Price.

Guidance for completing these can be obtained from the Principal Procurement Manager (Maintenance).

The Engineer's Estimate or Purchaser Nominated Price need to be robust and should represent the new levels of service contained within the Maintenance Specification as compared with the current service. The estimate should fall within the SHAMP allocation.

Estimate Review

The review of the Engineer's Estimate or Purchaser Nominated Price is completed by an independent estimator. The Procurement Team will advise how this is to occur. The reviewer is likely to challenge the reasoning behind the rates for schedule items, therefore documented justification is strongly suggested.

Maintenance Contracts Governance Group (MCGG) Approval

The value of the Engineer's Estimate or Purchaser Nominated Price requires MCGG approval.

1.4.6 Linkage(s)

- Network Outcomes Contract document proforma
- Guidelines for the development of the schedule, refer part 4
- NMA Principal Road Network Maps
- Current Memorandum of Understandings (MOUs)

1.5 Request for Tender and Award

1.5.1 Introduction

The purpose of this process is to define procedures for tendering and award of the Network Outcomes Contracts.

1.5.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Information for Tenderers.

1.5.3 Responsibility

Project Manager.

1.5.4 Purpose

This is the second stage in the two-stage procurement process.

1.5.5 Contract Procedures

The Contract Procedures Manual (SM021) covers all the processes in relation to Contract administration in detail. What follows is additional guidance on Contract administration practices for Waka Kotahi's Network Outcomes contracts.

1.5.6 Invitation to Tender

The RFT will be provided to those tenderers who were shortlisted during the ROI or NOI phase. The Tenders Secretary will arrange the distribution of the RFT to those tenderers.

The Project Manager shall provide the Tenders Secretary with all the documentation available for viewing by tenderers. The Tenders Secretary will liaise with tenderers for viewing times.

Tenderers will send tender queries to the Tenders Secretary. The Tenders Secretary will forward these to the TET Leader for a suitable response.

1.5.7 Combined Benchmarking Interactive

This benchmarking exercise is designed to align tenderers on specific scenarios that they may encounter during Contract execution.

The Principal Procurement Manager (Maintenance) manages a standard template being used for this session, which is also included in the IFT as Addendum A. There is a responsibility by the Network Team to add additional scenarios that could be specific to the Network to further test the supplier's knowledge of the document and highlight situations that may not be well covered.

The Network Team should attend and participate in the benchmarking interactive.

1.5.8 Individual Technical Interactive 1

This first interactive meeting has an agenda set by the individual tenderers. Typically tenderers will use the session to:

- Introduce their team
- Ask questions to clarify any issues they may be uncertain of
- Find out what aspects of the tender the TET places most value on.

1.5.9 Individual Technical Interactive 2

This first interactive meeting has an agenda set by the individual tenderers, with an emphasis on Draft MMP feedback from the Principal.

1.5.10 Tenders Close

After tenders close, the Project Manager must allow the Tenders Secretary and witnessing officers to follow the opening tender process as laid out in SM021.

1.5.11 NPA Evaluation

The TET will draw upon the local knowledge of advisors such as the Network Manager or Maintenance Contract Manager to assist with their evaluation of the Non-Price Attributes (NPAs). Conflict of Interest forms will be required from all TET advisors.

TET members will firstly complete their own initial assessment and marking of each tender submission.

The TET will then convene for up to a week, depending on the number of submissions, to discuss the reasoning for individual marking and to agree scores. They will then commence the Tender Recommendation.

1.5.12 MMP Alignment Workshops and/or Tender Presentations

Each tenderer will conduct an MMP alignment workshop and/or presentation on aspects of their tender as required by Waka Kotahi. They are only to present the information indicated by Waka Kotahi and already documented within their non-price submission. The presentation provides an opportunity for tenderers to provide any necessary further clarity to a specified portion of their bid.

The TET may agree to adjust their scoring for each submission as deemed necessary following the presentations.

1.5.13 Reporting and Approval

Following the tenderer presentations, the TET will agree final scores. If PQM is used they will apply a test of reasonableness to the Supplier Quality Premium (SQP) value that the scoring produces. This is to ensure Waka Kotahi is satisfied on the value it is willing to pay over and above for quality.

TET Report 1 seeking approval to open the price envelopes shall be written with robust supporting comments for the agreed non-price attribute scoring.

The report shall be signed by all members of the TET, and then either presented to the MCGG for approval (if PNP used), or the National Manager Network Outcomes (if PQM used). Ensure that a process is established for dealing with unsustainable tenders.

If evaluating a combined Contract with a local authority, then follow the endorsed proposal for tender opening with the partner.

1.5.14 Tender Recommendation

After approval to open the price envelope (PNP) or envelopes (PQM) is given, the tender secretary undertakes the opening. The price (PNP) or prices (PQM) are then evaluated as per the IFT requirements and a preferred tenderer is found.

If required pre-letting discussion is held with the preferred tenderer to reach any required conditions for proceeding to tender award. Pre-letting matters could include:

- Clarify any price irregularities in their submission
- Confirm any obvious mistakes or errors
- Confirm any pledges as necessary.

For PQM a sustainability check will be required in accordance with the sustainability clause in the RFT. If the preferred price is deemed unsustainable, it will be forwarded to the Sustainability Committee for their evaluation. If it is again deemed unsustainable, the TET will most likely require further interviews with the tenderer to justify the sustainability of any aspect of their tender in an open book environment.

TET Report 2 with the recommendation of the Contract award is produced and presented to MCGG for approval (if PNP used), or the National Manager Network Outcomes (if PQM used).

1.5.15 Tender Award

The local Manager Systems Management will make phone calls advising the preferred tenderer that they will be invited to a pre-letting meeting and advising the other suppliers that another (un-named) party has been invited and they have not been invited. Further announcements are made once the agreement is reached with the preferred tenderer..

1.5.16 Set SAP Budgets

The budgets set up during the Set-up Stage (refer Section 1.1) will require amendment to reflect the actual expenditure based on the tendered rates.

1.5.17 Linkage(s)

- Contract Procedures Manual (SM021)
- TET Report 1 proforma (refer to Principal Procurement Manager (Maintenance)
- TET Report 2 proforma (refer to Principal Procurement Manager (Maintenance)
- SAP, http://hip.nzta.govt.nz/technical-information/sap/sap-portfolio-and-project-management

2 ESTABLISHMENT

2.1 Project Plan Update

2.1.1 Introduction

The purpose of this process is to update the Project Plan to reflect the changes that have resulted in procuring a Contractor.

2.1.2 Reference(s)

None applicable.

2.1.3 Responsibility

Project Manager.

2.1.4 Project Plan Update

The Project Plan can be updated once the Contract award is complete. The necessary steps to be undertaken are as follows:

- Complete the Project Plan by including the relevant Contractor details
- Update the document history and reissue document to the Maintenance Contract Manager

There are direct linkages between the Project Plan and the Contract Plan. Therefore a copy of the Project Plan should be provided to the Contractor, on award of the Contract, to assist them in producing their Contract Plan.

This document will be a “living” document and hence will require updating and review throughout the Contract Period. Refer to relevant sections later within this manual.

2.1.5 Linkage(s)

- The Highway Information Portal (HIP)
- Contract Document storage location

2.2 Financial Update

2.2.1 Introduction

The purpose of this process is to define the procedures for updating the financial information already set up within SAP to align with the Contractor’s pricing.

2.2.2 References

This activity refers to the following sections of the Contract document:

- Basis of Payment
- Maintenance Specification, 5.6.1 (Annual Allocations and Cash Flows)
- Maintenance Specification, 5.6.2 (Monthly Financial Accruals).

2.2.3 Responsibility

See Contract Plan for roles and responsibilities.

2.2.4 SAP update

Update SAP with financial updates for each Work Category

- The following process applies:

- The Maintenance Contract Manager will provide the approved Annual Plan (funding). Waka Kotahi staff will load the Annual Work Category Allocation funding at task (Summary) level ready for the Contractor to forecast and allocate the annual cash flow for the tendered sum to the various work categories and individual WBS line items.
- The Network Management Team will review the information for completeness, and the work category information is updated in SAP. (i.e. the Forecast items are ticked in the Submit box and and "Saved" Once complete, National Office (Outcomes Delivery) is to be advised.

Set Contractor's monthly tendered base lump sum for monthly at-risk payment

Derive the monthly at-risk payment that will come into effect after the 4-month grace period.

Creditor Setup

The Maintenance Contract Manager will need to ensure the Contractor's details are set up within SAP.

2.2.5 Linkage(s)

- SAP, http://hip.nzta.govt.nz/technical-information/sap/sap-portfolio-and-project-management
- New SAP User Access Request Form, refer Kete
- SAP System User Access Request Form, Kete Document G00015552
- Annual Work Category Allocation Form, refer Part 3

2.3 Role Delegations and Confirmation

2.3.1 Introduction

The purpose of this process is to ensure that those people nominated within the Project Plan have their delegated responsibilities confirmed through the appropriate authorisations.

2.3.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 1.6 (Contract Roles).

2.3.3 Responsibility

Maintenance Contract Manager.

2.3.4 Contractor

Main Contractor

The Maintenance Contract Manager needs to confirm the main Contractor's key personnel and their location, to establish who will actually be executing the works, as there may have been some personnel changes between tendering and commencement of the Contract.

The Contractor should provide CVs of any new key personnel for the Maintenance Contract Manager to assess and agree as suitable replacements for those originally included in the tender. "Suitable" denotes a person with the same or better attributes in relation to relevant and technical experience. For any proposed changes to key contract personnel as offered in the tender, the Contractor shall submit a formal request and the Maintenance Contract Manager must assess and agree suitable replacements prior to reporting to the CB.

Subcontractor(s)

The Maintenance Contract Manager needs to confirm the subcontractor(s) and their location and establish who will actually be executing the works as there may have been some changes between tendering and commencement of the Contract.

The Contractor should provide appropriate subcontractor business information such as track record, relevant experience, technical skills, and referees for any subcontractor replacements, for comparison with those originally tendered. The Maintenance Contract Manager must assess and agree suitable subcontractor replacements prior to reporting to the CB.

Confirmation of changes

Any changes require issuing of:

- Notice to Engineer by the Contractor
- Endorsement from the Contract Board
- Formal response through Notice to Contractor.

2.3.5 Engineer to Contract and Engineer's Representative

The Maintenance Contract Manager shall confirm the Engineer to Contract. This would generally be that person nominated within the tender documents.

The Engineer to Contract is required to issue Notice to Contractor (NTC) No.1 stating delegation of roles and responsibilities to the Engineer's Representative, being the Maintenance Contract Manager. A proforma is provided in Part 3.

2.3.6 Contract Management Team

The Maintenance Contract Manager and the Contractor shall confirm the Contract personnel, including the Contractor and Principal personnel who will form the Contract Management Team (CMT). Generally the team comprises a selection from the following list:

- Waka Kotahi Maintenance Contract Manager (Mandatory)
- Waka Kotahi Journey Manager
- Waka Kotahi Senior Network Manager (Mandatory)
- Waka Kotahi Safety Engineer
- Contractor Contract Manager (Mandatory)
- Contractor Deputy Contract Manager
- Contractor Asset Manager
- Contractor Operations Manager
- Contractor Compliance & Quality Manager
- Contractor Safety Manager/Engineer
- All significant subcontractors.

The working CMT should be a small group of key staff as noted above (5-6 people) , with other key personnel called in from time to time to assist as may be required.

2.3.7 Temporary Traffic Management

On behalf of Waka Kotahi, the System Manager will need to delegate their responsibilities to the Contractor via the Waka Kotahi Instrument of Delegation. NTC No.2 (refer Part 3 for proforma) is used to appoint an appropriately qualified and suitable Traffic Management Coordinator (TMC) and backup TMC for approving temporary traffic management and temporary speed restrictions. It is advisable to check the Traffic Management Co-ordinator (TMC) and Site Traffic Management Supervisor (STMS) qualifications are valid for the Network.

2.3.8 Other Delegations

There may be other delegations required that are either Network or Regional specific. These need to be identified and any required delegations set up.

An example of this situation is where the Traffic Operations Centre (TOC) require authorised personnel to communicate variable message sign changes.

2.3.9 Confidentiality Agreement

Waka Kotahi requires there to be nominated Contractor's personnel who will have access to sensitive customer and commercial information, for which a confidentiality agreement needs to be completed. For example:

- Customer Relationship Management System (CRMS)
- Corridor Access Requests
- Deeds of Grant/Licence to Occupy
- Tender proposals
- Crash information
- Police requests.

2.3.10 Linkage(s)

- CoPTTM
- NZUAG Code
- RAMM CAR (Corridor Access Request)
- CRMS Confidentiality Agreement, refer http://onramp/Our-projects/Customer-relationship-management-system/Pages/Home.aspx
- Delegations, http://www.nzta.govt.nz/resources/contract-procedures-manual/docs/contract-procedures-manual-sm021-fourth-edition-delegated-authorities-schedule-part-a.pdf
- NTC No.1 Engineer to Contract and Engineer's Representative, responsibilities and delegations proforma, refer Part 3
- NTC No.2 Appointment of Traffic Management Coordinator, responsibilities and delegations proforma, refer Part 3
- CS-VUE
- TREIS

2.4 Systems Set-up

2.4.1 Introduction

The purpose of this process is to provide the Contractor and Waka Kotahi Contract staff with training in and access to (where appropriate) the various systems that are used by Waka Kotahi.

2.4.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.2 (Key Result Areas)
- Maintenance Specification, 2.3 (Operational Performance Measures)
- Maintenance Specification, 3.4 (Information Management)
- Maintenance Specification, 4.1 (Health and Safety Management Plan)
- Maintenance Specification, 4.3 (Traffic Control Plan)
- Maintenance Specification, 4.4 (Environmental and Social Management Plan)
- Maintenance Specification, 4.5 (Customer and Stakeholder Communications Management Plan)
- Maintenance Specification, 4.7 (Emergency Procedures and Preparedness Plan)
- Maintenance Specification, 5.1 (Asset Information Management)
- Maintenance Specification, 5.3.2 (Customer Database)
- Maintenance Specification, 5.3.5 (Incident Response Management)
- Maintenance Specification, 5.3.10 (Corridor Access Management)
- Maintenance Specification, 5.3.14 (Environmental Consent Compliance Management System)

- Maintenance Specification, 5.4 (Bridge and Other Structures Maintenance Management)
- Maintenance Specification, 5.5 (Safety Management)
- Maintenance Specification, 5.6 (Financial Management)
- Maintenance Specification, 6.6.1 (Operational Activities).

2.4.3 Responsibility

It is the Maintenance Contract Manager's responsibility to ensure:

- The previous Contractor's access to these systems has been either altered or removed at the appropriate times
- All systems are set up and the Contractor has access
- Training, where appropriate, is provided to the Contractor and their certification requirements are met.

2.4.4 Performance Management System

The Performance Management System is the system to be used to capture the KRA and OPM outcomes.

Also refer to section 2.7 (Performance Framework Set-up) and Quality Management Plan requirements.

Set-up

Waka Kotahi will provide access to the national performance reporting system for recording compliance results, which will be online for Contractors to populate.

The following set-up process applies:

- The Contractor is to provide a list of users
- The Maintenance Contract Manager will accept the users and pass the information onto the Performance Management Team
- The Performance Management Team is to provide access to the users.

In the absence of this system, the Contractor shall use their own system in the format agreed with the Performance Management Team.

Training

Training will be provided by the Performance Management Team via the online system and user manuals.

Champion

The Performance Management Team will be the point of contact for this system.

2.4.5 Highway Information Sheets (HIS)

Highway Information Sheets for every Network have been developed by the Auckland Motorway Alliance (AMA) and are available in PDF format.

Set-up

No specific set-up is necessary as all HIS are directly downloadable from http://his.aucklandmotorways.net/amahis/ListPDF.aspx

Training

Help on the HIS is available at http://hip.nzta.govt.nz/news-items/highways-information-sheets or http://his.aucklandmotorways.net

Champion

The Information and Systems Manager.

2.4.6 Highways Information Portal (HIP)

The HIP is a website that provides a central hub for information on the standards, processes, and procedures to be used by Waka Kotahi staff and Contractors to identify and develop improvements to New Zealand's state highways. Within HIP Technical Disciplines it has a section (resources) specifically for Networks Outcomes Contracts (NOCs)

Set-up

The website can be accessed through http://hip.nzta.govt.nz/home

Training

No specific training is available.

Further information on the wider strategies and policies of Waka Kotahi is available on the Waka Kotahi website.

Champion

The Information and Systems Manager.

2.4.7 RAMM Database

The RAMM database has been adopted by Waka Kotahi as the core asset information management system.

Set-up

Waka Kotahi RAMM database is hosted by RAMM Software Ltd.

The following set-up process generally applies:

- It is the Contractor's responsibility to have a RAMM licence and set up RAMM user IDs directly with RAMM Software Ltd.
- The Contractor is to provide a list of users, their RAMM training certifications and expiry dates.
- The Maintenance Contract Manager will accept the users and pass the information onto the Information Systems Administrator.
- The Information Systems Administrator will grant relevant permissions to those users.

This process may differ if the Network is a combined state highway and local authority shared arrangement.

Training

The Contractor is responsible for ensuring their personnel are trained and accreditations maintained. Training is not directly provided by Waka Kotahi.

Training courses and material are provided by independent suppliers.

If any of Waka Kotahi or Contractor's personnel need to add or modify RAMM data then they must have Level 1 and Level 2 User Accreditation.

Champion

The Information Systems Administrator is the gatekeeper for permission and access to the relevant RAMM Database.

The Region has assigned a local champion to assist with direct enquiries.

2.4.8 KiwiRAP

The KiwiRAP Analysis Tool (KAT) road assessment system is accessed through the New Zealand government's RealMe login service.

Set-up

The following set-up process applies:

- The Contractor is to register with KAT directly using the KAT Access Application Form. This is accessed through https://glsgwpro01.transactpro.nzta.govt.nz/portal/Portal.aspx
- The Contractor shall also notify these personnel to the Maintenance Contract Manager
- Once the Contractor has been approved, KAT is accessed through https://glsgwpro01.transactpro.nzta.govt.nz/portal/Portal.aspx

Training

Online training tutorials are available.

Champion

The National Traffic and Safety Manager.

2.4.9 Safety Works Investment Prioritisation Process (SWIPP)

The Safety Works Investment Prioritisation Process allows for national consistency in prioritising safety funding to ensure best value.

Set-up

Waka Kotahi is currently developing a national online database; therefore, set-up details are not available at this stage.

Training

Waka Kotahi is currently developing a national online database; therefore, set-up details are not available at this stage.

Champion

The National Traffic and Safety Manager.

2.4.10 Contractor's Web-based Portal

The Contractor will set up a web-based portal for Waka Kotahi staff to access relevant information pertaining to the Contract.

Set-up

It is important that any public-accessed web pages are approved by the Maintenance Contract Manager prior to going live. The Maintenance Contract Manager requires internal approval by Waka Kotahi's regional communications team.

The Contractor may seek permission to access other information as part of the website development such as Waka Kotahi APIs or other specific web tools.

The Contractor will require a list of Waka Kotahi personnel (with different levels of permissions) who will be accessing the web-based portal.

Training

The Contractor may provide training for the web-based portal.

Champion

There is no such champion apart from the respective Contractors who are developing and maintaining the websites.

2.4.11 *Health & Safety Monthly Performance Reporting*

As per Waka Kotahi Contractor Health and Safety Expectations *document*, contractors are required to provide monthly data on the health and safety aspects of their project/contract. Section 6.8 Performance and Assurance Reporting states:

Monthly Health and Safety Performance & Assurance Reporting is required by a contracted partner for the duration of the contract.

Reporting on the contract's health and safety data is to be completed on the IS Networld reporting software (or other means specified in the contract) by the 9th of the following month, including both the lead and lag indicators of the contracted partners direct employees and subcontractors / consultants.

Health & Safety Incident Reporting

Any health and safety incident on a Waka Kotahi project/construction site must be reported to Waka Kotahas per *Waka Kotahi Contractor Expectations: Health and Safety Incident Notification, Investigation and Reporting*

Champion

The National Safety, Health & Environmental Manager.

2.4.12 CAR Manager

The CAR Manager is the online application used by corridor managers to manage requests by utility operators, or their contractors, to access the road corridor. Access to the corridor is required to make changes to utility services and other infrastructure. This module can also be used for traffic management coordination.

Set-up

The Waka Kotahi CAR Manager database is hosted by RAMM Software Ltd.

The following set-up process generally applies:

- It is the Contractor's responsibility to have a RAMM licence and set up RAMM user IDs directly with RAMM Software Ltd.
- The Contractor is to provide a list of users, their STMS certifications and expiry dates.
- The Maintenance Contract Manager will accept the users and pass the information onto the Information Systems Administrator and to the local Corridor Manager.
- The Information Systems Administrator will grant relevant permissions to those users.

This process may differ if the Network is a combined state highway and local authority shared arrangement.

Training

Training courses and material are provided by online or by independent suppliers.

Champion

The Information Systems Administrator is the gatekeeper for permission and access to the relevant CAR Database.

The Region has assigned the local Corridor Manager to assist with direct enquiries.

2.4.13 CS VUE

Waka Kotahi's environmental compliance management system is CS VUE. CS VUE is an online management tool to track and report on environmental compliance, including designations, resource consents, Heritage New Zealand authorities and Department of Conservation (DOC) Concessions. CS VUE is administered by the HNO Network Outcomes Environment and Urban Design Team.

Set-up

The following set-up process applies:

- Maintenance Contract Managers are set as the Permit Managers.
- Nominated suppliers' representatives are set as the Condition Managers.
- All permits (designations, resource consents, Heritage New Zealand authorities and DOC Concessions), when they are granted, need to be supplied to consents@nzta.govt.nz for upload in CS VUE.
- Compliance performance is included in quarterly reports by the Environmental and Urban Design (EUD) Team to all regional DMTs and Statement of Intent, in the Performance Management monthly report, and reported by the Contractor four monthly.

Training

Support regarding CS VUE is available from consents@nzta.govt.nz and more information is available at http://www.nzta.govt.nz/network/operating/sustainably/csvue.html

Champion

The Environment and Urban Design Manager.

2.4.14 CRMS

The Customer Relationship Management System (CRMS) sits on the SAP platform that is being used to manage many of Waka Kotahi's business information needs.

Set-up

Contractors accessing the SAP Customer Relationship Management System should use their Waka Kotahi login via Citrix.

To provide appropriate SAP access to the Contractor the following steps apply:

- The Contractor shall nominate key personnel who will be responsible for CRMS maintenance and operation throughout the Contract.
- The Maintenance Contract Manager shall organise SAP enabling documentation (SAP User form) to be completed, and the appropriate level of approval. Use Templates 1 and 2.
- The Maintenance Contract Manager shall then organise online access to the training literature.
- It is the responsibility of the Contractor to ensure that key personnel are trained throughout the Contract Period.

Training

For further information about the SAP CRMS system refer to the CRMS project page (http://onramp/Our-projects/Customer-relationship-management-system/Pages/Home.aspx) or the HNO CRMS Users Group worksite (http://onramp/Work-with-others/Group-work-sites/List-of-group-work-sites/HNO-CRMS-Users/SitePages/Home.aspx).

Champion

The Customer Development Manager.

2.4.15 TREIS/NIEMS

Waka Kotahi owns the TREIS information system making closure information available on the website and through e-mail notifications.

Set-up

The following set-up process applies:

- The Contractor is to provide user details to the Maintenance Contract Manager
- The Maintenance Contract Manager will pass those details onto the National Travel Information Manager for setting up
- The National Travel Information Manager will provide an access-granted e-mail to those users.

Training

Training is required for the Contractor's users accessing the system. TREIS has built-in online video tutorials. A beta system is available.

Champion

The National Travel Information Manager is the gatekeeper for permission and access to TREIS.

2.4.16 MetConnect

The National Weather Services Contract with MetService delivers weather data and related information in the format of weather observations, forecasts, warnings and, specifically, an integrated road weather information system (RWIS) for winter weather conditions for the State Highway network in New Zealand.

MetConnect is a browser-based application used to deliver tailored forecasts, real time observations and historical data for all non-restricted Service Provider weather stations, including the Service Provider Road Weather Stations, in addition to generic forecast and warning services. MetConnect also provides road condition forecasts for the New Zealand state highway network through a map-based interface with user-configurable email and SMS alerting.

Key high risk areas/sites identified by Waka Kotahi have associated tailored forecast content (written, graphical and charts) and is made available within the MetConnect application and via email distribution groups.

Set-up

Contact the Waka Kotahi relationship manager deidre.hills@nzta.govt.nz if you need to be set up to use MetConnect or want to be included in the email distribution groups for the key high risk areas/sites.

Training

Waka Kotahi in conjunction with MetService provides training relating to this service on request.

Champion

The Senior Project Manager, Corporate Support.

2.4.17 Highways Structure Information Management System (HSIMS)

2.4.18 Waka Kotahi holds structural details of all bridges within the Highways Structure Information Management System (HSIMS). It is designed to assist with the effective management of bridge and

culvert structures on the state highway Network and contains information about all bridges and large culverts with a cross sectional area greater than or equal to 3.4m^2.

HSIMS is used by the Structures Management Consultant (SMC) for maintaining up-to-date structural information for all structures on the state highway Network that are sensitive to overweight vehicle loads and is used by OPermit to assist with the evaluation of overweight permit applications for travel on the state highway Network.

Set-up

There is no specific set-up required for the Contractor to access the BDS apart from the Contractor requesting the Maintenance Contract Manager to providie a hard copy of HSIMS data. Where an update is related to an existing structure recorded in the HSIMS, a copy of HSIMS report for that structure (available directly from the HSIMS or from regional hardcopy sets) held by each SMC and/or the Waka Kotahi Bridge Champion should be marked up with the revised values/data and e-mailed to the SMC for updating.

Training

There is a HSIMS Structural guide available within the Waka Kotahi website.

Champion

A Bridge Champion has been identified within each Region. These are typically the Network Manager who manages and liaises with the SMC together with the Waka Kotahi Structures Engineer.

2.4.19 CAS

The CAS is an integrated computer system that provides tools to collect, map, query, and report on road crash and related data. It contains data from all traffic crashes reported by police. It provides a platform for the development and implementation of new road safety initiatives, making a huge contribution towards crash prevention.

Set-up

CAS is available via the internet, using the Citrix Metaframe Technology, which will download the first time a Contractor connects to CAS. The CAS session seen by the user is running on a server at Unisys in Auckland, and the information produced there is accessible online. However, to access this, the Contractor must first obtain access by application via this website link: https://www.nzta.govt.nz/safety/safety-resources/crash-analysis-system

at Waka Kotahi.

Training

Training videos are available at http://www.nzta.govt.nz/resources/crash-analysis-system/training.html

The Waka Kotahi CAS Helpdesk contact details are 0800 805 263 or cas.administrator@nzta.govt.nz

Further information can be obtained from http://www.nzta.govt.nz/resources/crash-analysis-system/cas.html

Champion

The National Traffic and Safety Manager.

2.4.20 SAP

The SAP system is available via the internet, using the Citrix Metaframe Technology if logging in remotely. This is used by HNO staff and Contractors to manage the financial components of the

state highway programme and by the Organisational Support Finance team to report on the state highway programme.

Set-up

To provide appropriate SAP access and training material to the Contractor, the following steps apply:

- The Contractor shall nominate key personnel who will be responsible for SAP accruals, forecasting and financial reporting throughout the Contract.
- The Maintenance Contract Manager shall organise SAP enabling documentation (SAP User form) to be completed and the appropriate level of approval. Use Templates 1 and 2.

It is the Maintenance Contract Manager's responsibility to ensure that the key personnel are added to the monthly e-mail reminder for SAP accruals.

Training

The Maintenance Contract Manager shall organise online access to the training literature.

It is the responsibility of the Contractor to ensure that key personnel are trained throughout the Contract Period.

Further information can be sought from sap@nzta.govt.nz

Champion

An SAP Champion has been identified within each Region.

2.4.21 Traffic monitoring systems

There is a range of Traffic Monitoring Systems available to the Contractor for use during the Contract. Highway information includes state highway incident and road work information, webcam footage, traffic flow and travel time data, along with maps.

Set-up

InfoConnect (https://www.nzta.govt.nz/traffic-and-travel-information/infoconnect-section-page/) provides Contractors with free access to verified state highway information from Waka Kotahi and some data from local government authorities, which can be used to produce innovative travel information services for New Zealand road users.

Waka Kotahi Journey Planner

Is a web based tool to help road users plan their trip with travel time information, traffic cameras, and updates on delays, roadworks and road closures. The real time information displayed on permanent VMS signs and web cameras can also be viewed by clicking on the map icon.

https://www.journeys.nzta.govt.nz/

Detour Maps

In the event of a road closure on any State Highway, the Contractor should utilise this web based tool to determine the agreed local road detour route that each NOC has agreed with the relevant Council.

The Highway Detour Routes Tool is intended to be used by Road Controlling Authorities, Authorised Contractors and Emergency Services. Detours within the tool are pre-agreed by Road Controlling Authorities and Waka Kotahi NZ Transport Agency. This tool is not intended for general public trip planning or road closure information.

https://detours.myworksites.co.nz/

Waka Kotahi also provides traffic monitoring system APIs in order to assist developers to understand the context of the information fields and effectively configure their own applications. Contractors can integrate these systems into their websites if required.

Training

There is no specific training provided.

Champion

The Information and Systems Manager.

2.4.22 Site-specific Warning systems

There may be site-specific warning systems available within the Network. These may include:

- Flood warning systems
- Ice warning systems
- Lahar warning systems.
- Variable Message Signs

Set-up

Set-up of these systems will vary considerably. The Contractor will need to source the appropriate manuals or links to these systems.

Training

An operating manual may be available.

Champion

The Regional Network Manager.

2.4.23 Linkage(s)

- HIS, http://his.aucklandmotorways.net/amahis/ListPDF.aspx or http://his.aucklandmotorways.net
- HIP, http://hip.nzta.govt.nz/home
- CAS, http://www.nzta.govt.nz/resources/crash-analysis-system/cas.html
- KAT, https://glsgwpro01.transactpro.nzta.govt.nz/portal/Portal.aspx
- SafeStat, http://etree.webhop.net/SAFESTAT/jsp/login.jspx
- CS VUE, http://www.csvue.com
- CRMS, http://onramp/Our-projects/Customer-relationship-management-system/Pages/Home.aspx
- SAP, http://hip.nzta.govt.nz/technical-information/sap/sap-portfolio-and-project-management
- InfoConnect, https://infoconnect.highwayinfo.govt.nz
- Journey Planner, https://www.journeys.nzta.govt.nz/

2.5 Pre-commencement Activities

2.5.1 Introduction

The purpose of this process is to define procedures for the various pre-commencement activities that need to be completed prior to the Contract commencement date.

2.5.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Request for Tender
- Conditions of Contract
- Maintenance Specification, 3.4.1 (Information Provided Prior to Contract Commencement)
- Maintenance Specification, 3.4.3 (Electronic Information)

- Maintenance Specification, 3.7.3 (Hand Back of Assets at end of Contract Period)
- Maintenance Specification, 4 (Contract Plan).

2.5.3 Contract Document Compiling

The Tender Secretary (or that person defined in the Project Plan) will prepare all volumes of the Contract and the Maintenance Contract Manager shall check this. The Maintenance Contract Manager will then distribute the Contract signing sets to the Contractor for signing.

It is important that all NTTs, Notice to Specific Tenderers (NSTs), meeting minutes, the tendered Draft MMP, and variation benchmarking outcomes issued during the tender phase are included within the signing sets.

The Maintenance Contract Manager is responsible for ensuring the appropriate Conditions of Contract Schedules (such as bonds and insurances) are received and completed prior to the Contract commencement.

2.5.4 Contract Signing

It is the responsibility of the Maintenance Contract Manager and the Contract Administrator to ensure the Second Schedule of the Conditions of Contract is signed prior to Contract commencement. Waka Kotahi's letter of acceptance will form 'the Contract' in the interim period, if the full Contract Document sets are not signed prior to the commencement of the Contract.

Depending on the value of the Contract certain delegations shall be sought. The Project Plan will define the signees of the Contract. This may involve a communications opportunity at which a formal signing may take place.

2.5.5 Establishment Plan

The Contractor is required to provide an establishment plan that describes their programme for setting up the Contract. This should be a key source of information for the Maintenance Contract Manager to use in managing milestones and performance. This should be jointly reviewed weekly to ensure that the requisite activities are completed in time and that Waka Kotahi staff are given sufficient notice and time to complete their activities.

2.5.6 Contract Plans

A "Team Up" approach is required to ensure the successful acceptance of the Contract Plan; therefore, a joint programme between the Contractor and the Maintenance Contract Manager shall be developed. The programme must allow sufficient time for feedback between Waka Kotahi's key reviewers and the Contractor.

The Contract Plan Acceptance Matrix (refer Part 4) shall be referred to when building the joint programme; this will ensure that Waka Kotahi's key reviewers are available to review as required.

The following Sub-section Management Plans must be accepted by Waka Kotahi before the Contractor takes possession of the site:

- Health and Safety Management Plan
- Traffic Control Plan
- Emergency Procedures and Preparedness Plan.

2.5.7 Information

It is the Maintenance Contract Manager's responsibility to provide the information stated in the specification to the Contractor.

This may involve liaising with several parties, including the incumbent contractor and/or consultant, to source the information.

2.5.8 Joint Handovers

Complete a joint handover inspection and receive handover report

The scope of the handover inspection and the subsequent report will need to be agreed with the incumbent contractor, refer Maintenance Specification 3.7.1. Both the inspection and the subsequent report will need to have been completed within 4 weeks of the Contract commencement. The Maintenance Contract Manager, Network Managerand the Contractor shall carry out the inspection with the incumbent contractor.

Generally speaking, incumbent suppliers have a contractual responsibility to prove a handover report. These reports contain important information such as:

- Defect liability road sections (P/17 programmes, Pavement rehabilitations, capital works) and other assets
- Network control activities
- CAR activities
- Contracts that are still active
- Asset Owner's manuals, As-Built records and RAMM data imminent.

Obtain and handover any other relevant information, databases and reports to the Contractor

The Contractor will likely require a copy of the defects listed for attention by the incumbent contractor during their Defects Notification period so that responsibility for these works is clearly identified and resolved.

The Contractor shall determine, and where necessary the Maintenance Contract Manager shall make available, any other relevant information and databases.

2.5.9 Co-location with Contractor

When the Waka Kotahi strategy is to co-locate with the Contractor, the Waka Kotahi staff involved with the Contract shall liaise with the Contractor to arrange suitable office space within the Contractor's office.

The MCM is to contact Waka Kotahi's IT department who will make the necessary arrangements to install all IT systems as soon as is practical.

Costs associated with this co-location are the responsibility of Waka Kotahi where not covered within the Contract. Generally this is discussed in Section 7 of the maintenance specification.

Where co-location is not requested within the maintenance specification or not offered in the tender, a Memorandum of Understanding may be required to be drafted and agreed by the Highway Manager.

2.5.10 Linkage(s)

- Contract Procedures Manual
- Contract Plan Acceptance Matrix, refer Part 4
- Delegations, http://onramp/Organisational-Support/Legal/Pages/NZTA-Delegations.aspx#HNO

2.6 Contract Commencement

2.6.1 Introduction

The purpose of this process is to define procedures required at commencement of the Contract, to ensure fundamental operations are effective from the first day of the Contract.

2.6.2 Reference(s)

This activity refers to the following sections of the Contract document:

– Maintenance Specification, 3.7 (Handover and Hand Backs).

2.6.3 Responsibility

Maintenance Contract Manager.

2.6.4 Tender Pledges

During the tender, the Contract developed specific solutions above the core contract requirements which were valued as part of the tender evaluation process. It is important that these are identified and confirmed so that the Contractor delivers them.

The MCM should review Contractor's tender submission for document deliverables and pledges. Feedback from the TET may also identify commitments that they valued highly which need to be included.

The delivery of all the tender pledges is a KPI as part of the KRA performance framework. These pledges need to be documented and agreed between the Contract Manager and the Maintenance Contract Manager and a timeline attached for each to be achieved. This timeline should include a frequency of review so that the tender commitments continue to be delivered over the term of the contract.

Once this list with the agreed monitoring methodology is prepared, it should be submitted to the Contract Board for endorsement.

2.6.5 Handover items

There may be keys for certain assets that need to be handed over from the incumbent contractor. These may be for:

– Locked stockpiled areas
– Keys for lockable bollards
– Heavy commercial facilities
– Road closure barriers.

Other assets such as:

– Mobile VMSs
– CMA material
– Temporary signs and devices.

The Maintenance Contract Manager shall develop a register and include all items handed over to the Contractor. This will include a key register for all keys handed over and any that are subsequently copied by the Contractor.

2.6.6 System access

The incumbent contractor's access to certain systems will need to be removed. Many of these can be dealt with through the transfer of access from the incumbent contractor to the Contractor. However, there will be systems where overlapping access will be required. These include:

– SAP
– RAMM
– Other systems that still require the incumbent contractor to access the system after the Contract Period.

It is important to track these overlapping systems so they can be managed accordingly. As a guide, any outgoing suppliers shall not have access after 4 weeks from Contract commencement.

2.6.7 Team Engagement

The Maintenance Contract Manager should agree with the incoming Contract Manager the best way to engage with the contract team. This could include both the management team and the field

staff. Ideally, we seek to promote a One Team approach with all people working to the same goals, however different suppliers may have different practices in this area and these need to be respected.

Ideally, the Maintenance Contract Manager should have an open invitation to Contractor meetings such as monthly toolbox talks and should also be able to speak, outlining the expectations of Waka Kothi as well as offering praise for work done well.

The Maintenance Contract Manager should also be able to meet with crews on the network and discuss their activities, especially with regard to Traffic Management and safety.

The ability to do this in a constructive manner is crucial for the ongoing health of the relationship and starts from having respectful conversations during the start-up phase.

2.6.8 Maintenance Programmes

It is best to start the contract in the way that we intend it to operate. The Contractor is required to prepare and submit programmes for Lump Sum and Measure and Value activities. These should include both management and physical works activities.

It is useful to get these started from the beginning. These provide the opportunity to get alignment on priorities, so that the Contractor focusses on what is important and does not miss key activities.

It is suggested that the programmes are reviewed and updated weekly. The Maintenance Contract Manager should be aware of the reasons for slippage and resolve these with the Contractor.

2.6.9 Linkage(s)

Refer to Section 2.4; NZS 3917 Section 5.10

2.7 Performance Framework Set-up

2.7.1 Introduction

The purpose of this process is to define procedures required to jointly agree the KRA, KPI and OPM performance framework for the Contract and provide access to Waka Kotahi's Performance Reporting System.

2.7.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 1.5 (Contract Outcomes)
- Maintenance Specification, 2 (Value Management Proposition)
- Maintenance Specification, 4.2 (Quality Management Plan).

2.7.3 Responsibility

Maintenance Contract Manager.

2.7.4 Agree Performance Framework

By default all contracts have the same framework. This includes timing of reporting and KRA, KPI and OPM standards. The reasons for agreeing the final performance framework are related to the following:

- NTT changes relating to performance
- Network-specific performance measures
- Exclusions of road-class defined measures not applicable to the Network
- Local road Network requirements.

All changes from the default framework must be approved by the Maintenance Contracts Governance Group.

Regardless of the Contract commencement date, performance reporting timing and intervals shall not be changed for all performance measures (OPMs, KPIs and KRAs), as Waka Kotahi wants a nationally consistent approach..

Key Result Areas (KRAs)

It is expected that Waka Kotahi and Contractor will work collaboratively to fully implement the system during Contract establishment.

The KRA Framework is a living document, which indicates:

- KPIs that are being scored and measured;
- The pre-requisite performance criteria for eligibility for any applicable KRA reward in each quarter;
- The intent, definition, business rules, process, data requirements and any calculations involved for each KPI.
- Where baseline performance is well understood, performance targets for each individual measure are indicated.
- .

Waka Kotahi will use evidence-based results for checking the Contractor's achievement of KRA and KPI results and Contract outcomes.

There is an expectation that the performance management system would be a component of the Contract Quality Management Plan.

Operational Performance Measures (OPMs)

Waka Kotahi requires the Contractor to establish and demonstrate compliance with the Contract standards for each road class. This shall be achieved by means of a self-auditing regime that has a greater degree of scrutiny of the more strategic road classifications for the Network.

The Contractor’s compliance monitoring system must be clearly articulated within the Quality Management Plan (refer Section 4.2).

2.7.5 Access to Reporting System

Refer to Section 2.4, Performance Management System

2.7.6 Linkage(s)

Refer to Section 2.4

2.8 Alignment

2.8.1 Introduction

The purpose of this process is to define procedures for aligning various collaborative behaviours and Contract understanding.

2.8.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 1.1 (Working Together)
- Maintenance Specification, 3.5.2 (Contract Board)
- Maintenance Specification, 3.5.4 (Annual Performance Workshop).

2.8.3 Responsibility

Maintenance Contract Manager.

2.8.4 Partnering Workshop

A formalised Partnering arrangement can successfully support the parties' working relationship, rather than the contractual document. Partnering requires the participating parties to commit to working together for each other's success. Experience shows that this can reduce the need to resort to the Contract.

The Partnering arrangement will not diminish the importance of the contractual relationship between the parties as set out in the Contract Documents. If issues arise, the Contract will be used to resolve them. The Partnering arrangement will help the parties to apply their best endeavours to achieve an equitable solution.

The main components of Partnering are formalised mutual objectives, agreed methods of solving problems and an active search for continuous measurable improvement.

A Partnering workshop is to be held within 3 months of Contract commencement and the costs will be shared equally by the parties. The objective of the workshop is to:

a) Gain top management commitment from each party.

b) Develop and agree a framework for future partnering meetings, including an annual review with the Contract Board.

c) Provide team building between the parties as a planned process to acknowledge each other's agendas, focus on common goals, clarify expectations and establish ground rules for doing business with one another.

d) Expand the commitment to other significant project stakeholders.

e) Develop a Partnering Charter.

2.8.5 Initial Joint Inspection

Although not specifically stated in the Contract documents, it is advisable for Waka Kotahi staff to align operational thought processes by joint inspections of the Network. This also facilitates building relationships between both parties. This should include the Contract Management Team. It is important that in setting the agenda for this inspection that balance is achieved across individual interests. Geotechnical, environmental, traffic, and corridor issues should be covered. Ideally the CM and MCM should agree a programme in advance to provide this balance. Waka Kotahi staff should be familiar with the Contractor's tender proposal so that nominated solutions can be discussed in the field.

2.8.6 Contract Management Team

The first meeting with the Contract Management Team (CMT) should be focused on obtaining and agreeing the purpose of the CMT and how the CMT should operate as a team.

The CMT is a key forum for setting up and maintaining alignment of investment prioritisations and outcome focus from both parties. This can be achieved through the development of a Terms of Reference, refer to Part 4 for guidelines.

An agenda for this initial meeting has been developed, refer Part 3.

2.8.7 Contract Board

The first meeting with the Contract Board (CB) should be focused on obtaining alignment with the purpose of the CB at a governance level. This can be achieved through the adoption of the Terms of Reference, refer to Part 4.

An agenda for this initial CB meeting has been developed, refer Part 3.

2.8.8 Linkage(s)

- CMT Terms of Reference, refer Part 4
- CMT initial agenda suggestion, refer Part 3
- CB Terms of Reference, refer Part 4

– CB initial agenda suggestion, refer Part 3

2.9 Contract Plan Development

2.9.1 Introduction

The purpose of this process is to define procedures for reviewing the Contractor's remaining Plans, which they are required to develop, submit and have approved within the first 4 months from Contract commencement.

2.9.2 Reference(s)

This activity refers to the following sections of the Contract document:

– Basis of Payment
– Maintenance Specification, 4 (Contract Plan).

2.9.3 Responsibility

Maintenance Contract Manager.

2.9.4 Contract Plans

A "Team Up" approach is required to ensure the successful acceptance of the Contract Plan; therefore, a joint programme between the Contractor and the Maintenance Contract Manager shall be developed. The programme must allow sufficient time for feedback between Waka Kotahi's key reviewers and the Contractor.

The Contract Plan Acceptance Matrix (refer Part 4, Section 2.5) shall be referred to when building the joint programme, which will ensure that Waka Kotahi's key reviewers are available to review as required. The matrix shall also be used by the Maintenance Contract Manager to book resources in advance after receiving the Plan building programme from the Contractor.

The following three Sub-section Management Plans have already been accepted by Waka Kotahi before the Contractor took possession of the site:

– Health and Safety Management Plan
– Traffic Control Plan
– Emergency Procedures and Preparedness Plan.

The following Plans are required to be submitted by the Contractor and subsequently approved by Waka Kotahi:

– Quality Management Plan (including the Performance Framework system)
– Environmental and Social Management Plan
– Customer and Stakeholder Communication Management Plan
– Risk Management Plan
– Maintenance Management Plan.

The Maintenance Management Plan is a substantial document and work on this needs to begin from the acceptance of the Contract.

These Plans need to be of sufficient quality within 8 months from Contract commencement to facilitate Waka Kotahi approval otherwise the Contractor will receive Contract financial penalties. Refer to Basis of Payment.

It is important to note that Waka Kotahi has a minimum of 10 working days in which to review and return any feedback to the Contractor, refer Basis of Payment, 1.1. In fairness to the Contractor, if the response takes longer than 10 working days, the Contract delivery period may be extended to reflect the delay.

2.9.5 Linkage(s)

- Contract Plan Acceptance Matrix, refer Part 4, Section 2.5
- Waka Kotahi proforma Environmental and Social Management Plan and Risk Management Plan templates

2.10 Reporting

2.10.1 Introduction

The purpose of this process is to ensure Waka Kotahi is satisfied that the Contractor's reporting, firstly, complies with the Specifications, and, secondly, meets the requirements of the Maintenance Contract Manager.

2.10.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.1 (Introduction)
- Maintenance Specification, 2.2 (Key Result Areas)
- Maintenance Specification, 2.3 (Operational Performance Measures)
- Maintenance Specification, 3.4.6 (Web-based Portal)
- Maintenance Specification, 3.8 (Reporting)
- Maintenance Specification, 3.13 (Cost Recovery)
- Maintenance Specification, 4.2 (Quality Management Plan)
- Maintenance Specification, 5.3.10 (Corridor Access Management).

2.10.3 Responsibility

Maintenance Contract Manager.

2.10.4 Monthly Reporting

The Maintenance Contract Manager shall provide feedback to the first monthly report, in particular commenting on:

- Specification Compliance
- Quality and format of the report.

It is expected that the contents of the monthly report will be reviewed periodically to confirm that value-added reporting is achieved.

2.10.5 Performance Reporting

Waka Kotahi will provide a KRI upload template to be used for performance reporting.

The expectation is that this reporting will form part of the Contractor's monthly report.

Performance reporting intervals must be in accordance with Appendix 2.2 so that national comparisons can be achieved.

2.10.6 Cost Recovery Template

A template letter is available from the State Highway Control Manual (SM012).

2.10.7 Web-based Portal

The Contractor is required to produce a Network-specific website to improve the efficiency of reporting information such as monthly reports and performance reporting. There is flexibility for the Contractor to be innovative while still complying with the specification. There is no prescribed website format.

2.10.8 Other reports

All other report formats can be agreed during their development. These include annual Contract performance reports, incident response reports, planning assessment reports, SCRIM exception compliance reports, surfacing aggregate performance reports, pavement rehabilitation design reports, pavement rehabilitation construction completion reports, pavement rehabilitation post-construction design assessment reports, resurfacing design reports, resurfacing construction completion reports and resurfacing post-construction design assessment reports.

2.10.9 Linkage(s)

- For API web page integration, refer InfoConnect (https://infoconnect.highwayinfo.govt.nz/opencms/opencms/InfoConnect/index.html).
- State Highway Control Manual (SM012)

3 CONTRACT MANAGEMENT ANNUAL CYCLE

3.1 Project Plan Maintenance

3.1.1 Introduction

The purpose of this process is to define procedures for ensuring the project plan is maintained throughout the Contract Period in order to minimise risk.

3.1.2 Reference(s)

None applicable.

3.1.3 Responsibility

Regional Performance Manager.

3.1.4 Project Plan Updating

The Project Plan assists Waka Kotahi staff in understanding people (roles and responsibilities), project business risks and financial aspects of the project. It is a formal, live document that is used to guide both project execution and project control.

The Project Plan must be reviewed and updated at least annually and the review documented. Typical reasons for triggering updates include changes in:

- Financial status/forecast
- Project delivery risk (not Network risk)
- People/roles (internal and external)
- Major internal process/procedure/policy.

The Maintenance Contract Manager should formally submit the Project Plan to the CMT to broaden its content effectiveness, and seek enhancement initiatives from the total team. Contents updates to the Project Plan may in fact generate amendments to the Contractor's Contract Plan, where Project Plan changes affect their role in implementing the Contract services.

It is particularly important that the Project Plan is up to date when there is any change in Journey, Network or Maintenance Contract Manager personnel, as this document will inform the incoming team member.

It should be noted that Project Plan use is an activity scrutinised by Waka Kotahi's internal audits.

3.1.5 Approvals

Simple changes only need to be signed off by the Maintenance Contract Manager; however, significant (or high risk) changes require Regional Management Team (RMT) approval.

3.1.6 Distribution

The Maintenance Contract Manager is responsible for checking that all named personnel stated within the Project Plan's distribution list have access to the controlled version.

The Project Plan itself is not an external document and need not be distributed to the Contractor.

3.1.7 Linkage(s)

- Section 1.2, Project Plan
- Section 2.1, Project Plan

3.2 Contract Plan Management

3.2.1 Introduction

The purpose of this process is to:

- Define procedures for reviewing the Contractor's quarterly performance-framework requirement to keep the Contract Plans live, active, and in a continuous state of improvement.
- Assist the Maintenance Contract Manager in coordinating Contract Plan updates generated by Waka Kotahi.

3.2.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 4 (Contract Plan)
- Appendices, 2.1 (Guide to the KRA Performance Framework).

3.2.3 Responsibility

Maintenance Contract Manager.

3.2.4 KPI Outcome Reviews

The Contract performance framework requires the Contractor to demonstrate compliance with, regular use and continuous improvement of the Contract Plans. Their success (or otherwise) in achieving this is measured by KPIs within the performance framework. They are required to report achievement levels on a quarterly basis for each Plan.

This reporting from the Contractor is a 'self-compliance' process that the Maintenance Contract Manager should test by audit review of the Contractor's records and system for calculating the respective Plan KPI results. The Maintenance Contract Manager should review the Contractor's process for self-performance reporting for all KPIs/Plans in the first reported quarter to assist the Contractor and familiarise themselves in the process adopted by the Contractor. Each quarter thereafter, the Maintenance Contract Manager needs to review all Contract Plan KPI result calculations and be comfortable with the integrity of self-reporting through random sample review.

In the event of a perceived overstatement of performance from the Contractor, the Maintenance Contract Manager should increase the level of underlying result calculation review to be comfortable with the results.

Result calculation review should not be restricted to the numerical calculation, but a review of the Contractor's recorded evidence of underlying KPI actions, such as checking improvement records and evidence that processes have been followed.

The Maintenance Contract Manager should have conversations with other Network Contract Team members to explore the effectiveness and use of the Contract Plan, such as conversations with the Network Manager regarding the MMP, and Waka Kotahi's Environmental team regarding ESMP activity. The results of these conversations may endorse or challenge the performance-framework reported results.

The Maintenance Contract Manager will be required to report all KPI results to the MCGG. The expectation is that the Maintenance Contract Manager understands the reasons for the Contract Plan KPI outcome scores.

3.2.5 Contract Plan Reviews

It is expected that in the first 12 months of the Contract, a significant amount of improvement activity will occur for each Plan. These improvements will be mostly identified by the Contractor, as processes are actually implemented 'on the job'.

The only detailed Plan reviews undertaken by Waka Kotahi are those done during the Pre-commencement Activity and Contract Plan Development Phases. The Contractor will have their own internal QA review process of the individual Plans to complete an annual review, generate

improvement initiatives and monitor process adherence levels. The Maintenance Contract Manager must take the opportunity to participate collaboratively in at least two of these sub-Plan reviews annually, as opposed to conducting their own reviews.

3.2.6 Waka Kotahi Initiatives

From time to time, improvements to the Contractor's Plans will be generated from initiatives led by Waka Kotahi, such as Policy change, Manual update, specifications updates, KRA/KPI change.

Whilst the Contractor will be in the communication loop when these changes occur, the Maintenance Contract Manager and Network Manager should take a lead role in promoting initiatives at the earliest opportunity. The CMT would be a good place to discuss imminent Waka Kotahi initiatives that will effect change in the Plans.

It is important that any Plan changes initiated by Waka Kotahi National initiatives are promulgated within the Contractor's Plans in a consistent form, specification and scope. Refer also to Section 3.10.

3.2.7 Confidentiality

All Waka Kotahi team members involved in Plan implementation must be conscious of intellectual property contained within the Contractor's Plans, particularly the MMP. This means not discussing process/procedures that the Contractor has identified as being sensitive in nature. This also applies when the Contractor has requested 'in-committee' status for certain Plan elements such as process/tools/systems that provide intellectual points of difference between competitor companies.

3.2.8 Linkage(s)

Nil

3.3 Contract Management Team

3.3.1 Introduction

The purpose of this process is to define the role of Waka Kotahi representatives within the Contract Management Team.

3.3.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 1.6 (Contract Roles)
- Maintenance Specification, 3.5.3 (Contract Management Team)
- Maintenance Specification, 3.5.4 (Annual Performance Workshop)
- Maintenance Specification, 3.8.1 (Reporting).

3.3.3 Responsibility

Maintenance Contract Manager.

3.3.4 Contract Management Team

The Contract Management Team (CMT) Terms of Reference has been developed to ensure a national approach is being undertaken. It shall be formally discussed at the first monthly CMT meeting.

The CMT shall include representatives of both the Contractor and Waka Kotahi to provide coordination and leadership for the Contract.

The Maintenance Contract Manager and the Contractor shall jointly agree on the core membership of the CMT.

The CMT membership shall then be communicated to the Contract Board for information purposes. Monthly meeting dates and times will be set with minutes of the meetings formally documented and recorded by the Contractor. CMT meeting minutes shall form part of the Contractor's monthly report.

Throughout the Contract Period the CMT shall formally invite other specialists from either Waka Kotahi's or the Contractor's organisations who can influence the Contract. Subcontractors may be invited to the CMT meeting as required.

A national CMT framework agenda has been developed based on best practice. The agenda is to be used to establish national consistency at all CMT meetings. It is recognised that each Contractor will have particular regional requirements that need to be discussed at their individual CMT meetings; such items shall be added to the agenda as required.

The Maintenance Contract Manager and the Contractors' Contract Manager shall be invited to the Contract Board meetings. In preparation for these meetings a joint report shall be formulated and presented to each board member at least 5 working days before each meeting. A CMT dashboard report has been developed to ensure the appropriate level of Contract detail is discussed at the CB meeting.

A guideline for escalation of matters from CMT to the CB is available to provide examples of issues and other Contract matters that shall be included in the CMT dashboard report. The guidelines are only examples and there maybe issues and matters arising that will also need to be formally reported to the CB. It is intended that the Contract Board will assist with contract matters to avoid wherever possible referrals onto the Engineer to Contract.

In conjunction with the Contract Board, the CMT shall organise and facilitate the Annual Performance Workshop for the contract.

3.3.5 Annual CMT Milestones

A CMT milestone chart has been developed based upon the specifications. Such milestones shall also be discussed at the monthly CMT meetings.

3.3.6 Linkage(s)

- CMT Terms of Reference, refer Part 4, Section 2.8
- CMT meeting agenda framework, refer Part 4
- CMT Dashboard report to the Contract Board, refer Part 4

3.4 Engineer to Contract

3.4.1 Introduction

The purpose of this process is to define the role of the Engineer to Contract and the delegation to Engineer's Representative for the Contract.

3.4.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Conditions of Contract, 6 (Engineer's Powers and Responsibilities)
- Maintenance Specification, 1.6 (Contract Roles)
- Maintenance Specification, 3.5.2 (Contract Board)
- Maintenance Specification, 3.5.3 (Contract Management Team).

3.4.3 Responsibility

Maintenance Contract Manager.

3.4.4 Engineer to Contract (ETC) Duties

The contractual duties of the ETC are defined in the Conditions of Contract, Section 6.

Included in this are the following specific duties:

- Independently of either contracting party, to fairly and impartially make decisions entrusted to him or her under the Contract Documents, to confirm the valuation of the Contract Works and issue certificates at due times.
- To deal with contract administration other than issues relating to the day-to-day identification, programming and management of general maintenance activities; and
- Not to supervise the Contract Works.

3.4.5 Engineer's Representative (ER) Duties

The ER is the Maintenance Contract Manager.

The ER must undertake all duties vested to them by the ETC. This generally means acting in the role of Engineer as defined or excluded in the Conditions of Contract, Section 6.

ER duties may include:

- The reviewing of matters in dispute
- Giving direction and instruction in regard to the Contract when requested
- Valuing variations where there is change in the risk profile
- Agreeing changes to the Contractor's team
- Issuing a request to the ETC when requiring a formal notification.

3.4.6 Maintenance Contract Governance Group (MCGG) Decisions

When Contract documentation or tenure changes are required and have been approved by MCGG the Engineer to Contract shall be notified of the change and issue formal notification.

3.4.7 Dispute Resolution

Refer to Section 3.11, Dispute Resolution.

3.4.8 Opportunities

Consideration should be given to involve the Engineer to Contract on occasions:

- Maintenance Contract Manager's and Network Manager's Community forums to discuss lessons learnt
- CB meetings to ensure alignment of all parties in governing the Contract.

3.4.9 Linkage(s)

- NZS 3917:2013
- Contract signing set

3.5 Contract Board

3.5.1 Introduction

The purpose of this process is to define the role of the Contract Board within the scope of the Contract.

3.5.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 1.1 (Working Together)

- Maintenance Specification, 1.6 (Contract Roles)
- Maintenance Specification, 3.5.2 (Contract Board)
- Maintenance Specification, 3.6.2 (Coordinated Inspections).

3.5.3 Responsibility

Maintenance Contract Manager.

3.5.4 Contract Board

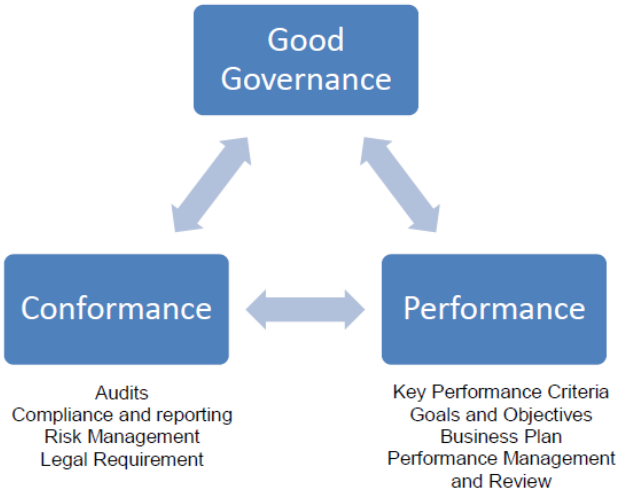
The members of the Contract Board (CB) are responsible for fully representing their relevant organisations in terms of governing the required Contract outcomes, nurturing a collaborative Contract culture and addressing the commercial interests of their organisations. Waka Kotahi is responsible for addressing their statutory, policy and national operational requirements.

The Contractor and Waka Kotahi must nominate two members each, as senior company representatives, to attend and participate in 4-monthly Contract Board meetings.

Key elements underpinning good governance include:

- Transparency through clear decision-making processes and sharing of information
- Integrity and ethics as displayed through honesty, objectivity and equality
- An overarching framework outlining behavioural commitments and responsibilities of all members
- Efficiency through reviewing and pursuing opportunities for improvements.

These underpinning principles are manifested through the two arms of good governance, being conformance to legal requirements and a focus on performance requirements. The benefit of a strong governance framework is sustainable performance through which the organisation itself remains viable and creates a platform for further growth.



3.5.5 Linkages

- CB Agenda Template, refer Part 3, Section 2.8
- CMT, refer Section 3.3, CMT
- Dispute Resolution, refer 3.11, Dispute Resolution

3.6 Roles and Responsibilities

3.6.1 Introduction

The purpose of this process is to define procedures for distributing changes to the roles and responsibilities of personnel within the Contract.

3.6.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Information for Tenderers, 7 (Personnel Schedule)
- Maintenance Specification, 1.6 (Contract Roles)
- Maintenance Specification, 3.3 (Contractor's Establishment).

3.6.3 Responsibility

The Contract has been developed to create a collaborative working environment; therefore, it is vital that all persons working on the Contract develop "best for Contract" behaviours.

The Contract roles and responsibilities are defined in Table 1.6 of the Maintenance Specification. Their Contract relationship and interactions are described in Figure 1.6 of the Maintenance Specification.

The Contractor's team and their key subcontractors, as described in their tender pledge, shall be checked and approved at the first CMT meeting.

The CMT shall discuss and approve, where appropriate, significant changes to the roles and responsibilities as those are described in Table 1.6 of the Maintenance Specification. Such changes shall also include key subcontractors.

Significant changes to the Contract roles shall be formally documented in the Project Plan as required.

As required, any significant changes to the Contract roles and responsibilities shall also be reported to the CB in accordance with Section 3.3 of the Maintenance Specification.

It is the responsibility of the Maintenance Contract Manager to document and report any changes.

3.6.4 Linkage(s)

- HNO Roles and Responsibility Chart, refer Part 4
- HNO Annual Cycle Process Planner

3.7 Contract Administration

3.7.1 Introduction

The purpose of this process is to define procedures for administering the Contract.

3.7.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Conditions of Contract

3.7.3 Responsibility

Maintenance Contract Manager.

3.7.4 Annual Review

The Contract Procedures Manual (SM021) covers all the processes in relation to Contract administration in detail. The following is additional guidance on Contract administration practices for the Contract.

The Contract administration duties during the Contract execution are as follows:

a) Ensure the Contractor's performance bonds and bond in lieu of retentions (if Contractor prefers) remain valid.

b) Annually review insurance coverage.

c) Annually review the validity of personnel qualifications and certifications.

3.7.5 Linkage(s)

Contract Procedures Manual (SM021)

3.8 Financial Management

3.8.1 Introduction

The purpose of this process is to define procedures for managing the finances during the Contract.

3.8.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.3.4 (Monthly Performance Evaluation)
- Maintenance Specification, 3.8.1 (Monthly Report)
- Maintenance Specification, 3.8.2 (Mid-year and End of Year Achievement Reports)
- Maintenance Specification, 5.6.1 (Annual Allocations and Cash Flows)
- Maintenance Specification, 5.6.2 (Monthly Financial Accruals).

3.8.3 Responsibility

- Maintenance Contract Manager – manages the financial processes within the NOC
- Network Managers – manage the maintenance and operation budget
- Safety Engineer – manage the minor improvement and safety budget.

3.8.4 Annual Plan Development

The Annual Plan (SM018) instructions are provided annually to develop the financial request for the upcoming financial year.

Factors to consider in the Annual Plan development include:

- Asset growth reconciliation
- Escalation (cost fluctuations)
- Provisional Sums
- Renewal quantities and the extra-over items
- Principal risk non-routine treatments
- KRA reward and Renewal Quantity Management reward
- Additional works outside the scope of the Networks Outcomes Contract that will be included as a variation to the Contract.

3.8.5 Start of Year SAP Updating

The following process applies at the beginning of the financial year:

- The Network Manager will provide the Maintenance Contract Manager with the approved Annual Plan allocations for the Contract
- The Maintenance Contract Manager will overview the update in SAP (Refer SAP Set Up templates 1 & 2, see linkage below)
- The Maintenance Contract Manager and Contractor shall develop the monthly seasonal corrected forecasts and the monthly accruals.

The Contractor will be requested in July each year to provide an assessed value of the Annual Plan using the tendered rates via the SAP forecast. This value includes pavement rehabilitations, any predicted pavement rehabilitation modifications and sealed road resurfacing works, and provides a total value for each category of works. This value is then divided by 12 to advise the monthly lump-

sum forecast values to be claimed or the value is distributed across the year, as the costs are expected to arise. An adjustment is made against 'actual cost' before 30 June each year.

3.8.6 Monthly Financial Activities

Receive Claim

The Contractor will present the claim to the Maintenance Contract Manager no later than the 4th or 6th working day of the month. *(Timing depends on Contract version)*

Process Claim

The following process applies:

- Check the lump-sum item values are correct
- Review schedule measure and value items against achievement records of the Contractor
- Ensure the correct measure and value items have been claimed against the correct WBS numbers
- Discuss variation items and gain agreement with other Waka Kotahi staff
- Calculate and deduct, when applicable, the at-risk payment for the monthly performance evaluation and or other relevant deductions.

Any claim queries need to be notified to the Contractor within 7 working days of receiving the claim.

Certify Payment

The Maintenance Contract Manager produces the payment schedule within 12 working days of receiving the claim. A proforma is provided in Part 3.

A Contract Payment Voucher (CPV) is generated within SAP. Refer SAP guidelines.

The CPV and Payment Schedule is provided to the Contractor along with any explanations of items not certified as claimed via a formal written notice or NTC.

A copy of the CPV, Payment Schedule and payment Claim summaryis provided to the relevant financial administrator for entry into Automatic Invoice Processes (AIP) for the payment to be made within 17 working days of receiving the claim.

Update Accruals

The Contractor will update the accruals to reflect the monthly claim by the required contract and before the SAP close off due date.

The Maintenance Contract Manager will adjust the accruals to reflect any significant change intended within the certified payment before the SAP accruals close off.

Further SAP Updates

The Maintenance Contract Manager and Contractor should review the monthly seasonal corrected forecasts. Annually in February OPM 5.6.1 requires a declaration of surplus funds or request of additional funds be made.

Identify any works that have the potential to be claimed under other funded activities or miscoded:

- Seek approval for separately funded works or any significant financial adjustments via the RAPA process
- Once approved, and a WBS has been set up, journal any applicable historic claims
- Adjust accruals and update SAP forecasts.

3.8.7 End of Year Claim Processing

The following process applies at the end of the financial year:

- A reconciliation of the achieved renewal activities
- Renewal quality reductions
- Payment of any applicable KRA reward.

3.8.8 Cost Escalation

Contractors are expected to use the Waka Kotahi Cost Adjuster tool to calculate the Cost Fluctuations claim. This information and the associated calculation worksheets shall be provided to the Maintenance Contract Manager with the relevant Payment Claim.

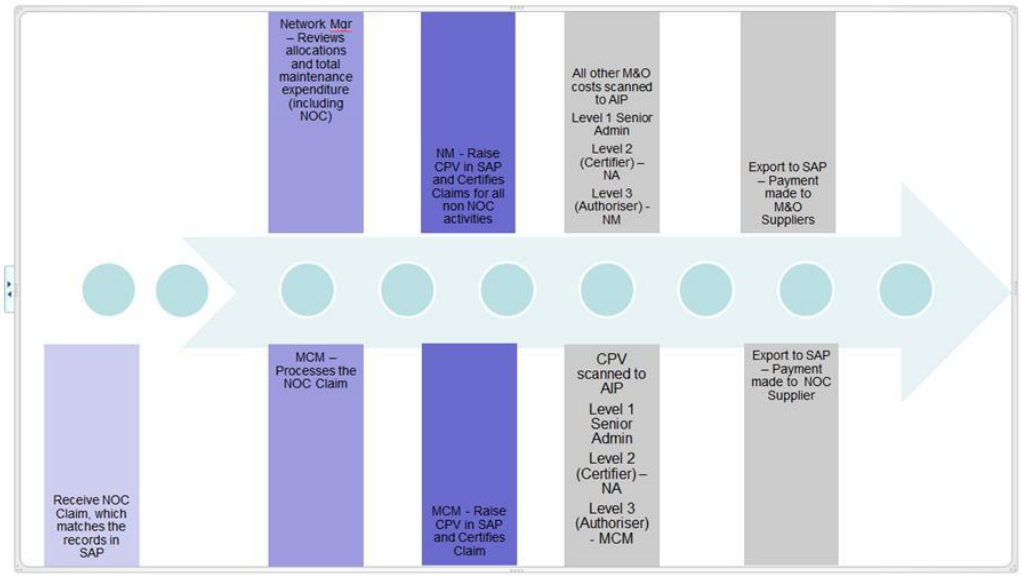
Refer to:

http://www.nzta.govt.nz/resources/procurement-manual/procurement-tools.html

This refers to the following cost indexes spreadsheet:

http://www.nzta.govt.nz/resources/procurement-manual/docs/Latest-values-for-2012-infrastructure-cost-indexes.xls

3.8.9 Claim Process Map



3.8.10 Linkage(s)

- Annual Plan Instructions Manual (SM018)
- Apinvoices@nzta.govt.nz
- SAP Set-Up Templates, SAP, http://hip.nzta.govt.nz/technical-information/sap/sap-portfolio-and-project-management
- Cost escalation, http://www.nzta.govt.nz/resources/procurement-manual/procurement-tools.html

3.9 Variation Management

3.9.1 Introduction

The purpose of this process is to outline procedures for controlling the issuing of variations to the Contract, such that:

- The integrity of the lump sum is maintained
- Additional works issued under the Contract deliver value for money.

3.9.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Volume 1 Conditions of Contract
- Volume 2 Schedule of Prices
- Volume 3 Basis of Payment
- Volume 4 Maintenance Specification
- Volume 5 Appendices.

3.9.3 Responsibility

- Maintenance Contract Manager – Contract administration of variations
- Network Manager – Assessment of variations and network budgets

3.9.4 Payment Variations

No single Contract document volume defines the limits of the responsibilities of each party to the Contract. Their integrated entirety must be understood in order to manage the boundaries of the services to be delivered by both the Contractor and Waka Kotahi within the Contract.

Payment Variations

The Maintenance Contract Manager is to exercise scope control by managing payment variations.

This involves monitoring what is being requested of the Contractor, and what is paid for on top of the allocated lump sum/measure and value components to ensure consistency with national service delivery interpretation expectations.

If there is a real need to make a variation payment, the Variation Payment Control procedure must be followed, closed out, notified to interested parties and recorded.

What are payment variations?

Examples include payment adjustment (up or down) made due to:

- Improvements to the Network, such as new guardrail installations via the LCLR programme
- Alterations to performance measures that increase/decrease cost to the Contractor
- Alterations to specifications/standards that increase/decrease cost to the Contractor
- Additions/reductions to Contract reporting requirements
- Change in risk profile conditions
- Additional work scope added, such as preventive maintenance
- Principal risk work undertaken by the Contractor, such as emergency works, safety improvements or resilience activities
- Payment reduction due to the monthly at-risk OPM payment penalty
- Payment reward due to annual KRA success
- Any work carried out and considered for payment under a provisional sum/item.

When and why should variation payments occur?

These should occur when the Network Manager has assessed a scope of service required to be undertaken by the Contractor that is deemed to be not covered by the lump-sum service or measure and value scope definition within the Contract document volumes 1 to 4.

In all instances, the Network Manager shall obtain a variation payment decision review from the Maintenance Contract Manager before progressing.

It is normal to expect variation payments to occur during the Contract Period based on the shared risk nature of the Contract model. Certain risks have been retained by Waka Kotahi in order to

reduce the risk contingency held by the Contractor within the lump sum, and it is expected that these risks will occur at some point during any typical year.

3.9.5 Variation Payment Control

The Network Manager should ensure that the following variation payment control steps are completed:

a) Receive a completed Variation Service Form (VSF) from the Contractor (modified PSF4a).

b) Review the VSF validity against the content of Volume 1, Conditions of Contract, to determine validity of variation, and in particular if it is outside/inside the profile boundaries of any of the risks contained within Schedule 13 or Schedule 18, the Contract Risk Profile.

c) Review the VSF against the content of Volume 4, Maintenance Specification, to determine whether it is within the scope of an outcome performance measure or within a specified service. Volume 5, Appendices, should also be looked at, as it is often overlooked and adds more specified service depth to the specification.

d) Review the VSF against any issued NTTs during the Contract tender period, as these form part of the Contract and often 'amend' the contents of a Contract document volume.

e) Review the VSF alongside Volume 3, Basis of Payment, which defines how the payment should be made, e.g. lump sum, measure and value, provisional sum, as well as any necessary calculations.

f) Review the VSF alongside Volume 2, Schedule of Prices. The schedule contains measure and value items with rates provided by the Contractor, and some of these rated items may be used in variation cost calculations, e.g. items 2.4, Principal's Risk Non-routine Maintenance Treatments. Any new rate shall be based on or built up from the Schedule of Prices contract rates, reviewed and agreed as and when proposed

g) Analyse the impacts and consequences of an approved VSF, e.g. change of project inputs and outputs, impact on Contractor's resource levels, and Contractor's capability.

h) Assess the value of releasing the VSF service to a supplier outside the Contract, with respect to market sustainability. Aspects to consider include:

- Size of project/current procurement guidelines
- Synergies with other planned maintenance work
- Speed required to get the work done
- The effort required to tender the work
- Liability issues if work is completed outside the Contract.

i) Obtain a peer review decision from the Maintenance Contract Manager or an independent advisor.

j) Notify affected parties of the change where necessary.

k) Record all observations/decisions on the VSF form, refer Part 3, and implement accordingly.

l) Sign approved/declined, provide copy to the Contractor.

m) File the VSF.

3.9.6 National consistency

It is important that the interpretation of variations within individual Network Contracts is done in a consistent manner across the country. This includes variations that are declined or accepted.

At each Maintenance Contract Manager's Knowledge Community meeting, all Maintenance Contract Managers shall table a list of VSF requests from their respective Contractors to:

- Share lessons learnt between Networks
- Seek advice from peers and or the NOC Clarification Governance Group on difficult or significant VSFs
- Ensure consistent approach in VSFs that are declined and accepted

- Work as a team to manage any areas of ambiguity
- Speed up VSF processing times (not reinventing the wheel by working in isolation)
- Approval of VSFs that result in a change of Contract service (i.e. OPM defect definition),and cannot be assessed and approved by a Maintenance Contract Manager or the Maintenance Contract Manager's/Network Manager's Performance Team. These must go through the Network Outcomes Contract Clarification Governance Group, and then to the Maintenance Contracts Governance Group (MCGG) for ultimate approval. Once approved by the MCGG, the implementation of the variation change is implemented through the Maintenance Contract Manager's Contract Performance Team. Also refer to Section 3.10, Model and Specification Enhancements.

3.9.7 Variation documentation

The Maintenance Contract Manager shall keep a record of all approved/declined VSFs in the Contract file. Approved Variations also need loaded into SAP with a description, reference and variation value before they can be administered via the Payment Claim process. These records must be readily accessible by internal auditors.

The record shall include a running register of all approved/declined VSFs and their value, and each shall be uniquely numbered.

3.9.8 Linkage(s)

- NZS 3910:2013 or NZS 3917:2013
- Variation Service Form, refer Part 3

3.10 Model and Specification Enhancements

3.10.1 Introduction

The purpose of this process is to define procedures for suggesting further enhancements to the Network Outcomes Contracts.

3.10.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Information for Tenderers
- Conditions of Contract
- Schedule of Prices
- Basis of Payment
- Maintenance Specification
- Appendices.

3.10.3 Responsibility

Principal Procurement Manager (Maintenance).

3.10.4 Introduction

No changes can be made to the Contract at a local level without prior National Office approval. Examples include any changes to Basis of Payment, Specifications, Levels of Services, Standards, Performance Levels, Audit Requirements and Risk Profile.

3.10.5 The process

The Network Outcomes Contract Clarification and Governance Group (CGG) is responsible for reviewing and updating the Contract proforma. These reviews examine feedback about the standard Contract documents, and ensure they remain current and represent best practice.

The review process includes:

- Requesting feedback from Contractors and industry working groups
- Reviewing the documents in light of feedback
- Accepting change to the document
- Updating the documents
- Seeking MCGG approval for the change
- Reviewing and releasing change
- Rolling out change through the Maintenance Contract Managers' Knowledge Community
- Providing training if the changes are substantial.

3.10.6 Feedback

Any feedback raised shall be forwarded to the Principal Procurement Manager (Maintenance).

3.10.7 Linkage(s)

Nil.

3.11 Dispute Resolution

3.11.1 Introduction

The purpose of this process is to define procedures for resolving a dispute within the Network Outcomes Contract.

3.11.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Conditions of Contract
- Maintenance Specification, 3.5.3 (Contract Management Team).

3.11.3 Responsibility

Maintenance Contract Manager.

3.11.4 Empowerment

The CMT is empowered to resolve contractual issues as they arise; it is important that early discussions are held to prevent further escalation. The CMT is not empowered to resolve disputes through alteration of specifications and payments outside the scope and intent of Contract conditions. Continuation of these discussions shall be made a priority until a resolution is agreed. Third party technical expertise may to be engaged if required for technical advice, and the NOC CGG may be also canvased for advice on the matter.

If a resolution cannot be agreed then the dispute shall be reported formally to the CB by the Maintenance Contract Manager at the earliest opportunity. A joint CMT report shall document the dispute issue and any formal communications, such as NTCs and NTEs, along with resolution options. The Engineer to Contract will be referred to in the following instances:

- If the CB cannot unanimously agree on an option, then the Engineer's Representative shall formally request an Engineer to Contract ruling
- If the CB unanimously agree on an option that requires a formal notification from the Engineer to Contract, then the Engineer's Representative shall instigate the request.

An escalation flowchart is available in Part 4 and shall be used by the CMT.

A CMT debrief should be carried out to ensure alignment of the decision is understood. A lessons-learnt notification could be issued for sharing within Waka Kotahi.

Contract disputes that parties are unable to resolve themselves should be dealt with in accordance with Conditions of Contract.

Also refer to Section 3.9, Variation Management.

3.11.5 Linkage(s)

- NZS 3910:2013 or NZS 3917:2013
- Escalation Flowchart, refer Part 4.

3.12 Contractor Performance

3.12.1 Introduction

The purpose of this process is to define procedures for monitoring the Contractor's performance framework.

3.12.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 1.5 (Contract Outcomes)
- Maintenance Specification, 2.1 (Introduction)
- Maintenance Specification, 2.2 (Key Result Areas)
- Maintenance Specification, 2.3 (Operational Performance Measures)
- Maintenance Specification, 2.5 (Reviews and Audits)
- Maintenance Specification, 3.5.2 (Contract Board)
- Maintenance Specification, 3.5.3 (Contract Management Team)
- Maintenance Specification, 3.5.4 (Annual Performance Workshop).

3.12.3 Responsibility

Maintenance Contract Manager.

3.12.4 Performance Transparency

The Contractor's performance is demonstrated by:

- Monthly Contractor reports (OPMs)
- Quarterly KRA performance evaluations
- KRA annual performance evaluations
- Annual performance workshops.

The Maintenance Contract Manager is responsible for the dissemination of relevant information and if required involving other Network Team members in the assessment of the performance demonstrations.

3.12.5 Tools

The following tools are available:

- There is an Excel-based performance spreadsheet available from the Performance Team for Contractors to report performance results for both KRAs and OPMs
- Play a role in the Contractor's own performance recording process, e.g. observe Contractor audits
- Discuss performance with other Network Team members
- Team up with a neighbouring Maintenance Contract Manager
- Discussions with forums within System Management

3.12.6 Evaluation Process

Contractor performance evaluation is a formal process whereby the performance of Contractors is openly assessed. The process is described in detail in Section 2 of the Maintenance Specification.

The key objectives of supplier performance evaluation include the following:

- To provide Contractors and subcontractors with constructive feedback as to their performance. This enables corrective steps to be considered and implemented throughout the remainder of the Contract.
- To record the overall performance of the Contractors and subcontractors. This is then available for future reference in assessment of track record, or conversely may serve as a trigger for review of pre-qualification status.
- To assess financial performance implications (refer to Section 3.8).

3.12.7 Monthly Contractor performance

Contractor performance is to be reported monthly. The Maintenance Contract Manager must be comfortable with the integrity of the Contractor's assessment.

If a payment reduction has been identified, there is a time period in which the contractor or MCM has the opportunity to challenge the result in the event of unforeseen circumstances.

Transparency around the outcome of any challenges shall involve the following:

- The Maintenance Contract Manager may compare the results from spot checks completed within one day of the Contractor's audit from the previous month
- The Maintenance Contract Manager may complete spot checks on the audit results on the same audit sections
- Elevating misalignment of Contract standard interpretations or intent to the Maintenance Contract Manager's Knowledge Community for a nationally consistent interpretation
- Reporting to the Maintenance Contract Manager's Knowledge Community.

3.12.8 Quarterly KRA performance

Contractor pre-requisite performance is to be reported quarterly. The Maintenance Contract Manager, along with the Network Team, must be comfortable with the integrity of the Contractor's assessment.

The Contractor will provide supporting documentation to justify the evaluation against pre-requisite performance criteria. However, any challenges shall involve the following:

- The Maintenance Contract Manager may compare the results to knowledge gained over the previous quarter
- The Maintenance Contract Manager may complete spot checks on the results
- Elevating misalignment of KRA interpretations or intent to the Maintenance Contract Manager's forum for a nationally consistent interpretation
- Reporting to the Maintenance Contract Manager's forum.

3.12.9 KRA annual performance

Contractor performance is to be reported annually.

Once the annual performance score has been agreed by the MCGG the Maintenance Contract Manager shall issue an NTC to formalise the annual assessment.

3.12.10 Annual performance workshops

The workshop is organised by the Contractor and is an opportunity for all parties to reflect on the year's performance as a team and map out the performance for the upcoming year.

3.12.11 Linkage(s)

Performance spreadsheet, refer to Performance Team

3.13 Handover of Assets from other Contractors

3.13.1 Introduction

The purpose of this process is to define procedures for the handover of assets from other contractors who have completed projects within the Network.

3.13.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.5.1 (Asset Growth)
- Maintenance Specification, 3.7.2 (Hand back of Assets from other contractors)
- Maintenance Specification, 5.7 (Capital Projects).

3.13.3 Responsibility

Network Manager.

3.13.4 Hand back

While the project handover occurs at the end of the construction, the process of the handover begins as the construction works are approaching completion. The process and actions required include:

- Complete a joint inspection before Practical Completion and agree on any outstanding maintenance issues to be completed by the other contractor. For Waka Kotahi the Network Manager will lead this with the MCM and a contractor representative also attending.
- Complete a joint inspection before the issue of the Final Completion Certificate to ensure there are no outstanding liabilities.
- Receive the Asset Owner's manual and ensure contents are embedded into business-as-usual maintenance processes and procedures. This will require open discussion with the Contractor, which may lead to a change in Contract scope. The change in asset quantities is addressed in the maintenance specification, Section 2.5.1.
- Acting as Waka Kotahi's RAMM data quality gateway manager. This involves processing the submitted RAMM updates in accordance with the RAMM Data Quality Plan.
- In the event that the Contractor and Network Manager have justifiable concerns, then either the liability will remain with the other contractor or is accepted within the Contract with an adjusted documented risk profile. The CMT will be informed of the outcome.

3.13.5 Linkage(s)

- Relevant Contract documents from other contractors in terms of liabilities
- Asset Owner's Manual (Z/15)

3.14 System and Process Audits and Reviews

3.14.1 Introduction

The purpose of this process is to define procedures for the regular testing of the integrity of the Contractor's self-compliance performance reporting system for both Key Result Areas (KRAs) and Operational Performance Measures (OPMs).

3.14.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2 (Value Management Proposition)
- Maintenance Specification, 2.6 (Reviews and Audits).

3.14.3 Responsibility

Maintenance Contract Manager.

3.14.4 Performance against Customer Value Proposition

3.14.5 Performance against Plans

The Maintenance Contract Manager shall regularly review the manner in which the Contractor carries out activities in terms of consistency with their approved Contract Plans. Joint reviews should be undertaken, at perhaps six-monthly intervals for each Plan, or more frequently if there is consistent under-performance. These joint reviews should not be overly cumbersome on either Waka Kotahi or the Contractor. Reviews could be of the following nature:

- The Maintenance Contract Manager participating in the Contractor's own internal Plan audits (preferred method)
- Review of the Contractor's internal documentation following Waka Kotahi's receipt of a deliverable, and checking against documented Plan process
- On-site (office or field) observation of work practice and methods, and checking against documented Plan process
- Discussions with staff involved in an activity and checking against documented Plan process.

3.14.6 Performance against Specification

The Maintenance Contract Manager shall regularly review the Contractor's compliance levels with the Contract specification requirements such as materials and design standards. It is suggested that joint checks should be undertaken on a monthly basis, or more frequently if there is consistent under-performance or quality issues. These joint checks should not be overly cumbersome on either Waka Kotahi or the Contractor. Checks could be of the following nature:

- Review of the Contractor's internal documentation following Waka Kotahi's receipt of a deliverable, and checking against documented specification process, e.g. Waka Kotahi T/10
- Field sampling of materials, and resulting lab tests (aggregates).
- The Maintenance Contract Manager and or Network Manager participating in the Contractor's own inspection test plan procedures (preferred method).

3.14.7 Performance against Self-Compliance Process (KRAs and OPMs)

The Maintenance Contract Manager shall regularly review the manner in which the Contractor carries out their monthly Operational Performance Measures compliance inspections, e.g. the 10% 5km section audits. Joint checks should be undertaken, perhaps every two months, or more frequently if there is consistent under-performance or consistent good performance. Checks should be of the following nature:

- Review of Contractor's internal compliance monitoring system within Quality Management Plan documentation following Waka Kotahi's receipt of a monthly/quarterly performance report, e.g. Operational Performance Measures result, Incident Response results, Key Reporting result requirements.
- The Maintenance Contract Manager or representative participating in the Contractor's field OPM compliance audits. These should cover both the 10% / 5km section audits, and a sample of the 100% sample size audits (preferred method).
- Discussions with staff involved in a self-compliance performance reporting activity and checking against documented Quality Management Plan process.
- The Maintenance Contract Manager or representative undertaking their own OPM compliance audit on the same road section as the Contractor, within 24 hours of the Contractor's own audit. This should be completed on at least two 5km sections, twice each year, and increased if the Contractor is consistently performing very highly.

Any observed serious or repeated non-compliance should be formally recorded via a Principal Non-Compliance Notice.

3.14.8 National Contract Audit Programme

Waka Kotahi's National office will carry out Contract Management Reviews (CMR) against a National Contract Performance audit programme, visiting each Network at least once during each Contract term. The CMR Terms of Reference is included within Part 4 and generally covers Waka Kotahi's management and administration of each Contract in accordance with this manual, in particular:

- The Contractor's performance integrity
- Waka Kotahi's value to the Contract relationship
- Variation Management
- Achieving national consistency in all aspects of asset management.

3.14.9 Linkage(s)

- State Highway Network Outcomes Contract Visual Intervention Guideline
- Contractor's MMP
- Contract Plan
- Specification and Manuals
- CMR terms of reference and programme, refer Part 4
- Guide to the KRA Performance Framework

4 MAINTENANCE, OPERATIONS AND RENEWAL DELIVERY ANNUAL CYCLE

4.1 OPM Management

4.1.1 Introduction

This process describes the requirements for ensuring that the Contractor delivers the required OPM compliance results and that there is trust with the Contractor's self-compliance system.

4.1.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.3 (Operational Performance Measures)
- Maintenance Specification, 4.2 (Quality Management Plan)
- Maintenance Specification, 4.8 (Maintenance Management Plan)
- Appendices, 2.2 (OPM Sample Size and Audit Frequency).
- Appendices, 2.3 (Visual Audit Guideline).
- Appendices, 2.4 (Process Maps - Fault Intervention Options)
- Appendices, 2.5 (OPM Monthly Evaluation Example)

4.1.3 Responsibility

Maintenance Contract Manager.

4.1.4 Tools

The Contractor is to develop their own system (tools) to manage the OPM process.

Waka Kotahi utilises an online national reporting system portal. The Contractor will upload their monthly OPM results by way of a standard template into this system for the purposes of nationwide Contract performance benchmarking, and to assist with feedback to industry.

4.1.5 Personnel

In the first instance, the Maintenance Contract Manager shall undertake OPM system reviews by participating in the Contractor's monthly OPM recording and reporting process from time to time (refer Maintenance Specification, Section 2.5).

If resources are limited, the Maintenance Contract Manager may engage an independent resource to carry out parallel field audits or to participate in the Contractor's audits.

The Contractor is required to:

- Set-up the audit process and systems as documented in the Contractor's Quality Plan
- Provide an OPM auditing resource to carry out auditing; this personnel is provided by the Contractor but must be independent of the Contract team and approved by Waka Kotahi.

4.1.6 OPM Process

The process for undertaking OPM auditing is outlined in the Maintenance Specification, Section 2.3, with the key points being:

- For 10% sample size activities, the Contractor will provide random audit sections for the monthly OPM audit each month. Waka Kotahi can adjust these , but only, to ensure a representative coverage of the network is being achieved by the random generation or if the same audit section is continually being generated.

- For 100% sample size activities, the Contractor will confirm the OPMs for the month that are required be reported.
- The Visual Intervention Guideline is used to ensure defect identification alignment.
- The Contractor will complete auditing in accordance with the frequency stated in Maintenance Specification and Appendix 2.2.
- The Contractor must provide, on a monthly basis, compliance status of each audit length and a summary of overall OPM system compliance, including the financial impact of the monthly non compliance score achieved. The contractor's system must transparently show any 'carry over' non compliance scores from previous audits that have not been cleared
- The contractor is required to agree a system for demonstrating clearance of existing OPM non compliances with the Maintenance Contract Manager

4.1.7 OPM Review

Monthly results are reviewed by the Maintenance Contract Manager and approved for upload into Waka Kotahi's online portal

Safety, Asset Condition and Customer Facing OPMs

The Maintenance Contract Manager is encouraged to participate in joint audits of the Network with the independent auditor from time to time to establish confidence that the auditing process is robust and that OPM defects are being correctly identified.

Management and Construction Quality OPMs

When reviewing the management OPM processes, reference can be made to the Contractor's methodology for auditing these OPM's as approved in the Contractor's Quality Plan. The Maintenance Contract Manager should test the Contractor's recording and calculation methods for all management OPMs, such as key reporting requirements.

Waka Kotahi may complete system reviews on the Contractor from time to time in accordance with Section 2.5 of the Maintenance Specification.

4.1.8 Linkage(s)

State Highway Network Outcomes Contract Visual Intervention Guideline
http://www.nzta.govt.nz/resources/state-highway-maintenance-contract-proforma-manual/

4.2 PIPs/CIPs

4.2.1 Introduction

The purpose of this process is to define procedures for the appropriate use of the Principal's Intervention Period (PIP)/Contract Intervention Period (CIP), and provide guidelines for monitoring the Contractor's performance in responding to PIP/CIP requests.

4.2.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.3.2 (Levels of Compliance).

4.2.3 Responsibility

Maintenance Contract Manager.

4.2.4 The Need for a PIP

-

Principal's Intervention Period (PIP) or Contract Intervention Period (CIP), means the period in which the Contractor must rectify any particular instance of a breach of contract standard identified within an OPM

audit, or a defect that is identified by a third party, Waka Kotahi or the Contractor, and constitutes a potential safety hazard, may adversely reflect on Waka Kotahi or is considered offensive, regardless of whether or not compliance with the Contract standard is being achieved.

PIP or CIP requests should be carefully considered, are NOT to be actively sought out by any Waka Kotahi representative, and are not Network service tools to drive work programmes or an individual/personal level of service traits. It is likely that the issue has been previously advised to the Contractor as an issue, or it has not been addressed in an appropriate or timely manner.

Events deemed to be an immediate safety hazard shall be managed as an incident response (refer Maintenance Specification Section 6.6.1) in regards the intervention period.

4.2.5 Response Time Expectations

The image below demonstrates the location of the default PIP or CIP response time expectation for each OPM.

OPM GROUP 6.1.7: EDGE BREAK (10% SAMPLE SIZE, MEASURED EVERY 2 MONTHS)

OPM	ROAD CLASS	CONTRACT STANDARD	DEFECT	PIP
34	All Roads	No defects.	Encroaching into edge line.	2 weeks
35	NSHVH, NSH, RSH	No defects.	>2m of continuous edge break where encroachment is more than 250mm into seal at any point.	2 weeks
36	RCH, RDH	No defects.	>5m of continuous edge break where encroachment is more than 250mm into seal at any point.	

The specified PIP or CIP response times are provided to Contractors during the tender process to give an indication of the possible urgency of response expectations.

This assists when suppliers are planning and tender pricing resource levels.

The MS published PIP or CIP response times should normally be used,,but can be varied where necessary.. Whenever an instance arises that requires a PIP or CIP to be issued by Waka Kotahi, Waka Kotahi should consider:

– Public safety

– Reputational risk

– Efficiency – not already integrated with the Contractor's business-as-usual work programmes

– Effectiveness – will temporary measures address the need for the PIP, in lieu of a permanent remedy?

– Customer, stakeholder or partner complaints

– Waka Kotahi customer-first strategy.

In the first instance, the Maintenance Contract Manager or Network Manager is encouraged to work with any third party or customer request that the PIP need has arisen from such that issues can be resolved by the Contractor within normal maintenance programmes.

The PIP response shall not be shorter than the contract default.

A PIP or CIP shall be processed by the Maintenance Contract Manager or the Network Manager and issued from Waka Kotahi to the Contractor through the Maintenance Contract Manager. It is expected that PIPs or CIPs would be recorded on a Register and fomalised via a Notice to Contractor.

4.2.6 Contractor Reporting

The Contractor is required to set up a system of recording and reporting their compliance with the performance requirements of the Contract. This includes their performance in response to PIPs or CIPs issued. The Contractor's system should manage the receipt and close-out of PIPs/CIPs in order to report on compliance. Non-reporting of any issued PIPs or CIPs is to be classed as a non-compliance identified by the Principal and carries a weighting of 5 as per Maintenance Specification, Table 2.3.2.

4.2.7 Waka Kotahi Internal Reporting

The issuing of a PIP or CIP or PNC should l be reported to the Contract Board meetings, for each Network. PIP or CIP activity is considered a reflection of:

- The Contractor's performance
- Waka Kotahi's and the Contractor's understanding of the model
- The robustness of the model
- Successful collaboration between Waka Kotahi and the Contractor.

4.2.8 Non-compliance identified by Principal

PIP or CIP requests that have not been addressed within the PIP or CIP issued response time shall result in Waka Kotahi issuing a Principal non-compliance (PNC), which has a monthly OPM evaluation weighting of 5 for each instance. Refer to Maintenance Specification Section 2.3.3, Compliance Sampling and Auditing Process – Non-compliance Identified by Principal.

4.2.9 Linkage(s)

PIP Form, refer Part 3

4.3 Cost Recovery

4.3.1 Introduction

The purpose of this process is to define the responsibility of both parties for the purposes of cost recovery from a third party for both risk-included and risk-excluded activities.

4.3.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 3.8.1 (Monthly Report)
- Maintenance Specification, 3.13 (Cost Recovery)
- Maintenance Specification, 5.5.3 (Corridor Access Management).

4.3.3 Responsibility

Network Manager.

4.3.4 Set-up

The Contractor is responsible for setting up systems to manage the process, including:

- A cost-recovery register
- Seeking permission from Waka Kotahi to pursue any cost-recovery event
- Following the processes defined within Waka Kotahi's State Highway Control Manual

- Monthly reporting.

Waka Kotahi is responsible for setting up systems to manage the process, including:

- Vetting the appropriateness of each cost-recovery event
- Posting out the correspondence to the affected third party in accordance with the processes defined within Waka Kotahi's State Highway Control Manual.

4.3.5 Process

It is the expectation of Waka Kotahi for the Contractor to act as its agent in recovery of both risk and risk-excluded activities.

The cost recovery process is described in the State Highway Control Manual SM012

Cost recovery cannot proceed without authority from Waka Kotahi.

Principal's Risk

Following damage repairs to the Principal assets by the Contractor and subsequently claimed for as part of their monthly claim, the Principal may choose to engage the Contractor to execute cost recovery on their behalf.

The Contractor will be requested to present to the Principal an account of the repair costs. It is expected that the Contractor's reasonable costs to manage the recovery process will also be added to the repair account.

The Principal shall then decide whether to undertake cost recovery. If a decision is made to recover costs, then:

- The Contractor shall write formally to the third party notifying them of the intent to execute cost recovery
- The Contractor then manages the cost recovery until completion
- During the process, the Contractor must update the Principal of all cost recovery in their monthly report and highlight any recovery issues
- Upon receipt of monies, a credit transfer shall be undertaken during the Contractor's next monthly claim to the Principal minus the Contractor's cost management fee.

The Principal reserves the right not to execute cost recovery.

Contractor's Risk

Following damage repairs to the Principal assets by the Contractor and the costs of these works having been absorbed by the Contractor, the Contractor may choose to make a claim for these repairs from the third party.

The Contractor must notify the Principal of their intention to carry out cost recovery as soon as is practicable.

The Principal reserves the right not to execute cost recovery. In this case an explanation will be given formally to the Contractor.

If the Principal decides to allow the Contractor to recover their costs then:

- The Contractor shall write formally to the third party notifying them of the intent to execute cost recovery
- The Contractor then manages the cost recovery through to completion
- During the process, the Contractor must update the Principal of all cost recovery in their monthly report and highlight any recovery issues.

All monies are transferred to the Contractor from the third party.

4.3.6 Delegation

The Network Manager is encouraged to obtain trust and confidence in the Contractor's customer systems and processes such that this cost recovery process can be delegated to the Contractor, who will implement the day-to-day steps, including written correspondence and invoicing. This delegation does not override the requirement for Waka Kotahi approval for every cost recovery event.

4.3.7 Linkage(s)

State Highway Control Manual (SM012) http://www.nzta.govt.nz/resources/state-highway-control-manual/state-highway-control-manual.html

4.4 Asset Management Programming

4.4.1 Introduction

The purpose of this process is to define procedures for best practice for the programming and managing of the assets during the Contract Term.

4.4.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.5.3 (Principal Risk Non-routine Maintenance Treatments)
- Maintenance Specification, 4.8 (Maintenance Management Plan)
- Maintenance Specification, 6.1.2 (Pavement Rehabilitation)
- Maintenance Specification, 6.1.3 (Sealed Road Resurfacing)
- Maintenance Specification, 6.2.2 (Drainage Renewals)
- Appendices, 2.4 (Process Maps)
- Appendices, 4.8 (MMP Minimum Scope Content).

4.4.3 Responsibility

Network Manager.

4.4.4 Programming

The Principal and the Contractor shall work closely together to ensure planning is completed on a three-year cycle ahead of each National Land Transport Plan.

Every three years a 3+7 (10)-year programme shall be developed. Each year, an Annual Plan shall be jointly developed to deliver the operative three-year programme that has been approved in principle, along with further updates to the ten-year programme.

The Contractor's Maintenance Management Plan (MMP) will show how all routine maintenance activities for all asset classes will be planned around the forward works programme for asset renewal and capital development. The MMP must align with Waka Kotahi's planning and funding manuals.

The Process Maps detailed within the Appendix 2.4 of the Contract document highlight the asset management planning process throughout the Contract term in more detail.

4.4.5 Linkage(s)

- Annual Plan Instructions Manual (SM018)
- State Highway Asset Management Plan
- State Highway Asset Management Manual (SM020)
- Waka Kotahi T/10 Skid Resistance Investigation and Treatment, including the notes to this specification

4.5 Network Controls

4.5.1 Introduction

The purpose of this process is to define procedures for managing Network controls for the Network Outcomes Contract.

4.5.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 5.4 (Network Controls).

4.5.3 Responsibility

Network Manager.

4.5.4 Network Controls

The Network Manager shall be fully conversant with Waka Kotahi's State Highway Control Manual (SM012).

4.5.5 Set-up

There are a number of tools available to be used to assist in the management of Network controls. These include, but are not limited to, CRMS, CS-VUE, TREIS and RAMM Car Manager. Refer to Section 2.4 for the specific systems set-up of these tools.

4.5.6 CRMS Process

The CRMS system is to be used for all customer interaction management. The recording of customer communications shall not be via email or phone.

All parties to the Contract shall be fully conversant with the CRMS manual.

All correspondence with a customer shall be recorded and tracked within CRMS.

Also refer to the Contractor's Customer and Stakeholders Communication Management Plan (CSCMP).

4.5.7 CAR Process

Before undertaking work in the legal state highway reserve, a Corridor Access Request (CAR) is required from the person planning to carry out the works, and a Works Access Permit (WAP) from Waka Kotahi. Some examples of activities requiring a permit are:

- Trenching works for utility maintenance, renewal and upgrading
- Footpaths and entranceway maintenance, renewal and upgrading
- Work within the berm or shoulder of the state highway
- Tree work, scaffolding and crane work.

Before any excavations are undertaken the location of all underground services (and above ground) must be established by the person carrying out the works. There are third party providers available to provide information on the location of these services, for example 'Before U Dig'. These service providers can also provide the mechanism for applicants to make a CAR and provide Waka Kotahi with a Traffic Management Plan (TMP) to protect the site, contractors, and the public during operations.

Contractors are responsible for managing applications within CAR Manager and ensuring any Works Access Permit presented to the Network Manager for approval are accurate and complete. The number of applications presented to the Network Manager over time can vary; therefore, considering the limited time to process these, the Network Manager needs to ensure adequate time is allocated for this activity.

Once approved, it is the Contractor's responsibility to manage the works in accordance with the specification, and Waka Kotahi's responsibility to monitor the performance of the Contractor.

4.5.8 LUD Process

Waka Kotahi can complete Land Use Development (LUD) applications themselves or can task the Contractor if resources are limited.

In the event that the Contractor provides services, this will be a variation to the Contract.

As each LUD is approved by Waka Kotahi, a copy must be provided to the Contractor because they are required to manage the LUDs as part of their lump sum.

4.5.9 Other Network Controls

There are other Network control activities required within the Contract. However, these are discussed in detail within the State Highway Control Manual (SM012).

4.5.10 Linkage(s)

- State Highway Control Manual (SM012)
- CRMS Manual
- The National Code of Practice for Utility Operators' Access to Transport Corridors

4.6 Safety Management

4.6.1 Introduction

The purpose of this process is to define procedures for managing the safety activities defined within the Network Outcomes Contract.

4.6.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 5.5 (Safety Management).

4.6.3 Responsibility

Safety Engineer.

4.6.4 Background

Waka Kotahi's State Highway Safe Network Activity Manual (SHSNAM) describes a system for safety management. It takes into account the road safety issues to be considered for the effective and consistent management and safe operation of the State Highway network.

4.6.5 Network Safety Trend Monitoring

Each quarterly safety trend report is to be provided to the Principal by the Contractor's Traffic and Safety Engineer. The Safety Engineer is encouraged to attend the monthly meetings that align with this deliverable from the Contractor.

4.6.6 Procurement of safety-related activities

The Principal may wish to procure additional safety-related works through the Contract. This work will be a variation to the Contract and should be approved by the Principal, refer Section 3.9.

4.6.7 Skid Resistance Management

Waka Kotahi has a separate national skid-resistance data collection contract for surveying each Network annually. The surveys are generally completed over the summer period.

The annual skid-resistance exception report generated from the surveys is provided to the Contractor by the Network Manager.

4.6.8 Fatal and Serious Crashes

Fatal and serious crash reports are to be provided to the Principal by the Contractor's Traffic and Safety Engineer.

4.6.9 Linkage(s)

Waka Kotahi's T/10 specification

Network Safety Management Plan (SMP)

4.7 Management of Annual Pavement Rehabilitation Quantity

4.7.1 Introduction

The intent of this process is to provide guidance for:

- Monitoring the pavement rehabilitation renewal investment levels applied to the Network
- Carrying out an Annual Reconciliation with respect to the Contractor's tendered Rehabilitation Baseline Plan
- Managing any change in risk as a result of over/under the baseline plan quantities.

4.7.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.5.4 (Changes to Annual Renewal Investment Levels)
- Maintenance Specification, 6.1.2 (Pavement Rehabilitation)
- Appendices, 2.4 (Process Maps).

4.7.3 Responsibility

Maintenance Contract Manager.

4.7.4 Background

Excerpts from the Maintenance Specification:

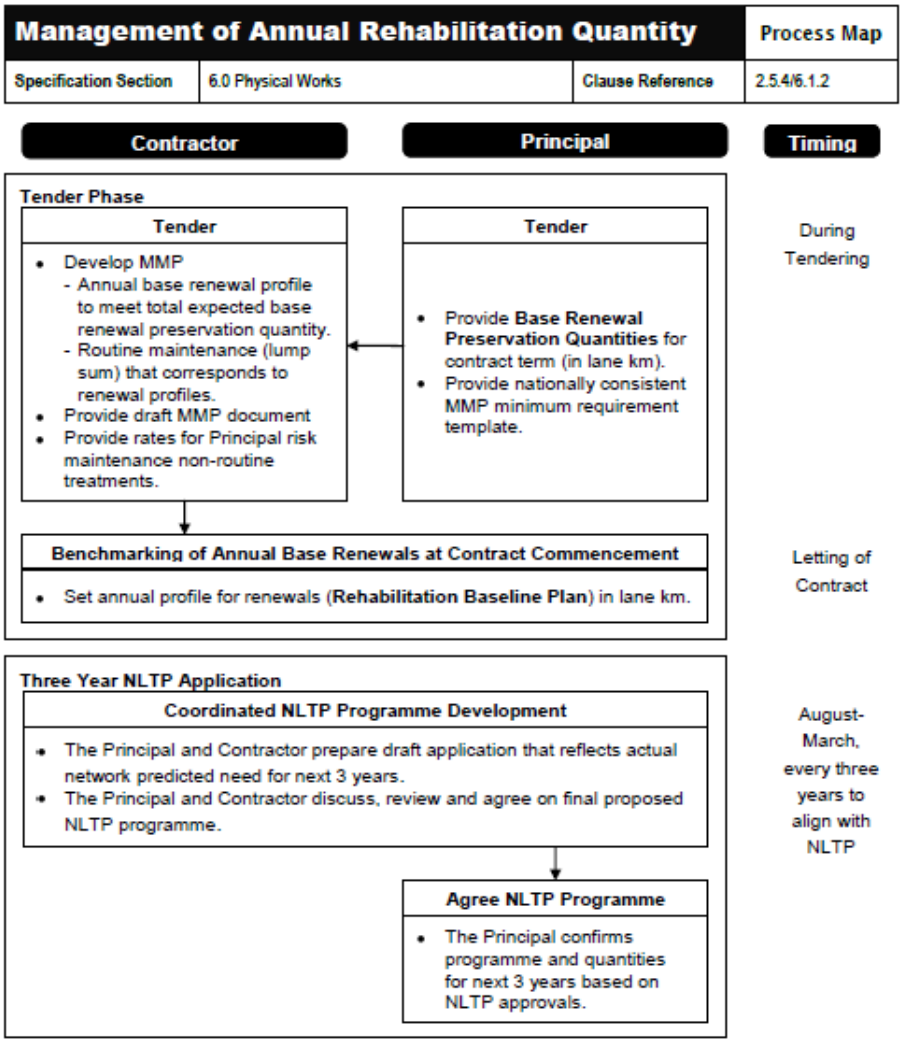
"Whilst the Contractor has been required to develop a Maintenance Management Plan (MMP) that describes the Contractor's methodology for applying this investment level (the base preservation quantities) across the Network, the Principal wishes the Contractor to challenge the need for these quantities throughout the Contract Period.

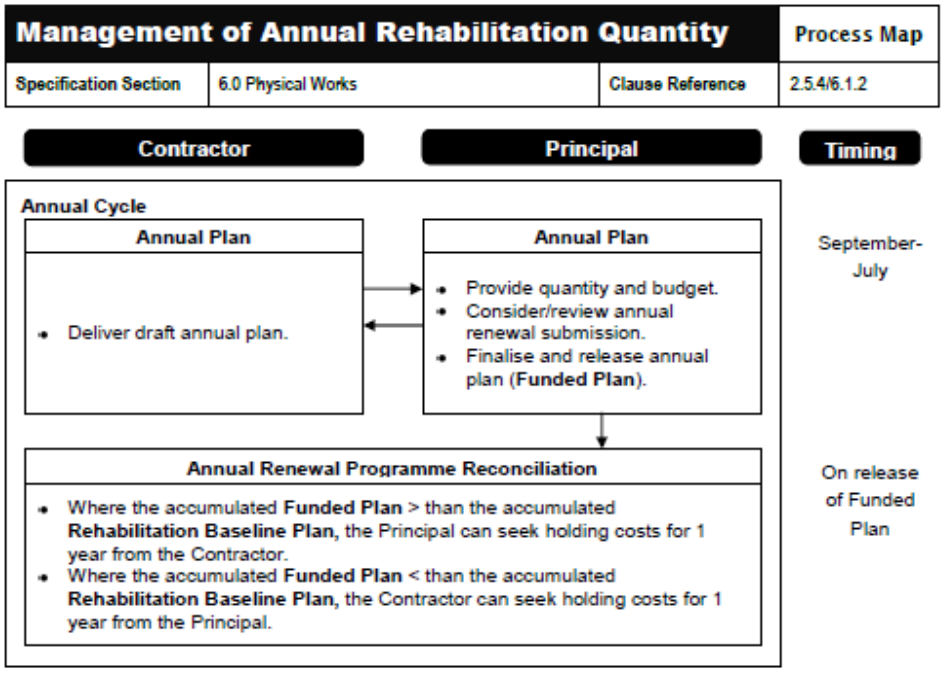
To serve the best needs of national Network prioritisation, and to take account of the funding capabilities of the Principal, the Base Renewal Preservation Quantities may still vary from the quantities nominated within the Contract. If this occurs, the Baseline Plans will become a reference point during each year of the Contract Period, to quantify the impacts of any interference with the previously developed investment levels.

The Principal understands the need to protect the integrity of the tendered lump sums and the Contractor's tendered Maintenance Management Plan. Therefore fair and reasonable formal processes for respecting the impacts of possible renewal increases or decreases are described below."

Waka Kotahi's Annual Plan Instructions Manual (SM018) contains renewal project justification requirements that will need to be met by the Contractor, in order to implement the Contractor's Baseline Plan strategy.

Pavement maintenance risk will pass over to Waka Kotahi if Waka Kotahi is unable to, or chooses not to, fund SM018 justified pavement rehabilitation renewal projects, where this results in the Contractor being prevented from implementing the renewal investment levels as set out in the Contractor's Pavement Rehabilitation Baseline Plan.





Pavement maintenance risk will remain with the Contractor if the Pavement Rehabilitation Baseline Plan investment levels have not been applied to the Network owing to incorrect justification, or if the reactive maintenance levels have not justified the need for each individual renewal project.

4.7.5 Monitoring Against the Baseline Plan

Within the Contractor's MMP is the tendered baseline plan for rehabilitation renewals. Ideally the Contractor has a process within the MMP that results in the Contractor monitoring the following for the full Contract term:

a) Quantity of Rehabilitations that are justified (as per SM018)

b) Quantity of actual rehabilitation renewals that are Waka Kotahi approved (not yet built)

c) Quantity of rehabilitations built.

The monitoring of the funded plan (items 2 and 3 above) needs to be on an accumulated contract-to-date basis, because it is this accumulated total that is used to reconcile against the accumulated tendered baseline plan.

Example 1

3.5 years into a contract, a total of 12km of pavement rehabilitation renewals have been funded / built, with nil justified / approved for the 4th year programme. The funded plan accumulated total is therefore 12km, as at year 4.

Only pavement renewals are to be included in the Funded Plan accumulated total. Do Something treatments that are NOT pavement renewals (e.g. heavy maintenance and seal) are NOT to be included in the Funded Plan total.

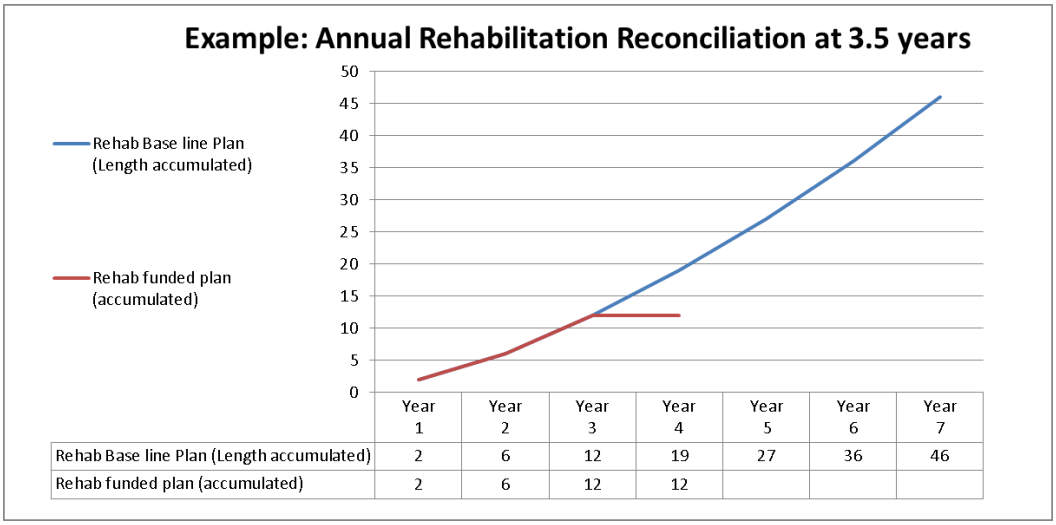
The accumulated baseline plan profile that was tendered is used as the benchmark for the duration of the Contract. The only exception to this is in the event of a major variation that requires the baseline plan to be changed as part of the variation negotiation, e.g. revocation of a highway section resulting in a Network length change.

As stated in the Maintenance Specification, the Contractor is entitled to invest renewals on the Network if they are justified. In the case of pavement rehabilitations, the justification process is according to the SM018 Annual Plan Instructions Manual. When carrying out the reconciliation process, the Contractor's Baseline Plan must have been backed up by the SM018 justification process; this is the reason for monitoring the quantity of pavement rehabilitations that are justified (as per SM018, in bullet 1) above. In the event that the Contractor has only been able to justify a lower accumulated renewal quantity than their Baseline Plan quantity, then the lower value is to be used in the reconciliation process.

4.7.6 Annual Pavement Rehabilitation Reconciliation

Each year, immediately after confirmation of the successfully approved pavement rehabilitation programme has been released, a reconciliation between the accumulated pavement rehabilitation Baseline Plan and the accumulated Funded Plan is undertaken. The compared accumulated totals are the totals for the year in question, i.e. accumulated total as at Year 4; then the following year it is the accumulated total as at Year 5, when the Year 5 programme is known.

The graph below shows a reconciliation result for the Example 1 scenario above, where no rehabilitations were justified for the Network in Year 4.



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Rehab Base line Plan (Length accumulated)	2	6	12	19	27	36	46
Rehab funded plan (accumulated)	2	6	12	12			

4.7.7 Reconciliation Outcomes

There are three outcomes of any reconciliation:

- Outcome 1

  No risk change – business as usual, i.e. reconciliation result is zero or the reconciliation difference is less than zero due to a low quantity of justifiable projects.

- Outcome 2

  Waka Kotahi has adopted some additional risk that it needs to now manage, i.e. Waka Kotahi has not been able to fund justified projects (or has chosen not to), resulting in an accumulated Funded Plan total that is less than the Contractor's accumulated Baseline Plan. The Network Manager will need to use Principal Risk Non-routine Maintenance Treatments to manage the risk over the next 12 months.

- Outcome 3

  The Contractor has received justified pavement rehabilitation renewal investment assistance from Waka Kotahi that is greater than the Contractor's Baseline Plan strategy. Waka Kotahi will be owed some revenue credit from the Contractor's maintenance lump sum.

4.7.8 Outcome 2 - Quantifying the Additional Risk Adopted by Waka Kotahi

Extract from the Network Outcomes Contract, Appendices 2.4 Process Maps, Management of Annual Rehabilitation Quantity:

> *"Where the accumulated funded plan is less than the accumulated rehabilitation baseline plan, the Contractor can seek holding costs for 1 year from the Principal".*

As stated above, in the event that the Contractor has only been able to justify a lower accumulated renewal quantity than their Baseline Plan quantity, then the lower accumulated value is to be used in the reconciliation process.

Extract from the Maintenance Specification (including additional support notes):

> *"In the event that the annual pavement rehabilitation programme reconciliation has identified that a 1 year holding-cost risk transfer to the Principal is required, then the following further guidance is provided:*
>
> *(a) In August each year, a joint site inspection is to be undertaken, on the year 1 highest priority non-funded sites, over a length equal to the reconciliation differential."*

The year 1 non-funded sites are the proposed pavement rehabilitation sites that just missed the funded cut for the Year 0 programme, and are the next candidates for renewal for the following

year, i.e. would be considered for inclusion in the Annual Plan about to be prepared. NPVs may not have been carried out yet, but the Network team should have a good idea what candidates exist. Priority should be based on highest NPV, or as dictated by the prioritisation process within the Contractor's MMP.

The joint site inspection is over a length equal to the reconciliation length difference, starting from the start RP of the highest priority site. It may be found that more than one Year 1 site is required to be walked over to achieve this length. In this instance, the next priority site is visited, and so on, until the length inspected is equal to the reconciliation length difference.

Conversely, only a proportion of the highest priority site may need to be inspected if the reconciliation difference length is less than the length of the highest priority rehabilitation. In all instances, an increasing RP direction shall be taken when undertaking the inspection.

It should be expected by both parties that this process is random, i.e. where holding repairs may be encountered, it sometimes may favour Waka Kotahi, and sometimes the Contractor.

It is recommended that the Network Manager undertake this site inspection with Waka Kotahi's Asset Integrator site support.

> *b) The Principal and Contractor shall jointly agree the required pavement and surfacing repairs required to be undertaken in order to hold this road length to the minimum safety condition approved by the Principal."*

The Network Manager must undertake this joint walkover with the Contractor. The walkover is essentially an on-road mark up of repairs required to hold the road section for another 12 months. The Network Manager shall use normal engineering judgement on what is required, focusing on safety and customer care. Every attempt should be made to schedule the required holding repairs such that a second visit is not required within the next 12 months to address the same pavement/surface distress types. This is to attempt to prevent the extra cost to the Contractor for a second establishment, but, in certain cases, it is acknowledged that this cannot be avoided (pavement/surface is past its use-by date).

The Network Manager should resist the urge to over-invest in repairs, in the hope of pushing out the 'candidate renewal'. This is because the risk being managed is only for a 12-month period, from which the site then returns to the overall FWP pool for the subsequent annual reconciliation.

It is in the interest of both parties to agree the required repairs to be paid for by Waka Kotahi using proper professional engineering judgement. The level of intervention shall be noted if the same walkover is required to assess a holding cost credit (see below Outcome 3 process).

> *c) The Contractor shall complete the agreed holding treatments to the conditions as outlined in Section 2.5.3, and any other agreed site-specific special conditions.*
>
> *d) The Principal shall arrange payment to the Contractor for the agreed completed work, in accordance with the Basis of Payment, Principal Risk Non-routine Maintenance Treatments.*
>
> *e) Any new defects that occur within the 12-month period, which were not previously identified, and require intervention, shall be carried out by the Contractor, and payment made by the Principal. Agreement with the Principal will be required before any such further repairs are undertaken.*

The next 12 months shall end at the anniversary of the original site inspection carried out in a) above.

The occurrence of any new defects will require the Network Manager to re-visit the site, and decide the necessary action.

> *f) Non-routine pavement and surfacing repairs, such as potholes, shall also be the Principal's risk.*

4.7.9 Outcome 3 – Quantifying the Over-Investment Credit

Extract from the Network Outcomes Contract, Appendices 2.4 Process Maps, Management of Annual Rehabilitation Quantity:

> *"Where the accumulated funded plan is greater than the accumulated rehabilitation baseline plan, the Principal can seek holding costs for 1 year from the Contractor Principal".*

Extract from the Maintenance Specification (including additional support notes):

> *"In the event that the annual pavement rehabilitation programme reconciliation has identified that a 1 year holding-cost credit transfer to the Principal is required, then the following further guidance is provided:*
>
> *g) In August each year, a joint Site inspection is to be undertaken, on the year 0 lowest-priority funded Sites, over a length equal to the reconciliation differential."*

That is, if Waka Kotahi has overfunded the renewal programme by 2km, then 2km of holding costs is to be credited back to Waka Kotahi.

To quantify the holding cost credit:

The Year 0 lowest priority funded sites are the pavement rehabilitation sites already approved for the year by Waka Kotahi. Priority should be based on the lowest NPV, or as dictated by the prioritisation process within the Contractor's MMP.

The joint site inspection is over a length equal to the reconciliation length difference, starting from the start RP of the lowest priority funded site. It may be found that more than one Year 0 site is required to be walked over to achieve this length. In this instance, the next highest priority site is visited, and so on, until the length inspected is equal to the reconciliation length difference.

Conversely, only a proportion of the lowest priority site may need to be inspected, if the reconciliation difference length is less than the length of the lowest priority rehabilitation. In all instances, an increasing RP direction shall be taken when undertaking the inspection.

It should be expected by both parties that this process is random, i.e. where holding repairs may be encountered, this sometimes may favour Waka Kotahi, and sometimes the Contractor.

> *h) The Principal and Contractor shall jointly agree the required pavement and surfacing repairs that would have been required to be undertaken over the road length if the pavement rehabilitation was deferred for one year."*

The Network Manager must undertake this joint walkover with the Contractor. The walkover is essentially an on-road assessment of repairs that would be required if the road length was under another 12-month holding strategy. The total cost of the 'holding repairs' will then be credited to Waka Kotahi.

The Network Manager shall use normal engineering judgement on what would have been required, focusing on safety and customer care.

It is in the interest of both parties to fairly agree the required 'theoretical holding repairs' to be credited to Waka Kotahi using proper professional engineering judgement.. The level of intervention used shall be noted and compared to the same walkover required to assess the Waka Kotahi risk in the event of underfunding (see above Outcome 2 process).

> *i) The Principal shall receive an invoice credit note from the Contractor, calculated from b) above and the Basis of Payment, Principal Risk Non-routine Maintenance Treatments.*

The scheduled repairs shall be cost quantified using the Contractor's tendered rates for Principal Risk Non-routine Maintenance Treatments. This shall then be the credit value.

4.7.10 Linkage(s)

Nil.

4.8 Resurfacing Quantity Management

4.8.1 Introduction

The intent of this process is to provide guidance for:

- Monitoring the resurfacing renewal investment levels applied to the Network
- Carrying out an Annual Reconciliation with respect to the Contractor's tendered Resurfacing Baseline Plan
- Managing change in risk as a result of investment under the baseline plan quantities.

4.8.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.5.4 (Changes to Annual Renewal Investment Levels)
- Maintenance Specification, 6.1.3 (Sealed Road Resurfacing)
- Appendices, 2.4 (Process Maps).

4.8.3 Responsibility

Maintenance Contract Manager.

4.8.4 Background

In a similar vein to the way pavement rehabilitations are to be managed within the Network Outcomes Contract, to serve the best needs of national Network prioritisation, and to take account of the funding capabilities of the Principal, the (Resurfacing) Base Renewal Preservation Quantities may still vary from the quantities nominated within the Contract, i.e. based on justified Network need, or Waka Kotahi budget restrictions.

If change occurs, the Baseline Plans will become a reference point during each year of the Contract Period, to quantify the impacts of any interference with the previously developed (during the tender phase) investment levels, and any possible change in risk ownership.

Extract from the Network Outcomes Contract (Maintenance Specification section 2.5.4):

> *"The Principal understands the need to protect the integrity of the tendered lump sums and the Contractor's tendered Maintenance Management Plan. Therefore fair and reasonable formal processes for respecting the impacts of possible renewal increases or decreases are described below."*

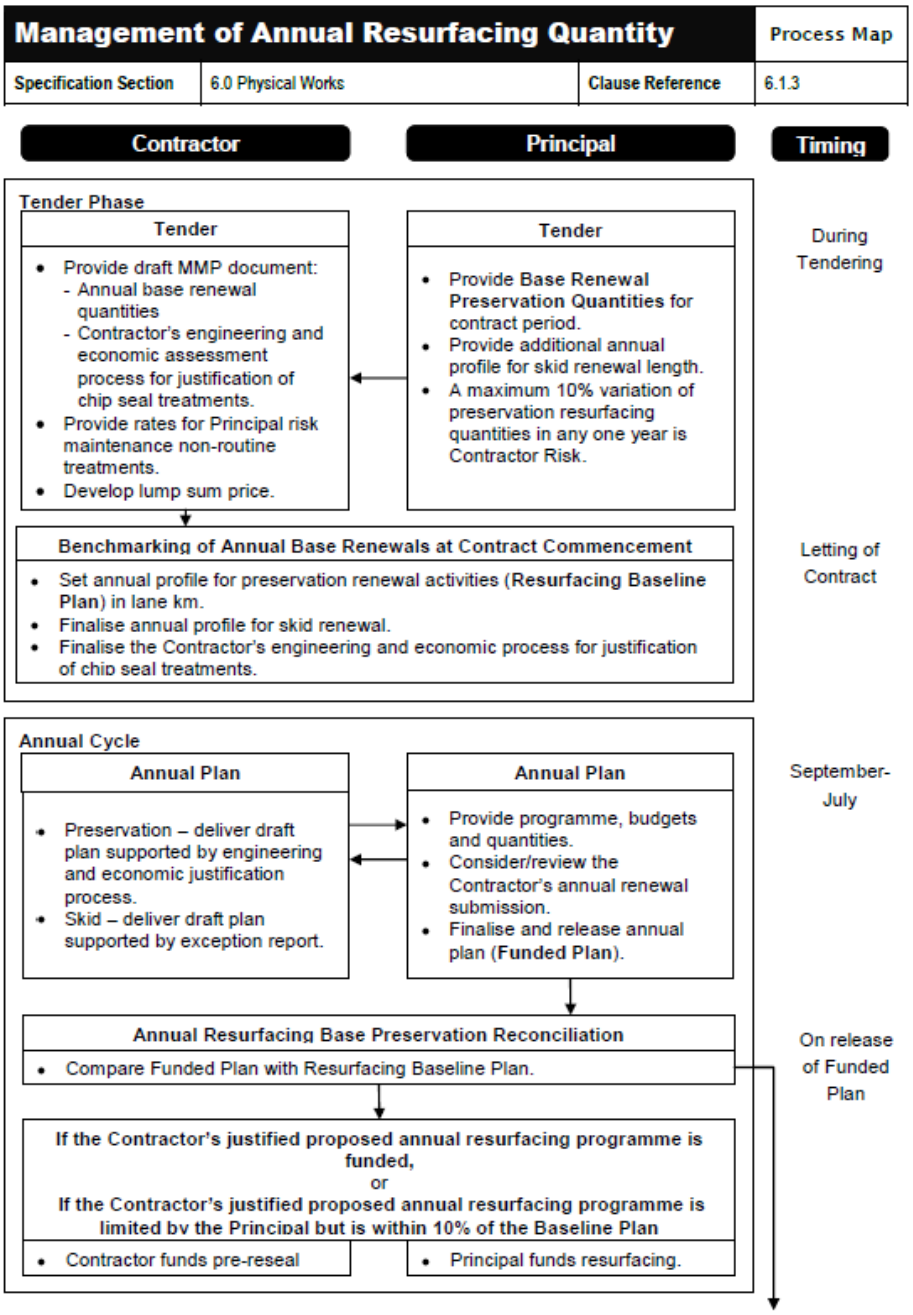
It should be noted that in the case of resurfacing, quantity increases beyond the Baseline Plan do not result in a change in risk for any party.

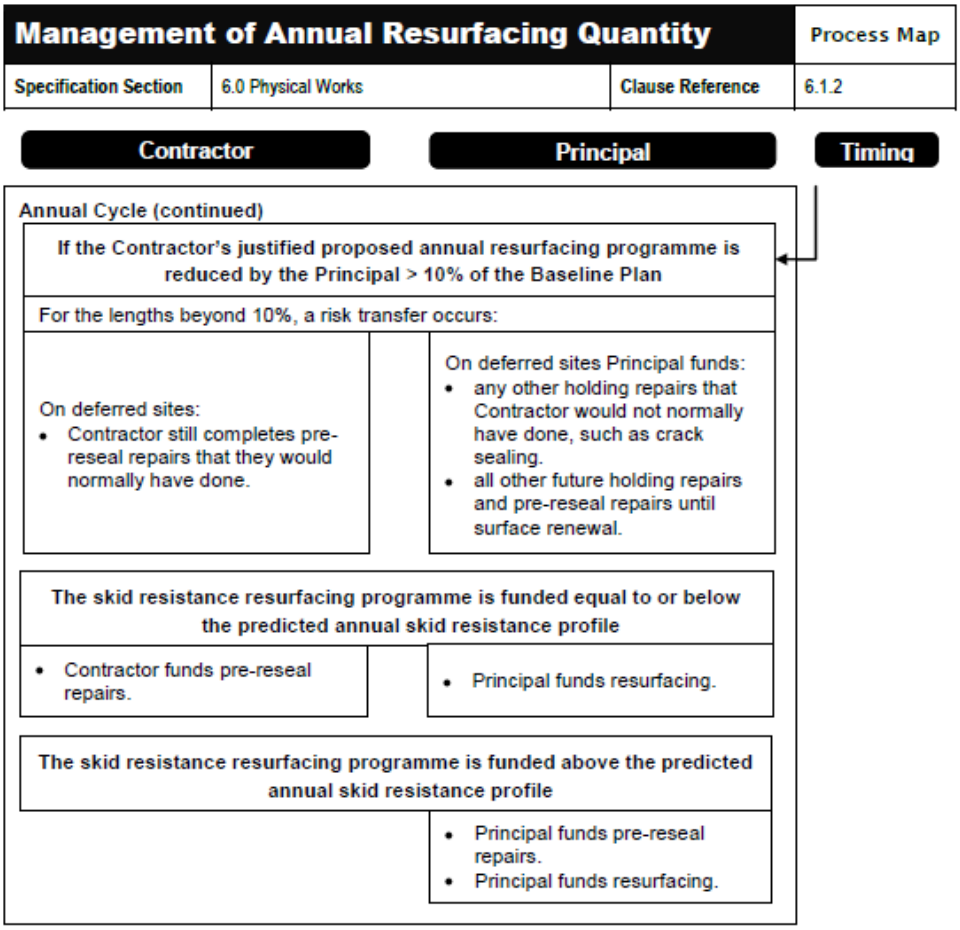
The Contractor's approved MMP contains the chip seal resurfacing renewal project justification requirements that will need to be met by the Contractor in order to implement the Contractor's Baseline Plan strategy (chip seal component).

Waka Kotahi's Annual Plan Instructions Manual (SM018) contains key AC renewal project justification requirements that will need to be met by the Contractor in order to implement the Contractor's Baseline Plan strategy (AC component).

Pavement maintenance risk will pass over to Waka Kotahi if Waka Kotahi is unable to, or chooses not to, fund MMP (chip seal) and SM018 (AC) justified resurfacing renewal projects where this results in the Contractor being prevented from implementing the renewal investment levels as set out in the Contractor's Resurfacing Baseline Plan.

Extracts from Network Outcomes Contract, Appendix 2.4


Management of Annual Resurfacing Quantity
Process Map
Specification Section
6.0 Physical Works
Clause Reference
6.1.3
Contractor
Principal
Timing
Tender Phase
Tender
Provide draft MMP document:
- Annual base renewal quantities
- Contractor's engineering and economic assessment process for justification of chip seal treatments.
Provide rates for Principal risk maintenance non-routine treatments.
Develop lump sum price.
Tender
Provide Base Renewal Preservation Quantities for contract period.
Provide additional annual profile for skid renewal length.
A maximum 10% variation of preservation resurfacing quantities in any one year is Contractor Risk.
During Tendering
Benchmarking of Annual Base Renewals at Contract Commencement
Set annual profile for preservation renewal activities (Resurfacing Baseline Plan) in lane km.
Finalise annual profile for skid renewal.
Finalise the Contractor's engineering and economic process for justification of chip seal treatments.
Letting of Contract
Annual Cycle
Annual Plan
Preservation – deliver draft plan supported by engineering and economic justification process.
Skid – deliver draft plan supported by exception report.
Annual Plan
Provide programme, budgets and quantities.
Consider/review the Contractor's annual renewal submission.
Finalise and release annual plan (Funded Plan).
September-July
Annual Resurfacing Base Preservation Reconciliation
Compare Funded Plan with Resurfacing Baseline Plan.
On release of Funded Plan
If the Contractor's justified proposed annual resurfacing programme is funded,
or
If the Contractor's justified proposed annual resurfacing programme is limited by the Principal but is within 10% of the Baseline Plan
Contractor funds pre-reseal
Principal funds resurfacing.



Pavement maintenance risk will remain with the Contractor if the Resurfacing Baseline Plan investment levels have not been applied to the Network owing to incorrect justification, or if the surface routine maintenance levels have not justified the need for each individual renewal project.

4.8.5 Monitoring Against the Baseline Plan

This process is the same as the monitoring required for pavement rehabilitations.

Within the Contractor's MMP is the tendered Baseline Plan for resurfacing renewals. Ideally the Contractor has a process within the MMP that results in the Contractor monitoring the following for the full Contract Period:

- Quantity of resurfacings that are justified (as per SM018)
- Quantity of actual resurfacing renewals that are Waka Kotahi approved (not yet built)
- Quantity of resurfacings built.

The Maintenance Contract Manager should audit this process and the results at the end of each construction season.

The monitoring of the Funded Plan (items 2 and 3 above) needs to be on an accumulated Contract-to-date basis, because it is this accumulated total that is used to reconcile against the accumulated tendered Baseline Plan.

Example 1

> *a) 3 years into a contract, a total of 80km of resurfacing renewals have been funded/built, with 5km justified/ approved for the 4th year programme. The Funded Plan accumulated total is therefore 85km, as at year 4.*

Rehabilitation 'Do Something' treatments that include a resurfacing renewal component (e.g. special maintenance/drainage and reseal) must be included in the Funded Plan total.

The Contractor's tendered resurfacing Baseline Plan never changes. The accumulated Baseline Plan profile that was tendered is used as the benchmark for the duration of the Contract. The only exception to this is in the event of a major variation that requires the Baseline Plan to be changed as part of the variation negotiation, e.g. revocation of a highway section resulting in a Network length change.

As stated in the Maintenance Specification, the Contractor is entitled to invest renewals on the Network if they are justified. In the case of resurfacing renewals, the Contractor's approved MMP contains the justification requirements of the chip seal resurfacing renewal project that will need to be met by the Contractor, in order to implement the Contractor's Baseline Plan strategy (chip seal component). Waka Kotahi's Annual Plan Instructions Manual (SM018) contains key AC renewal project justification requirements that will need to be met by the Contractor, in order to implement the Contractor's Baseline Plan strategy (AC component).

When carrying out the reconciliation process, the Contractor's Baseline Plan must have been supported by these justification processes. This is the reason for monitoring the quantity of pavement rehabilitations that are justified (as stated in SM018 – see bullet 1 above). In the event that the Contractor has only been able to justify a lower accumulated renewal quantity than their Baseline Plan quantity, then the lower value is to be used in the reconciliation process.

Baseline plan monitoring quantities do not include SCRIM surfacing lengths.

4.8.6 Annual Resurfacing Reconciliation

Each year, immediately after confirmation of the successfully approved resurfacing programme has been released, a reconciliation between the accumulated resurfacing Baseline Plan and the accumulated Funded Plan is undertaken. The compared accumulated totals are the totals for the year in question, e.g. accumulated total as at year 4; then the following year it is the accumulated total as at year 5, when the year 5 programme is known.

4.8.7 Reconciliation Outcomes

There are two outcomes of any reconciliation:

- Outcome 1

  No risk change – business as usual, i.e.:

  - reconciliation result is zero or,
  - the reconciliation difference is less than zero but within 10% of the Contractor's Baseline Plan (accumulate total) or,
  - the Contractor's plan is funded.

- Outcome 2

  Waka Kotahi has adopted some additional risk that it needs to now manage, e.g. Waka Kotahi has not been able to fund justified projects (or has chosen not to), resulting in an accumulated Funded Plan total that is less than the Contractor's accumulated Baseline Plan by more than 10%. The Network Manager will need to use Principal Risk Non-routine Maintenance Treatments to manage the risk over the next 12 months.

  NOTE: Unlike the pavement rehabilitation section, there is no credit adjustment to Waka Kotahi in the event that more resurfacings are applied to the Network than were predicted in the Contractor's Baseline Plan. This is because the Contractor would have incurred the additional routine maintenance costs that have led to the resurfacing need, as well as any pre-reseal repairs.

4.8.8 Outcome 2 – Quantifying the Additional Risk Adopted by Waka Kotahi

Extract from the Network Outcomes Contract, Appendices 2.4 Process Maps, Management of Annual Resurfacing Quantity:

> *"If the Contractor's justified proposed annual resurfacing programme is reduced by the Principal >10% of the Baseline Plan…."*

As stated above, in the event that the Contractor has only been able to justify a lower accumulated renewal quantity than their Baseline Plan quantity, then the lower accumulated value is to be used in the reconciliation process.

"For the lengths beyond the 10% threshold i.e. justified but not funded;

- The Contractor still completes the pre-reseal repairs that would have been done if the sites were funded. These repairs are funded by the Contractor's lump sum.
- Waka Kotahi and the Contractor jointly inspect the sites (equating to the length >10% risk threshold) and agree any holding type repairs that are required to maintain the site. These holding repairs are funded through the Principal Risk Non-routine Maintenance Treatment scheduled items.
- Waka Kotahi continues to complete joint inspections and fund any future holding repairs, on the same site length, until the site is finally approved for renewal. This includes any second round of pre-reseal repairs that may be required.

This joint walkover inspection should be done as soon as each funded programme is announced.

The Network Manager must undertake this joint walkover with the Contractor. The Network Manager shall use normal engineering judgement on what is required, focusing on safety, customer care and routine asset preservation. Every attempt should be made to schedule the required repairs such that a second visit is not required within the next 12 months to address the same pavement/surface distress types.

The Contractor shall complete the agreed holding treatments to the conditions as outlined in Section 2.5.3, and any other agreed Site-specific special conditions.

The Maintenance Contract Manager shall arrange payment to the Contractor for the agreed completed work, in accordance with the Basis of Payment, Principal Risk Non-routine Maintenance Treatments.

Any new maintenance issues that arise before the site length is next renewed that were not previously identified and require intervention shall be carried out by the Contractor and payment shall be made by the Principal. Agreement with the Principal will be required before any such further repairs are undertaken.

Non-routine pavement and surfacing repairs, such as potholes, are also the Principal's risk.

4.8.9 Risk Change Records

It will be necessary to have good records of any change in surfacing risk. This is because any risk adoption by Waka Kotahi does not revert back to the Contractor until the same site length is renewed.

The Maintenance Contract Manager should request that the Contractor's MMP contain a defect liability record process that covers Waka Kotahi risk ownership lengths as a result of this process.

4.8.10 Linkage(s)

Nil.

4.9 Vegetation Control Types 3 and 4

4.9.1 Introduction

The purpose of this process is to define procedures for cyclic control of roadside shoulder vegetation during the Contract Term.

4.9.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Schedule of Prices, Volume 1, 6.10 Lump Sum items
- Schedule of Prices, Volume 2, 6.5.11.2 Measure and Value items

- Maintenance Specification, 6.4.1 (Routine Environmental Maintenance)
- Appendices, 4.5 (Sensitive Vegetation Control)
- Appendices, 6.9 (Type of Vegetation Control)
- Appendices, 6.10 (Extent of Vegetation Control).

4.9.3 Responsibility

Maintenance Contract Manager.

4.9.4 Programming

The Contractor is responsible for Type 3 control to ensure mowing is maintained throughout the Contract term. This is a lump sum activity.

For Type 4 Control, the Contractor and Waka Kotahi shall jointly plan and agree an annual forecast programme and include this within the Annual Plan submission and then agree an actual, annual programme by the 1st September. Type 4 control is typically undertaken in spring and autumn. This is a measure and value activity. The Contractor's tendered rates for the Type 4 control shall be used to formalise the annual programme to ensure adequate funding is available.

Once the Type 4 Control programme has been agreed, then the appropriate Work Category and WBS in SAP shall be seasonally corrected/forecast to reflect the Contractor's programme.

Generally Type 4 work will be triggered by the Contractor's general inspections or customer notification. Intervention shall only be carried out when the annual programme is approved by Waka Kotahi, and undertaken at the same time as Type 3.

Waka Kotahi reserves the right not to fund the Type 4 control; however, in doing so, OPM 90 shall be omitted from the bi–monthly audit, until such time Type 4 control has been agreed and undertaken.

Completed Type 4 control works shall be measured and valued by the Contractor and presented to Waka Kotahi for acceptance and payment in the next Contractor's monthly claim.

From time to time joint sites visits between the Contractor and Waka Kotahi may be required for alignment purposes.

4.9.5 Linkage(s)

SM018 Annual Plan process

4.10 Pavement Marking

4.10.1 Introduction

The purpose of this process is to define procedures for the maintenance of pavement lines, markings and high performance markings during the Contract Term.

4.10.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 6.7.1.7 (Pavement Marking).

4.10.3 Responsibility

Maintenance Contract Manager.

4.10.4 Programming

Pavement marking programme development shall be completed in collaboration with Waka Kotahi, where it is expected that the Network need is based on a full Network visual assessment/general condition inspection results. This process is expected to be outlined within the Contractor's Maintenance Management Plan (MMP).

Two pavement marking programmes shall be prepared by the Contractor and presented to Waka Kotahi by 1st September each year:

- Programme for reflectorised roadmarking (P/22 specified works)
- Programme for high-performance roadmarking (P/30 specified works)

Waka Kotahi has indicated in the Maintenance Specification the frequency of Waka Kotahi P/22 remarks annually.

The Contractor's tendered rates for Waka Kotahi P/22 Pavement Marking shall be used to formalise the annual programme to ensure adequate funding is available.

The Schedule of Prices has been constructed on the basis of full block section remarks; however, the Maintenance Specification suggests there is room for innovation and value-for-money alternatives to full block section remarks. This should be encouraged.

Once Waka Kotahi P/22 Pavement Marking programme has been agreed, then the appropriate Work Category and WBS in SAP shall be seasonally corrected to reflect the Contractor's programme.

Completed Waka Kotahi P/22 Pavement Marking works shall be measured and valued and audited for performance compliance by the Contractor and presented to Waka Kotahi for acceptance and payment in the Contractor's next monthly claim.

Waka Kotahi reserves the right to fund Waka Kotahi P/30 High Performance Road Markings, and a Provisional Sum has been nominated for funding of these works.

As per the maintenance specification requirements the Contractor is encouraged to provide additional safety related pavement marking strategies to the Principal for acceptance.

From time to time joint site visits between the Contractor and Waka Kotahi may be required for alignment purposes.

4.10.5 Audio Tactile Profiled (ATP) Marking

A measure and value quantity of ATP marking has been allowed for within the Contract. Due to the expense of this product, approval of such remarking should be taken with care.

The Contractor does not have exclusive rights to such marking. Depending on the scope of maintenance Waka Kotahi has the right to procure this work by other means. Options available in procuring a contractor include:

- Letting a separate contract within the Network. This would generally apply if the scope of work is substantial
- Letting a regional contract to complete this work for all Networks within the Region. This would generally apply if the scope of work across the region is substantial.

The option agreed may depend on timing and must demonstrate best value for Waka Kotahi.

4.10.6 Linkage(s)

- Waka Kotahi P/22 Specification for reflectorised roadmarking
- Waka Kotahi P/30 Specification for high-performance roadmarking.

4.11 Drainage Renewals

4.11.1 Introduction

This purpose of this process is to ensure that drainage renewals are programmed, completed and reported as specified.

4.11.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 6.2.2 (Drainage Renewals)
- Appendices, 1.6 (Typical Cross-section for Drainage Renewals)
- Appendices, 2.2 (OPM Sample Sizes and Audit Frequencies).

4.11.3 Responsibility

- Network Manager – Setting the programme of works
- Maintenance Contract Manager – Delivering the programme of work.

4.11.4 Programming

Drainage renewals are to be programmed as part of Annual Plan for consideration and approval by Waka Kotahi. The Contractor's Maintenance Management Plan (MMP) contains the process for the Contractor to develop the programme.

The Base Preservation Levels are set in Table 2 of the Maintenance Specification.

The typical cross-section requirement for drainage renewals is shown in Appendix 1.6.

4.11.5 Auditing and Reporting

The entire Network is to be audited annually in March by the Contractor to highlight areas of deficiency (refer Appendix 2.2).

The Contractor is required to report on drainage renewals as part of their Mid-year and End of Year achievement report (Refer Maintenance Specification, Section 3.8.2).

4.11.6 Linkage(s)

Annual Plan Instructions Manual (SM018)

4.12 Asset Reconciliation

4.12.1 Introduction

The existing asset base will change over the term of the Contract and this section provides guidance for the reduction and growth that may occur.

4.12.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.5.1 (Asset Growth)
- Maintenance Specification, 5.7 (Capital Project)
- Appendices, 2.6 (Example of an Asset Reconciliation Register and Cost Escalation).

4.12.3 Responsibility

- Maintenance Contract Manager to ensure that the process is completed.
- The Network Team is to ensure that the asset reconciliation matches the physical changes that have been undertaken on the Network, to what has been vested, inherited and paid for.

4.12.4 Reconciliation Process

Key items that need to be addressed in this process include:

- Reviewing assets that have been included on the Network from safety, capital, bridge/structure funding that have been undertaken by Waka Kotahi.
- Reviewing assets that have been removed from the Network, either from new funding as part of a new project or from removal, without replacement, of assets no longer required such as the closing of a rest area.

- Assets vested by developers, utility companies, councils or community groups will also need to be addressed in this process as appropriate.
- Funding for asset reconciliation should be considered as part of the Annual Plan preparation. This could also be undertaken as part of the initial capital coordination processes and costs included into the Annual Plan process as soon as possible. See Maintenance specification, Section 5.7 (Capital Project).
- Major additions or deletions to the Network should be addressed outside the reconciliation process, e.g. the declaration of a new road, revocations or declarations. These will need to be valued and agreed at the CB level.
- Updated records from RAMM, as-built information, Corridor Access Requests, etc. should be used to help reconsolidate the claim from the Contractor.
- Data quality plans from the Contractor will also assist in how they will address updates and reductions. This should be linked back to reconciliation processes. This could include using RAMM information to assist by looking at the “Install_date” vs “Added_on” date. RAMM date is due 20th of the following month. Checks at this reporting stage could be undertaken to assist with the reconciliation. Note that all asset reductions need to be reported.

4.12.5 Linkage(s)

Nil

4.13 Routine Maintenance Treatments

4.13.1 Introduction

This process provides a guide to appropriate use of the Routine Maintenance Treatment priced items scheduled in the Schedule of Prices, Item 2.4.

4.13.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Condition of Contract, 18th Schedule (Contract Risk Profile)
- Maintenance Specification, 2.4.3 (Routine Maintenance Treatments).

4.13.3 Responsibility

Maintenance Contract Manager.

4.13.4 Use Context

The intent of Routine Maintenance Treatments is to provide Waka Kotahi with a quantity allowance and unit rates within the Contract, in order to value activities that are carried out in situations that don’t form part of the contractor’s lump sum activities. Examples are when work is required within risk excluded situations as detailed in Conditions of Contract Schedule 18 – Contract Risk Profile. They can also be used to value option analysis for renewal prioritisation and can also be used to value variation work.

The intent of the Routine Maintenance Treatments provided in section 2.4.3 of the Maintenance Specification is to provide specifications for typical repair types that are considered permanent repairs in the context of the Network Outcomes Contract.

Rates provided for these items are only used if the activity is not covered by an outcome within the Contractor’s performance measures (lump sum) and/or the Risk Profile boundaries defined in the Conditions of Contract (Volume 1).

The use of Routine Maintenance Treatment item rates within the Schedule of Prices is at the prior approval of the Principal.

4.13.5 Treatment Standards

4.13.6 The minimum standard required for any permanent repairs carried out within the contract, whether Contractor Risk under Lump Sum, or Principal Risk items, is to comply with the standard specifications provided in section 2.4.3 Routine Maintenance Treatments. This list of items is not exhaustive but merely provides guidance and specifications for those items of work commonly carried out as routine maintenance within the contract. Linkage(s)

Nil

4.14 Pavement Rehabilitation Design Development

4.14.1 Introduction

The purpose of this process is to ensure that the Contractor delivers pavement rehabilitation designs in accordance with the Contract Specification and the Principal's expectations.

4.14.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Conditions of Contract, 5.1.8 to 5.15
- Maintenance Specification, 6.1.2 (Pavement Rehabilitation)
- Appendices, 2.4 (Process Maps).

4.14.3 Responsibility

- Network Manager – Option development.
- Maintenance Contract Manager – Contract process.

4.14.4 Design Process

The Network Team is integral to this process to ensure Network ownership and alignment with best practice, and will collaborate with the MCM throughout the process.

The Contractor's Maintenance Management Plan (MMP) will describe the strategy used in development of the pavement rehabilitation.

Approval Process

Pavement Rehabilitation designs shall be approved a minimum of two months prior to the programmed start date for the treatment.

The Maintenance Contract Manager should receive from the Contractor a number of design options for each programmed pavement rehabilitation. This report should come with a recommendation that the Network Manager can review and challenge.

The Network Manager should consider engaging Waka Kotahi's National Pavement Team for support in reviewing the design options report.

The step-by-step process is defined in the Contract Appendix 2.4 (Annual Renewals Design and Construct) process map. The process requires Waka Kotahi involvement at:

- Concept option development stage, i.e. early engagement
- Agree target design life
- Agree safety standards
- Seek geometric approval
- Obtain Renewals Quality Plan approval
- Cost approval.

4.14.5 Linkage(s)

- Annual Plan Instructions Manual (SM018)
- Austroads Pavement Design Guide
- Austroads Geometric Design Guide

4.15 Surfacing Treatment Selection

4.15.1 Introduction

The purpose of this process is to define procedures for ensuring the expectations of Waka Kotahi's asset management strategy are met by the Contractor during the Contract Term.

4.15.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.5.3 (Principal Risk Non-routine Maintenance Treatments)
- Maintenance Specification, 4.8 (Maintenance Management Plan)
- Maintenance Specification, 5.5.5 (Skid Resistance Management)
- Maintenance Specification, 6.1.3 (Sealed Road Resurfacing)
- Appendices, 4.8 (MMP Minimum Scope Content).

4.15.3 Responsibility

- Network Manager – Option development.
- Maintenance Contract Manager – Contract process.

4.15.4 Design Process

The Contractor's Maintenance Management Plan (MMP) will describe the strategy used in the treatment selection process for chip seals and asphalt surfacing.

The Network Team is integral to this process to ensure Network ownership and alignment with best practice, and will collaborate with the MCM throughout the process.

The surfacing selection process is summarised below, but not limited to:

- Site selection process
- Treatment selection and design processes
  - Asphalt Surfacing
  - Chip Sealing
- Material Selection process
- Binder Selection process
- Environmental and Social considerations
  - High Demand Environments
  - High Stress Environments
  - Noise implications.

Because surfacing renewals are a measure and value item, this requires the Network Manager to obtain a level of confidence in the application of the above MMP processes in developing the annual resurfacing programme.

4.15.5 Linkage(s)

- Chip Sealing in New Zealand
- Annual Plan Instructions Manual (SM018)

4.16 Construction Assurance Monitoring

4.16.1 Introduction

The purpose of this process is to ensure that Waka Kotahi undertakes construction assurance monitoring to ensure the Contract requirements are met.

4.16.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 2.6 (Reviews and Audits)
- Maintenance Specification, 4 (Quality Management Plan)
- Appendices 6.3 (Guide to Auditing Pavement and Surfacing Renewals).

4.16.3 Responsibility

Maintenance Contract Manager.

4.16.4 Monitoring Duties

Waka Kotahi needs to be assured that the quality results are achieving the KRA objectives. The Contractor will document quality procedures within both the Maintenance Management Plan (MMP) and the Quality Management Plan (QMP). To this end Waka Kotahi will monitor construction assurance by reviewing the Contractor's systems, procedures and records to ensure they are effective and meeting the Contract requirements. These reviews can be undertaken by Waka Kotahi or an appointed independent party.

Waka Kotahi construction assurance monitoring can take the form of (refer Maintenance Specification, Section 2.6):

- Review and Prioritisation Teams (RAPT) site inspections
- Peer review of Contractor's designs
- Compliance with Renewals Quality Plan
- Temporary Traffic Management sites audits
- Onsite audits of renewal works during and after construction
- Health and Safety audits
- Contractor system compliance audits
- Data quality audits
- Special purpose audits
- Level of compliance with performance measures
- Random verification testing.

Results of these reviews must be communicated to the Contractor and included in the KRA assessment.

The Contractor's web-based portal is the key tool where the Contractor must place quality assurance and compliance data for the Principal to review.

A Guide to Auditing Pavement and Surfacing Renewals is provided in the Appendices 6.3.

4.16.5 Linkage(s)

Nil

4.17 Post-construction Pavement Rehabilitation Design Assessment

4.17.1 Introduction

The purpose of this process is to ensure that the Contractor reports on pavement rehabilitation design assessment meet their Contract requirements.

4.17.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 6.1.2 (Pavement Rehabilitation).

4.17.3 Responsibility

Maintenance Contract Manager.

4.17.4 Duties

The Contractor is required, at between 10 and 15 months after the rehabilitation is complete, to access Waka Kotahi's pavement data for each site and compile a report that includes:

- Pavement Rehabilitation Construction Completion Report
- Pavement deflection and curvature analysis
- OPM 42 compliance results
- Photographs
- Roughness condition
- Rutting condition
- Shape condition.

Waka Kotahi is required to review these reports and act on any adverse findings. As part of the review, Waka Kotahi shall visit a sample of sites to check that performance aligns with design and engage National Pavement Team to peer review a sample.

4.17.5 Linkage(s)

Nil

4.18 Post-construction Resurfacing Design Assessment

4.18.1 Introduction

The purpose of this process is to ensure that the Contractor reports on pavement resurfacing design assessment to meet their Contract requirements.

4.18.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 6.1.3 (Sealed Road Resurfacing).

4.18.3 Responsibility

Maintenance Contract Manager.

4.18.4 Contractor Reporting

Within 2 months of completing the annual resurfacing programme, the Contractor shall supply to Waka Kotahi a Surfacing Construction Completion Report. (See specification 6.1.3 for report detail requirements.)

For chip sealing:

In the period 10 to 15 months after completion of the resurfacing programme, the sealed surfaces shall be assessed in accordance with Waka Kotahi P/17, and the results reported in an annual Resurfacing Post-Construction Design Assessment Report.

The site skid resistance will be measured using Waka Kotahi's annual HSD survey machine at least two years after completion of the resurfacing. Skid Assessment Lengths (SALs) will be used to determine the sites and Waka Kotahi's ESC IL requirements.

For AC:

Between 10 and 15 months after construction, Waka Kotahi will have undertaken pavement deflection, curvature and other high-speed data surveys over the Network (skid resistance, roughness, and rutting).

Within 2 months of receipt of this data, and in conjunction with other Contractor-sourced inputs, the Contractor shall assess the success of the renewal outcomes and supply to Waka Kotahi an AC Post-Construction Design Assessment Report. (See specification 6.1.3 for report detail requirements.)

4.18.5 Linkage(s)

Standard Specifications Waka Kotahi M/10, P/9, P/11, P/17

4.19 Winter Services Management

4.19.1 Introduction

The purpose of this process is to ensure the Contractor is meeting the obligations of the Winter Service Requirements.

4.19.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 4.7 (Emergency Procedures and Preparedness Plan)
- Maintenance Specification, 6.6.1 (Routine Environmental Maintenance)
- Appendices, 6.7 (Winter Services Requirements)
- Appendices, 6.8 (Winter Service Targets and Indicative Quantities).

4.19.3 Responsibility

Maintenance Contract Manager.

4.19.4 Winter Services

Winter Services Management does not apply to all Networks. The Networks it applies to have been decided by the Winter Services Group and winter service requirements are included in those contracts.

4.19.5 Winter Service Targets

The Network Manager provides the winter service targets for each section of highway in the Network affected by winter weather (refer Appendix 6.8 of the Contract). From this, the Contractor is to detail in the Emergency Procedures and Preparedness Plan (EPPP) the winter services management strategy and processes to meet these targets.

4.19.6 Weather Information

The Contractor is to monitor weather via the established Metservice road weather information stations and utilise all other available tools provided by Metservice under its provision of a data contract with Waka Kotahi. These tools include route forecasting and alert services, snow and ice

prediction models, and local and mountain weather forecasts as a minimum. The Contractor is to utilise this data to support decision making as to when and where to apply treatment to minimise the impact of winter weather on the Network (refer also Maintenance Specification, 5.4.5).

4.19.7 Winter Service OPMs and Reporting

OPM groups for winter services are in the Maintenance Specification, Section 6.6.1.1. The Contractor is to report to the Maintenance Contract Manager on winter services management using the Daily Treatment Record templates provided in the Winter Service Requirements appendices, which are used as an indicator of decision success-rate, to monitor compliance with relevant OPMs. Also, as part of the monthly report, there will be a summary of winter service provided and the requirement to produce an Annual Winter Summary Report.

4.19.8 CMA

The Maintenance Contract Manager must check that pre the winter season the annual stock requirement for CMA has been communicated to Waka Kotahi Winter Services Group so that orders can be made (only for networks where CMA is approved for use).

4.19.9 Linkage(s)

- www.nzta.metconnect.com.nz
- Waka Kotahi's Winter Service Requirements http://www.nzta.govt.nz/roads-and-rail/management-and-maintenance/managing-maintenance-on-state-highways/meeting-maintenance-challenges/
- CS-VUE monitoring resource consent conditions for the application of CMA
- CMA Best Practice Guideline
- Gritting Materials Specification
- Winter Service Decision Guide

4.20 Traffic Services

4.20.1 Introduction

The purpose of this process is to define procedures for managing the traffic services activities defined within the Network Outcomes Contract.

4.20.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 6.5 (Traffic Services).

4.20.3 Responsibility

- Network Manager – Setting of programme of works
- Maintenance Contract Manager – Delivery of programme of works.

4.20.4 Asset Ownership

There are some traffic services assets that are likely to reside within a neighbouring controlling authority maintenance boundary or vice versa. Examples of these types of assets include:

- Street name blade signs
- Advanced destination signs
- Advanced warning signs.

An agreement is required with the affected controlling authority in order to define who shall supply, maintain and replace these assets. These types of agreements are generally in the form of a Memorandum of Understanding (MOU) and should only be signed by a Regional Manager.

The Contractor is expected to identify these types of Assets within the RAMM database and report to the appropriate owner in accordance with the MOU.

4.20.5 Funding for Replacement

Waka Kotahi is required to allow for funding traffic service asset replacements that are outside the risk profile when developing the Annual Plan. These types of assets will generally apply to:

- Electronic warning signs
- Variable message signs

4.20.6 Electronic Warning Signs

The Contractor is required to complete a basic electronic warning sign maintenance programme every 6 months and an annual maintenance inspection. Any identified maintenance or repairs required are not included within the Contractor's lump sum, and therefore Waka Kotahi has the right to procure this work by other means. Options available in procuring a contractor include:

- Engaging the Contractor to complete the works as a variation. This would generally apply if the scope of work is minimal
- Letting a separate contract within the Network. This would generally apply if the scope of work is substantial
- Letting a regional contract to complete this work for all Networks within the Region. This would generally apply if the scope of work across the region is substantial.

The option agreed may depend on timing and must demonstrate best value for Waka Kotahi.

4.20.7 Pavement Marking

Refer to Section 4.10.

4.20.8 Audio Tactile Profiled (ATP) Marking

Refer to Section 4.10.

4.20.9 Carriageway Lighting

Generally street lighting assets are managed outside the Network Outcomes Contract.

Where this is not the case, the Network Manager shall ensure the Contractor maintains their electrician certification.

The Maintenance Management Plan (MMP) should have a process for developing a carriageway lighting renewals programme.

4.20.10 Linkage(s)

Waka Kotahi P/30 maintenance programme for high-performance road marking

4.21 Incident Response

4.21.1 Introduction

The purpose of this process is to define procedures for managing incident response activities defined within the Network Outcomes Contract.

4.21.2 Reference(s)

This activity refers to the following sections of the Contract document:

- Maintenance Specification, 4.7 (Emergency Procedures and Preparedness Plan)
- Maintenance Specification, 5.3.5 (Incident Response Management)
- Maintenance Specification, 6.6.1 (Operational Activities)

- Maintenance Specification, 7.4 (Incident Response)
- Appendices, 6.16 (Site-specific Warning System).

4.21.3 Responsibility

Journey Manager.

4.21.4 TREIS

Waka Kotahi owns the TREIS system and the Journey Manager should be fully conversant with the TREIS system and the role Waka Kotahi plays in working alongside the Contractor. This includes communications with Waka Kotahi internally and with other stakeholders. The Contractor is required to operate TREIS for the Principal.

4.21.5 Emergency Procedures and Preparedness Plan

The Contractor is required to develop an Emergency Procedures and Preparedness Plan (EPPP) and have it approved prior to the commencement of the Contract. This document shall be followed during any emergency event, and after the event the Maintenance Contract Manager is encouraged to assess its effectiveness. This may result in modifications to the EPPP by the Contractor.

The role of the Network Manager and any other Waka Kotahi personnel is defined within the EPPP.

4.21.6 Specific Warning Systems

Some Networks have specific warning systems installed where the weather predictions at certain locations can be better assessed. These systems are identified within the Contract document appendices.

For the set-up of these systems refer to Section 2.4.

These systems are also useful for the Journey Manager to monitor.

4.21.7 Response Times

An incident may be notified to the Contractor by Waka Kotahi, Contractor's personnel or a third party. Once the notification is received, the response times included in Section 6.6.1 will apply.

The Contractor will have a system for tracking all response times to ensure compliance against these OPMs.

4.21.8 Attendance

Although not a requirement, Waka Kotahi is encouraged to attend significant or high-risk incidents where practicable.

4.21.9 Supplementary Resources

Waka Kotahi can engage supplementary resources to those provided by the Contractor if the Contractor is unable to provide adequate resources.

This can be achieved through:

- Discussions with neighbouring Maintenance Contract Managers to investigate whether their contractors have the capacity to assist
- Contacting other contractors within the area who have the capability and capacity to assist.

Any commissions with other contractors will be directly with Waka Kotahi and funded within the Network's emergency works application or other applicable maintenance and operations funding allocation.

4.21.10 Emergency Works Application

HNO hold a delegation for emergency works approvals, with notifications required to the Asset Integrators to determine whether the event qualifies for financial assistance.

For further information on the general processes, contact the programming team for advice.

There is an Emergency Works Guide and template application form available on HIP (Link not live yet)

For a better understanding of the SAP processes, contact the local SAP champion or the programming team for advice. Current training material for SAP can also be found at http://hip.nzta.govt.nz/technical-information/sap/sap-portfolio-and-project-management/emergency-works

4.21.11 Third Party Cost Recovery

After the incident the Contractor will manage any cost recovery process.

Refer to Section 4.3.

4.21.12 Live Animals and Abandoned Vehicles

OPM Group 6.6.1 is applicable for the management of live animals and abandoned vehicles.

The Contractor will have their own systems for tracking these activities.

4.21.13 Linkage(s)

- State Highway Control Manual (SM012)
- CIMS
- TREIS
- Impounding Act 1955
- P and I Knowledge Base
- SAP, http://hip.nzta.govt.nz/technical-information/sap/sap-portfolio-and-project-management/emergency-works

5 FINAL YEAR

5.1 New Project Plan Development

5.1.1 Introduction

The Project Plan development should commence in the final year of the Contract and should help guide the collection of information throughout the life cycle of the upcoming Contract.

The purpose of the process is to:

- Provide a template to meet Waka Kotahi internal requirements for managing, tendering, awarding, and operating a Network Outcomes Contract
- Assist with meeting our quality requirements, principles, and best practices.
- Assist staff during internal and external audits, such as Office of Auditor General, showing compliance with best practice and internal requirements
- Provide a reference document for completing the necessary steps for managing maintenance contracts
- Provide a reference guide for staff and supporting information to National Office.

5.1.2 Reference(s)

Nil.

5.1.3 Responsibility

Project Manager.

5.1.4 Project Plan Development

Developing the Plan

The development of the Project Plan is to assist Waka Kotahi staff to understand its maintenance operations and to have an understanding of the regional framework, risks, roles and responsibilities. The necessary steps to be undertaken include:

- Drafting the electronic Project Plan proforma
- Holding an internal inception Contract meeting to help collect the necessary information and obtain buy-in
- Completing the Project Plan
- Obtaining Regional Management Team (RMT) signoff.

The Project Plan should reflect the region's Network issues and how the maintenance operations are to be managed within the region.

Using the Plan

The Project Plan can be used as a reference document. It will be useful, for example, to include with procurement strategies and internal information papers.

5.1.5 Distribution

The Maintenance Contract Manager is responsible for ensuring all named personnel stated within the Project Plan's distribution list receive a copy.

5.1.6 Linkage(s)

- Current Contract Project Plan

5.2 Renewal Quantity Management Reward

5.2.1 Introduction

This process gives guidance towards monitoring Contractor progress against the tender Baseline Plans, with a view to calculating any payment reward to the Contractor at Contract end. Note: this is a feature of the original NOC contracts, but has been removed from the NOC V3 contract documents.

5.2.2 Reference(s)

This activity refers to the following sections of the Contract document:

– Maintenance Specification, 2.4 (Renewal Quantity Management Reward).

5.2.3 Responsibility

Maintenance Contract Manager.

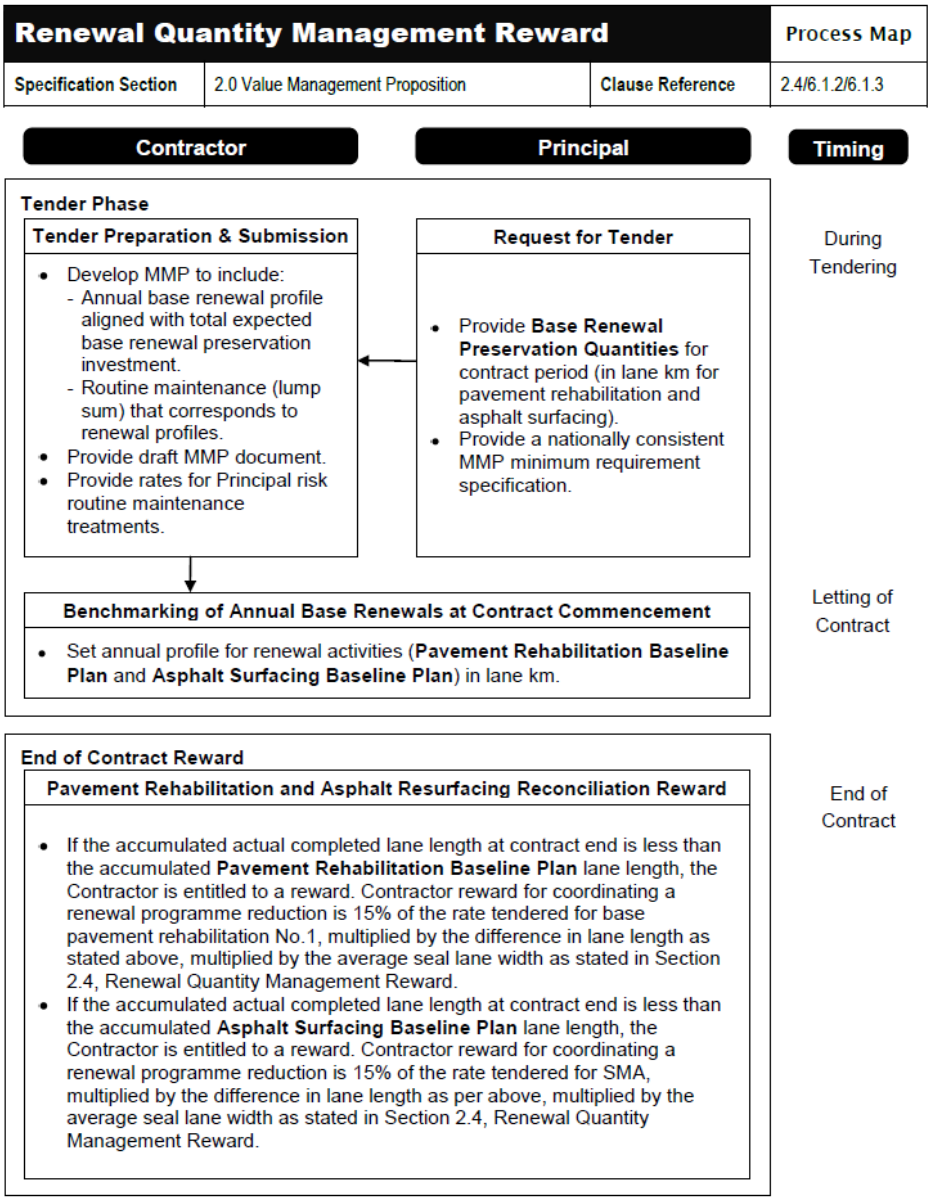
5.2.4 Background

The Network Outcomes Contract encourages the Contractor to responsibly seek opportunities to manage the Network with fewer renewals than those stated in the baseline plans.

If the Contractor has used fewer pavement rehabilitations and asphalt renewals than are stated in the tender Baseline Plans by the end of the full Contract term, then the Principal will consider a financial reward to the Contractor.

This financial reward is paid at the end of the Contract period, which includes any additional tenure earned.

The following process map (Network Outcomes Contract Volume 5, Appendix 2.4, Renewal Quantity Management Reward) provides a simplistic summary.



5.2.5 Monitoring Renewals Against Baseline Plan

Even though any reward is only paid out at the end of the Contract, it is important that the Contract Manager monitors the actual achievement each year of pavement rehabilitations and asphalt surfacing. This is required because, to calculate the actual achievements at the end of the Contract (looking back 5 to 9 years), will introduce inaccuracies and potential arguments. Therefore, the Contract Manager shall work with the Network Manager and the Contractor to establish the lane length of pavement rehabilitation and asphalt surfacing achieved each year, in order to track the Contract-to-date accumulated renewal length and record this within the SM018 Network Statement. RAMM shall be used as the 'one source of truth' (refer RAMM Top Surface Table) in regards renewals 'actual achievement'.

For the pavement rehabilitation reward, generally those treatments funded as Pavement Rehabilitation work category 214 (Sealed Pavement Rehabilitation or Structural Asphaltic Pavement Rehabilitation) are used in the annual calculation of achieved pavement rehabilitation.

For the asphalt resurfacing reward, generally those treatments funded as Sealed Road Resurfacing work category 212 (Thin Asphaltic Surfacing only) are used in the annual calculation of achieved asphalt resurfacing.

Each year's monitoring results should include a projection of the quantity of renewal expected to be used over the term of the Contract. This is for the purpose of making sure forward funding forecasts include any allowance needed for a potential reward pay-out. The forward prediction

period shall be for the period that equals the full Contract term plus any available extensions. This information shall only be obtained from the latest 10 year FWP/NOMAD report (converted to lane length).

5.2.6 Alternatives to Rehab or AC Renewals

Extract from the Network Outcomes Contract Maintenance Specification:

> *"If it is jointly agreed, on a year 1 SM018 justified pavement rehabilitation or asphalt-surfacing renewal, to implement an alternative non-pavement rehabilitation or asphalt surfacing, then the Principal will fully fund the initial alternative strategy over the length in question, including repairs, in conjunction with a prior agreed Defects Notification Period."*

This is essentially a 'Do Something' treatment, which follows the steps listed below:

- A Rehab or AC option is NPV justified
- Waka Kotahi and the Contractor agree that the 'Do Something' alternative strategy is worth pursuing (i.e. risk assessed)
- Waka Kotahi obtains from the Contractor a work standard and defects liability guarantee for the 'Do Something' option
- Waka Kotahi funds the full 'Do Something' treatment, with the Contractor completing the work.

In the context of the end of Contract reward calculation, 'Do Something' treatments that do not involve pavement rehabilitation or AC surfacing are not included in the accumulated length, even when fully funded by Waka Kotahi. Where a 'Do Something' treatment involves a combination of AC/Rehab and other inputs (e.g. extensive drainage), then the Rehabilitation and/or AC lane length component used shall be included in the annual renewal achievement reporting figures.

Further extract from the Network Outcomes Maintenance Specification:

> *"The Contractor must work collaboratively with the Principal as soon as an opportunity is identified to reduce the pavement rehabilitation or asphalt surfacing base renewal preservation quantity. If it is jointly agreed, on a year 1 SM018 justified pavement rehabilitation or asphalt-surfacing renewal, to implement an alternative non-pavement rehabilitation or asphalt surfacing, then the Principal will fully fund the initial alternative strategy over the length in question, including repairs, in conjunction with a prior agreed Defects Notification Period. The Contractor is free to pursue earlier intervention strategies than year 1 treatments, to reduce the need for pavement rehabilitation or asphalt surfacing, at the Contractor's risk. "*

5.2.7 End of Contract Term Reward Assessment

The value of any end of Contract reward is calculated by the formula stated in the Basis of Payment.

Key to this are the following:

- The reward is based on the initial, original contract period and the tender baseline plan quantities and does not include renewals completed during any additional tenure period earned.
- The stated default lane width that was populated in the Maintenance Specification, Section 2.4 Renewal Quantity Management Reward: *"For the purposes of the reward calculation, the average sealed-lane width has been assessed as x m"*
- The Contractor's tendered SMA m^2 rate and tenderd base Rehabilitation No.1 square metre rate
- The difference between the actual total renewal length used at Contract end and the Baseline Plan total length expected (lane length).

As stated in Maintenance Specification, Section 2.4, the reward payment is not guaranteed (*"The Principal reserves the right for the actual granting of a reward…").*

In the event that an end of Contract reward is foreseen (at least 12 months out and within the appropriate NLTP period), then the Contractor shall plan and forecast the value of any financial reward due. The Maintenance Contract Manager and Metwork Manager should engage the Asset Integrator team to step back from the reward calculation and determine if the under-use of pavement rehabilitation or AC renewals has been achieved responsibly. There is no 'black box' formula to conclude an answer to this assessment, but the questions that need to be satisfied generally include:

- Has the Contractor's FWP been relatively stable over the Contract Period, indicating a planned lean approach?
- Has the Contractor's FWP for future years beyond the original Contract Period been stable, and presents no issues to Waka Kotahi?
- Is Waka Kotahi comfortable with the Network's condition in light of the lean renewal investment? (e.g. Pavement/Surface OPM compliance? Customers managed?)
- Have the alternative strategies adopted by the Contractor and Waka Kotahi produced the expected results?
- Has the Contractor earned the full number of available contract years for the term of the contract?

Refer to the specific NOC Clarification that was written to assist with the evaluation of any renewal quanity management reward.

Ultimately, any reward assessment shall be obtained from an Asset Integrator team, reported to the Contract Board, ready for submission to Waka Kotahi for ultimate approval.

5.2.8 Linkage(s)

NOC Clarifications: - https://www.nzta.govt.nz/roads-and-rail/highways-information-portal/technical-disciplines/network-outcomes-contracts/clarification/

5.3 Procurement Process

5.3.1 Introduction

The purpose is to define the requirements for procuring a Contractor for executing the subsequent Contract as a result of normal or early termination.

5.3.2 Reference(s)

Nil.

5.3.3 Responsibility

Regional Performance Manager or Non-business Unit Highway Manager.

5.3.4 Process

A Project Manager is appointed by the Regional Performance Manager or Non-business Unit Highway Manager.

The Project Manager produces a Procurement Strategy for the new project (the new Network Outcomes Contract); refer to SM021, Section 1.3. This should be undertaken between 12 and 8 months prior to the end of the current Contract. It is important that the incumbent Waka Kotahi team managing the existing contract is involved to assist with preparing the tender documentation.

The Project Manager is to confirm approval has been received from the Regional Performance Manager or Non-Business Unit Highway Manager to proceed with procuring a new Contract.

The Project Manager is to prepare an RFT in accordance with Section 1 of this document and ensure SM021 procurement processes are followed for appointment of a new Contractor.

5.3.5 Linkage(s)

Contract Procedure Manual (SM021)

5.4 Hand Back of Assets

5.4.1 Introduction

The purpose is to define the requirements for handing back the Network at the end of the Contract when the incumbent Contractor is not continuing with the service.

5.4.2 Reference(s)

This activity refers to the following sections of the Contract document:

– Maintenance Specification, 3.7.3 (Hand back of Assets at end of Contract Period).

Also refer to Section 2.5 of this manual.

5.4.3 Responsibility

Maintenance Contract Manager.

5.4.4 Handover Inspection and Report

The Network Manager and the Contractor must be invited to the handover inspection prior to the end of the Contract Period and be given the opportunity to review the status of any identified outstanding liabilities (co-related to Section 2.5. Liabilities may include:

– OPM defects older than 12 months
– Works undertaken as a variation that are incomplete or still within a Defects Notification Period
– Outstanding defects on renewals.

The Maintenance Contract Manager and the Contractor must agree on what further work is to be done by which party and when, before the practical completion certificate is issued. As a general rule, all work required by the Contractor must be completed before the practical completion certificate is issued.

The Contractor must be advised of requirements for the full handover report from the Contractor.

5.4.5 Linkage(s)

Nil

6 CLOSE-OUT

6.1 Contract End

6.1.1 Introduction

The purpose is to define Contract end procedures for the Network Outcomes Contract that has been completed or terminated.

6.1.2 Reference(s)

This activity refers to the following sections of the Contract document:

– Maintenance Specification, 3.7.4 (KPost Construction Period Responsibilities).

6.1.3 Responsibility

Maintenance Contract Manager.

6.1.4 Process

This process can be generally enacted following two scenarios, being:

a) Contract end following the Contractor's poor performance

b) Contract end following performance extensions (end of contract period).

After all KRA performance contract period extensions or contract period reductions have been reached, the Contract will naturally terminate according to the Conditions of Contract.

The Engineer to Contract shall formally write to the Contractor advising of the Contract end date.

The Contractor must apply for practical completion. The Maintenance Contract Manager will assess the network and all contract works to determine if the Practical Completion Certificate can be issue or will advise and provide a schedule of all outstanding defects which must be attended to and advise the Engineer to Contract to issue the Practical Completion Certificate.

There may be post contract period responsibilities that the Contractor must provide in accordance with section 3.7.4 Post Construction Period Responsibilities.

6.1.5 Linkage(s)

Nil

6.2 Defects Liability

6.2.1 Introduction

This purpose of this process is to ensure that any defects resulting from the construction of resurfacing and pavement rehabilitation sites, during the last two years of the Contract, are identified and remedied prior to the expiry date of the Contract and the issue of the Final Completion Certificate.

6.2.2 Reference(s)

This activity refers to the following sections of the Contract document:

– Conditions of Contract.

6.2.3 Responsibility

Maintenance Contract Manager.

6.2.4 Duties

Contract Completion

The Contractor is required to identify and remedy all defects as defined under Maintenance Specification, Sections 6.1.1, 6.1.2 and 6.1.3, prior to Contract completion.

Final Completion Certificate

For any resurfacing or rehabilitation sites that are still being managed in terms of the Defects Notification Period (104 weeks), the Engineer's Representative will be required to identify any defects and issue them to the previous incumbent Contractor in accordance with Section 11 of the special conditions of Contract, and prior to issue of a Final Completion Certificate.

Upon acceptance that all defects are remedied to the satisfaction of the Principal and in accordance with the Maintenance Specification, the Engineer's Representative shall issue a Final Completion Certificate as required by the Conditions of Contract.

6.2.5 Process

The Maintenance Contract Manager will become aware of defects either by their own observations of the network, or by the advice of the current network contractor. In the case of the latter, it may be prudent to visit the site an confirm the presence of the defect.

The Maintenance Contract Manager shall then advise the previous Contractor of the defect and set a timeframe for their rectification. The nominal time for this is 5 days but this can be varied subject to the Maintenance Contract Manager's assessment of the urgency. The Response Times given in the OPM framework are a useful guide.

Should the previous Contractor elect not to repair the defects, the Maintenance Contract Manager shall notify the previous Contractor that the Principal is using its rights under Section 11.3 of the Conditions of Contract and then direct the current Contractor to perform the works.

When the works are completed the Maintenance Contract Manager shall arrange for the previous Contractor to be invoiced for the costs.

6.2.6 Linkage(s)

NZS 3910:2003, 3910:2013, or NZS 3917:2013 Section 11

6.3 Contract Close-out

6.3.1 Introduction

The purpose is to define the close down procedures for a Network Outcomes Contract which has been completed or terminated.

6.3.2 Responsibility

Maintenance Contract Manager.

6.3.3 Close-out

The Contract close-out process is as follows:

- Ensure all KRA performance reviews have been completed and recorded appropriately.
- Ensure full handover report received with required information.
- Ensure all expected deliverables have been received.
- Ensure final payments have been made and accepted.
- Ensure any contingent liabilities have been resolved.
- Ensure all bonds have been released, and required warranties and as-builts have been provided. The Contractor should request the release of these bonds. Performance bonds need

to be released once the certificate of practical completion is issued; this will require Project Manager's approval. Bonds in lieu of retentions (if applicable) will also need to be released when the Final Completion Certificate is issued. The project manager will need to approve this as well.

- Complete joint inspection prior to issue of Defects Liability.
- Completed pavement rehabilitation and resurfacing work locations for the last two construction seasons clearly defined.
- Remove all Contractor database passwords and permissions to the Principal's asset registers.
- Close off all supplier contracts.
- Update the Project Plan for the file, refer to Section 6.4.

6.3.4 Linkage(s)

Waka Kotahi's Contract Procedures Manual (SM021)

6.4 Project Close-out

6.4.1 Introduction

The purpose is to define those procedures required to close out the project after the Contract has been closed out.

6.4.2 Reference(s)

Nil.

6.4.3 Responsibility

Project Manager.

6.4.4 Introduction

In conjunction with Section 6.1, the Project Plan shall be updated to reflect the ending of the Project. This will not occur until all Defect Notification Periods have ended, i.e. 104 weeks after the last pavement rehabilitation or resurfacing renewal.

This document will become a "closed" document and hence will not require further reviews.

6.4.5 Project Plan Close-out

To close out the Plan, undertake the following:

- Close out the Contract, refer Section 6.3
- Complete a lessons-learnt review at the project plan level of the Contract in order to understand where business improvements can be made
- Close out the Project Plan by ensuring the content of the plan reflects the status at practical completion
- A formal review of the completed Plan should be undertaken with the Regional Management Team to evaluate and then sign off the project.

6.4.6 Linkage(s)

Nil

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1 PROCUREMENT

1.1 Set-up

1.1.1 There are no forms or examples available for this activity.

1.2 Project Plan Proforma

1.2.1 The following template is provided and is also available on the HIP website.

1.3 Preselection Process

1.3.1 There are no forms or examples available for this activity.

1.4 Contract Document (RFT) Preparation

1.4.1 Document Preparation

Refer to:

- Procurement manual
- Contract procedures manual (SM021).

1.5 Tendering and Award

1.5.1 Refer to procurement strategy templates contained within the Contract procedures manual (SM021).

2 ESTABLISHMENT

2.1 Project Plan Update

2.1.1 There are no forms or examples available for this activity.

2.2 Financial Update

2.2.1 There are no forms or examples available for this activity.

2.3 Role Delegation and Confirmations

2.3.1 NTC No.1 proforma

Engineer to Contract and Engineer's Representative, responsibilities and delegations are to be documented as NTC No. 1 to the Contractor.

NOTICE TO CONTRACTOR
No. 001

Contractor:	[Contractor Organisation]	Date:	[dd/mm/yyyy]
Principal:	NZ Transport Agency (Waka Kotahi NZ Transport Agency)		
Contract:	[Name] Network Outcomes Contract		
Contract number:	[Contract Number]	**Page:**	1 of 1

Issued to:	1	[Contractor Representative Name]	[Organisation]
Copies to:	2	[Contractor Representative Name]	[Organisation]
	3	[Engineer's Rep Name]	NZ Transport Agency (Waka Kotahi NZ Transport Agency)
	4	[File Number]	NZ Transport Agency (Waka Kotahi NZ Transport Agency)

		RESPOND BY
1.1	**ENGINEER TO THE CONTRACT**	**N/A**

Further to the Notice of Acceptance dated [dd/mm/yyyy], please be advised:

Refer to Section 6.1.2 of the General Conditions of Contract.

The Engineer to the Contract is [Name] whose professional qualification is [Professional qualifications].

[Name] will be assisted by [Maintenance Contract Manager name] as the Engineer's Representative, in accordance with 6.3.1 of the General Conditions of Contract.

[Name]
[Address]
Telephone: [Telephone]
Mobile: [Mobile]
E-mail: [E-mail]

[Maintenance Contract Manager name]
[Maintenance Contract Manager address]
Telephone: [Maintenance Contract Manager telephone]
Mobile: [Maintenance Contract Manager mobile]
E-mail: [Maintenance Contract Manager e-mail]

1.2	**ENGINEER'S REPRESENTATIVE**	**N/A**

Conditions of Contract, Part B – Other Conditions of Contract, Section 6, details the vested powers and responsibilities of the Engineer and Engineer's Representative.

1.3	**CONTRACTOR'S REPRESENTATIVE**	**[Date]**

In accordance with Clause 5.2.1 of the General Conditions of Contract please confirm the name of the Contractor's Representative.

Signed:	……..
Name:	[Name] [Professional qualifications]

2.3.2 NTC No.2 proforma

Appointment of Traffic Management Coordinator, responsibilities and delegations are to be documented as NTC No. 2 to the Contractor.

NOTICE TO CONTRACTOR
No. 002

Contractor:	[Contractor Organisation]	Date:	[dd/mm/yyyy]
Principal:	NZ Transport Agency (Waka Kotahi NZ Transport Agency)		
Contract:	[Name] Network Outcomes Contract		
Contract number:	[Contract Number]	**Page:**	1 of 2

Issued to:	1	[Contractor Representative Name]	[Organisation]
Copies to:	2	[Contractor Representative Name]	[Organisation]
	3	[Engineer's Rep Name]	NZ Transport Agency (Waka Kotahi NZ Transport Agency)
	4	[File Number]	NZ Transport Agency (Waka Kotahi NZ Transport Agency)

RESPOND BY

1.1 APPOINTMENT OF TRAFFIC MANAGEMENT COORDINATOR (TMC) **N/A**

Effective from (date now), I hereby appoint (Insert Name) as Traffic Management Co-ordinator for Waka Kotahi (NOC number and name) Network Outcome Contract and for any 3rd party works undertaken on this area of the state highway Network.

(Name) is an employee of (Company name), a subcontractor to (Main Contractor neame), and holds a current STMS L1 qualification, registration number .....

1.2 TRAFFIC MANAGEMENT COORDINATOR (TMC) RESPONSIBILITIES

In accordance with the Code of Practice for Temporary Traffic Management, the Road Controlling Authority (RCA)-appointed TMC responsibilities include:

- setting conditions for work and other activities on the road
- approving public notices for media release or distribution to local residents. Appendix E in section E of CoPTTM provides a standard format for newspaper advertisements
- prioritising access to the Network (e.g. where contractors apply to undertake activity in the same vicinity, the first notification received will generally be given approval to proceed unless the priority of another activity is deemed more important by the RCA)
- approving TMPs for non-RCA contractual activity on the Network (including service agreements)
- approving compliant TMPs
- assessing the appropriateness of TSL's within a TMP and ensuring that renewal of any TSL's extending beyond 12 months (Refer to section I-18: Guidance on TMP Monitoring Process for Temporary Speed Limits)
- refusing to allow any TMP to be implemented where it is considered to be unsafe or in contravention of CoPTTM and/or the Health and Safety at Work Act 2015, or where reasonably practicable alternatives may exist that may eliminate or minimise the risk to health and safety and are safer, or cause less traffic delay. Reasons must be given.
- checking, coordinating and accepting any previously approved TMPs
- considering applications for non-generic EED where the road environment constraints make the design and installation of CoPTTM compliant TTM impractical and/or unreasonable
- ensuring there is adequate monitoring and auditing of all traffic management within the RCA's roading network by monitoring documentation and worksite activities to ensure compliance with CoPTTM. These checks as a minimum are to be selected randomly and represent a minimum of five percent of all worksites in any month. Refer to Section A8 Temporary traffic management (TTM) safety audit procedures. (Note: Waka Kotahi 63088 NOC may specify additional performance monitoring and audit requirements.)

If, after a TTM audit, a worksite is found to have a dangerous rating, then the TMC is required to issue a notice of non-conformance to the Contractor's STMS appointed for the worksite. Refer to section E, appendix F of CoPTTM for the standard format of a non-conformance notice.

Send a copy of the non-conformance notice to:

copttm.quals@nzta.govt.nz

NOTICE TO CONTRACTOR
No. 002

AND

Principal CoPTTM Advisor Waka Kotahi NZ Transport Agency National Office Private Bag 6995 Wellington 6141 Phone: +64 21340245 Email: Email: neil.greaves@nzta.govt.nz

requiring an activity to be stopped, where corrective action resulting from a notice of non-conformance is not achieved within the required time frame

- suspending the STMS and removing all TCs from the worksite without advance notice where a serious non-compliance with the TMP is found, or the STMS and/or the TC has been found to be acting outside the requirements of CoPTTM or in breach of their obligations in the Health and Safety at Work Act 2015. The activity is to be stopped and the worksite made safe immediately
- notifying the New Zealand Automobile Association, emergency services, RCA, media, public transport operators, etc. where the activity is likely to cause disruption to these organisations or their clients
- where requested, to identify (or require a contractor/consultant to identify) the scope of disruption likely to be caused to road users by the proposed works
- where requested by the RCA, to show (or require a contractor/ consultant to show) that it is possible to construct the proposed design, including any required TTM measures
- where requested to show (or require a contractor/consultant to show) that the traffic management measures listed in the estimate and schedule of prices have been correctly quantified
- for any crash at a worksite, notifying the RCA as soon as possible after the event has occurred and providing a report within 24 hours (definition of a crash is provided in A5.7.3 Definition of a crash)
- fulfilling legal responsibilities under relevant legislation.

The TMC must be independent of the drafting of any TMP to be approved.

1.3 DELEGATION TO THE TRAFFIC MANAGEMENT COORDINATOR (TMC)

A formal instrument of subdelegation from Waka Kotahi to the NOC Contractor (including persons employed or engaged by the Contractor as a TMC is appended in order to subdelegate to the Contractor the power to approve:

- Temporary Traffic Management Plans (TMPs)
- Temporary Speed Limits (TSLs)
- Parking restrictions
- The use of approved portable traffic signals systems
- The use of regulatory signs
- All planned road closures

C

1.4 APPOINTMENT OF TRAFFIC MANAGEMENT COORDINATOR AND BACKUP TRAFFIC MANAGEMENT CO-ORDINATOR (TMC)

Effective from (date now), I hereby appoint the following persons as Traffic Management Coordinator/backup Traffic Management Co-ordinator for the Waka Kotahi (NOC number and Name) Network Outcome Contract and for any 3rd party works undertaken on this area of the state highway network.

- (Name) is an employee of (company) a subcontractor to (Contractor name) Limited and holds a current STMS L1 qualification, registration number ….

This appointment is effective for three years and will expire at noon on (date), provided the person's qualification registration is maintained.

NOTICE TO CONTRACTOR
No. 002

Please update the contract delegations register accordingly with the name of the TMC and all appointed backup TMCs.

Attachment: The Waka Kotahi NZ Transport Agency Instrument of Delegation to (Contractor name) is appended to this notice.

[Date]

Signed:	……..
Name:	[Name] Manager System Management

Waka Kotahi NZ Transport Agency[1]

Instrument of Delegation

Delegation of Functions and Powers to [insert Contractor Name]

In relation to Setting Temporary Speed Limits

PURSUANT to the following:

(a) a resolution and written notice by the Board of Waka Kotahi New Zealand Transport Agency("Waka Kotahi") dated 6 May 2016:

  (i) delegating functions and powers (including those specified in this Instrument) o the Chief Executive of Waka Kotahi ("Chief Executive") under (and for the purposes of) section 73 (1) (b) of the Crown Entities Act 2004; and

  (ii) consenting to and authorising the Chief Executive to sub-delegate those functions and powers (including those specified in this Instrument) under (and for the purposes of) section 74 (1) (b) of the Crown Entities Act 2004, including to any person approved by Waka Kotahi responsible Minister; and

(b) an approval by the Minister of Transport (being Waka Kotahi responsible Minister) dated 12 February 2018 under (and for the purposes of) section 73(1)(d) and (e) of the Crown Entities Act 2004, in which the Minister approved the Chief Executive to delegate functions and powers (including those specified in this Instrument) to any contractor that has been appointed in accordance with applicable statutory requirements (if any) and any applicable procurement procedures.

THE CHIEF EXECUTIVE DELEGATES to **[insert Contractor name]** ("**Contractor**") in its capacity as party under the [**Contract Name**] dated [**Contract Date**] ("**Contract**") with Waka Kotahi ("**Delegate**"), such of the Waka Kotahi functions and powers as are specified in Schedule 1 to this Instrument. The Delegate shall include persons employed or engaged by the Contractor for the purposes of the Contract, and, in particular, any person employed or engaged by any of them (including the Contractor) as a Traffic Management Co-ordinator ("**TMC**").

THIS DELEGATION IS SUBJECT TO the conditions set out in Schedule 1 (specific conditions) and Schedule 2 (general conditions) to this Instrument.

THIS INSTRUMENT TAKES EFFECT on and from [**date**] (or such later date as the Contractor accepts this delegation by signing this Instrument) and expires, unless earlier revoked by notice in writing from the Chief Executive to the Contractor, when the Contract is:

(a) terminated for whatever reason; or

(b) is assigned, novated, or otherwise transferred by the Contractor or Waka Kotahi.

ALL PREVIOUS DELEGATIONS (if any) of the functions and powers specified in this Instrument made by Waka Kotahi to the Delegate are revoked on and from the date on which this Instrument takes effect.

[1] Please liaise with the Waka Kotahi Legal Team at delegations@nzta.govt.nz when seeking to delegate functions or powers under this instrument or when amending any existing delegation or updating the terms of this instrument. This instrument is not valid unless signed by the Waka Kotahi Chief Executive.

New Zealand Transport Agency

Schedule 1

Delegations and Specific Conditions

PART A POWER TO SET TEMPORARY SPEED LIMITS

Functions or power: Waka Kotahi power as road controlling authority for state highways to set temporary speed limits in accordance with section 6 of the Land Transport Rule (Setting of Speed Limits) 2017 (the "**Rule**"), and all associated powers in section 6 of the Rule (which, for the avoidance of doubt, excludes Waka Kotahi power under section 6.2(7) of the Rule);

Specific condition/s attaching to the delegation: Without limiting any other law of mandatory application to the Delegate, the delegation under this Part of this Instrument is subject to the following specific condition/s:

i. All conditions set out in the Contract at the time the delegated power is exercised by the Delegate.

ii. A temporary speed limit may only be set by a traffic management plan ("**TMP**") which has been approved in writing by a TMC in accordance with all applicable requirements of the Code of Practice of Temporary Traffic Management.

iii. A TMP may only be approved by a TMC holding a temporary traffic management qualification appropriate for the highest level of rad within the network area for which that TMC is responsible.

iv. A TMC may only approve a TMP where the TMC was not involved in drafting the applicable TMP.

Schedule 2

General Conditions of Delegation

i. The carrying out of any function or exercising of any power by the Delegate must be in accordance with all relevant legislation.

ii. The carrying out of any function or exercising of any power by the Delegate must be in accordance with all relevant Waka Kotahi policies and procedures, directions, requirements or limitations that are notified in writing by Waka Kotahi to the Delegate from time to time.

iii. If and to the extent applicable to a particular function or power, that function must not be carried out or the power exercised where the Delegate has a personal interest or other conflict of interest.

iv. No function shall be performed or power exercised other than in furtherance of the Contractor's obligations under the Contract.

v. The Contractor must keep records in relation to the carrying out of any function or the exercising of any power by the Delegate pursuant to this Instrument, and provide these to Waka Kotahi (or its nominee), or such other reporting as Waka Kotahi may reasonably request, no less frequently than once every [12] months (in respect of the period since the last such report) or at any time upon request by Waka Kotahi.

vi. The delegations in this Instrument are revocable or may be amended at will by the Chief Executive, and may be revoked or amended by notice in writing either generally or in respect of any specific function of power, including with effect from a future date specified in such notice.

vii. Waka Kotahi will remain the road controlling authority for state highways for all purposes other than those functions and powers delegated under this Instrument.

BY SIGNING BELOW the Delegate **ACCEPTS THE DELEGATION** provided for in this instrument on the terms and subject to the conditions set out above.

SIGNED at)

On the [xx] day of [xx]) _____

By [insert name])

[Contractor name])

[date]

2.4 Systems Set-up

2.4.1 There are no forms or examples available for this activity.

2.5 Pre-commencement Activities

2.5.1 There are no forms or examples available for this activity.

2.6 Contract Commencement

2.6.1 There are no forms or examples available for this activity.

2.7 Performance Framework Set-up

2.7.1 There are no forms or examples available for this activity.

2.8 Alignment

2.8.1 CMT initial meeting agenda suggestion

CMT MEETING AGENDA TEMPLATE
Welcome, Confirm the agenda, Safety Share Key Result Areas overview (i.e. a high level overview of each KRA area)
• Health and Safety • Road User Safety • Customer • Sustainability • Assurance and Value • Network Performance • Health of Relationship
Value Management Proposition
• Performance: KRA/KRI and OPMs (i.e. the details, being the Contract performance outcomes, that is the two KRA interim results and final YE KRA annual overall outcome, and the OPM monthly performance outcomes leading into the next Agenda sub-section) • Risk and Reward • Contract Flexibility • Opportunities/Innovations • Reviews and Audits
Contract Management
• Establishment • Collaboration Charter • Inspections, CW handovers • Reporting • Other
Contract Plan

CMT MEETING AGENDA TEMPLATE
• Implementation and reviews • Risk Register review
Network Management
• Asset Information Mgt. • Asset Mgt. Programming • Network Controls • Bridges/Structures • Safety Management • Financial Management • Capital Projects
Physical Works Programmes
• Sealed Pavements • Drainage • Structures • Environmental Maintenance • Traffic Services • Operational Activities • SCRIM • Other works • 3rd party works
General Business *(Not otherwise covered by the Agenda items)* Agree next CMT time and date

2.8.2 Explanation and comment about how we came to the proposed CMT Meeting Agenda template

Starting point

We inserted the CB Agenda template and the existing CMT Agendas into a table (see next page) to compare against each other, as we attempted to draft and propose a new CMT Meeting Agenda template.

Minutes of Meeting/record of meeting

Organisations/companies that meet on a 'formal basis' typically need to keep 'minutes of meetings' and then at a subsequent meeting approve the minutes of the meeting as being a 'true and correct' record. This could be the case with our Contract Board meetings. Within the Network Outcomes Contract collaborative partnership environment, we should be able to be a little less formal and we probably only need to have a 'record' of each CMT meeting.

The risk of putting the Minutes of the last Meeting at the start of a meeting/Agenda is that some people don't work to a specific Agenda, and then get sidetracked and review the minutes/action list, which is looking backward. This means they can overlook the need to be looking forward to plan and address new and future business matters. So in the proposed Template we have left a review of the last meeting minutes out as an Agenda item. (You may still do this if you choose.)

For the Network Outcomes Contract, the CMT have developed an Agenda template (headings and sub-headings as noted above) and then we have one line updates/records of business under these as our "Rolling Action List/Record of each meeting. The record includes an action by, priority ranking, the status, and a comments column. Items get added as they come up and deleted after

they have been recorded as complete. So we have created a combined Agenda/Meeting Record/Action List in one iterative, live document.

Contract Board versus Contract Management Team Agenda alignment?

When we look at the CB Agenda template above, it attempts to focus the Contract Board on a governance overview, as opposed to a Management review of the Network Outcomes Contract operations.

In reality we cannot have the same or similar Agendas; however, we should ensure alignment in some key areas, such as Safety, Outcomes, Leadership, Risk Management, Performance Review (KRAs and OPMs etc.), Progress (Reporting), Opportunities and Innovation. If structured appropriately, we will cover all these issues in some manner, within one of our Agenda items, and hence make our task of reporting and accountability to the Contract Board simpler.

Combined Waka Kotahi / Local Roads NOCs

The Agenda for these contracts will need to vary and be amended a little to encompass the needs of both Principals. This proposed template is only designed around a standard Waka Kotahi Network Outcomes Contract.

CMT Agenda Template

The focus in creating this template is concentrated around the key Agenda items (i.e. the 'headings'). The order of the Agenda items is probably not critical, provided the key issues are covered somewhere within the CMT meeting.

Some of us will now have our processes 'bedded in' and a new Agenda template might not be welcomed. However, it provides an opportunity for review and potential improvement, offers a useful resource for new Network Outcomes Contracts, and will be a document to insert into the Contract Management manual once it has been ratified.

We have used the Maintenance Specification as a reference point for the CMT Agenda template.

The headings should be the CMT key agenda or focus items. The sub-headings are an options list that MCMs/CMs can decide upon collaboratively. The Agenda, headings and subheadings list will vary, and evolve during the lifecycle of the Contract, as needs dictate.

2.8.3 CMT Template

CMT AGENDA TEMPLATE
Zero Harm: Safety Share moment
Key Result Areas overview
Health and Safety
Road User Safety
Customer
Sustainability
Assurance and Value
Network Performance
Health of Relationship
Value Mgt. Proposition
Performance: KRA/KRI & OPMS
Risk and Reward
Contract Flexibility
Opportunities/Innovation
Reviews and Audits

CMT AGENDA TEMPLATE
Contract Management
Establishment
Collaboration Charter
Inspections, CW handovers
Reporting
Other
Contract Plan
Implementation and reviews
Risk Register review
Network Management
Asset Information Mgt.
Asset Mgt. Programming
Network Controls
Bridges/Structures
Safety Management
Financial Management
Capital Projects
Physical Works Programmes
Sealed Pavements
Drainage
Structures
Environmental Maintenance
Traffic Services
Operational Activities
SCRIM
Other works
3rd party works
General Business

2.8.4 CB initial meeting agenda suggestion

CB MEETING AGENDA TEMPLATE
Welcome, Confirm the agenda, Safety Share Declaration of Conflicts of Interest
Governance Plan agenda items: 1. Strategic Vision and Objectives 2. Leadership to Add Value 3. Effectiveness of Decision Making 4. Monitoring, Evaluating and Reporting 5. Stakeholder Relations and Interests 6. People and Capability

CB MEETING AGENDA TEMPLATE
Health and Safety (internal and external)
Risk • Include knowledge share (lessons learnt) Opportunity • Innovation
Acknowledge wins for this 3rd of the year
Performance Monitoring • Financial performance • KRAs (Safety, Customer, Sustainability, Assurance and Value, Network Performance, Health of Relationships)
Commitment/Scheduling: • Next meeting (tri-annually) • Risk Review (4 monthly) • CB Network inspection (annual) • Health of Relationships Survey (6 monthly) • Board recommendation for reward and tenure (annually) • Performance workshop (annually)
Other agenda items as required: • Issues escalated • Review of Contract Conditions • Compliance and Incentives
Action log/outstanding actions

2.9 Contract Plan Development

2.9.1 There are no forms or examples available for this activity.

2.10 Reporting

2.10.1 There are no forms or examples available for this activity.

3 CONTRACT MANAGEMENT ANNUAL CYCLE

3.1 Project Plan Maintenance

3.1.1 There are no forms or examples available for this activity.

3.2 Contract Plan Management

3.2.1 There are no forms or examples available for this activity.

3.3 Contract Management Team

3.3.1 There are no forms or examples available for this activity.

3.4 Engineer to Contract

3.4.1 There are no forms or examples available for this activity.

3.5 Contract Board

3.5.1 CB initial meeting agenda

Refer to the CB Meeting Agenda Template in Section 2.8.

3.6 Roles and Responsibilities

3.6.1 There are no forms or examples available for this activity.

3.7 Contract Administration

3.7.1 There are no forms or examples available for this activity.

3.8 Financial Management

3.8.1 There are no forms or examples available for this activity.

3.9 Variation Management

3.9.1 Variation Service Form

The following Variation Service Form shall be used for all variations exceeding $5,000. The form can be used to pre-approve multiple smaller works expected throughout the year up to a total value of $5,000.

VSF 3.9

Variation Service Form

Application Number		Site Location	
Contract Number	x/xx-xxx/xxx	Date Submitted	Click here to enter a date.
Contract Name	[Network name] **Network Outcomes Contract**		
Contractor		Job dispatch #	
Prepared By		Checked By	

Basis of Payment	**Rough order of cost / Fixed Price Quote**
Description of Variation <<<Define the scope>>>	Estimate ~~/ Claim~~
Justification for Variation <<<Justify the reason why this variation is outside the Contract Lump Sum>>>	Client Request ~~/ Previously Approved~~
Risk Profile Adjustments <<<State any adjustments this variation will have on the risk profile, such as risk boundaries, liability >>>	

Personnel, Plant or Materials	Dayworks Rates Schedule Item No*	Unit	Quantity	Rate	Amount
Total					

Attach a detailed schedule where the above form does not provide enough room.

***** Rates to be obtained from Dayworks Rates (where applicable).

Attachments

Detailed schedule	☐	Emails / correspondence	☐
Photos	☐	RAMM dispatch (required)	☐
Diagrams/designs	☐	Other.....	

Contractor Use Only – Reviews

Network Safety Manager		Date	/ /
Asset Manager		Date	/ /
Operations Manager		Date	/ /
Network Manager		Date	/ /
Contract Manager		Date	/ /
RAMM update needed?	Yes / No		

NZ Transport Agency (Waka Kotahi NZ Transport Agency) Use Only

Network Manager Approval		Date	/ /
Maintenance Contract Manager Approval		Date	/ /
WBS			

3.10 Model and Specification Enhancements

3.10.1 There are no forms or examples available for this activity.

3.11 Dispute Resolution

3.11.1 There are no forms or examples available for this activity.

3.12 Contractor Performance

3.12.1 There are no forms or examples available for this activity.

3.13 Handover of Assets from other Contractors

3.13.1 There are no forms or examples available for this activity.

3.14 System and Process Audits and Reviews

3.14.1 There are no forms or examples available for this activity.

3.15 Asset Reconciliation

3.15.1 Asset Growth Reconciliation Calculator

An example spreadsheet is available online as section 2.6 of the NOC Appendix proforma, http://www.nzta.govt.nz/resources/state-highway-maintenance-contract-proforma-manual/docs/sm032-a8.pdf

4 MAINTENANCE, OPERATIONS AND RENEWAL DELIVERY ANNUAL CYCLE

4.1 OPM Management

4.1.1 There are no forms or examples available for this activity.

4.2 PIPS

4.2.1 PIP Form

PIPs shall be documented and provided to the Contractor via an NTC. Refer to the following NTC format.

NOTICE TO CONTRACTOR
No. XXX

Contractor: [Contractor Organisation] Date: [dd/mm/yyyy]

Principal: NZ Transport Agency (Waka Kotahi NZ Transport Agency)

Contract: [Name] Network Outcomes Contract

Contract number: [Contract Number] **Page:** 1 of 1

Issued to:	1	[Contractor Representative Name]	[Organisation]
Copies to:	2	[Contractor Representative Name]	[Organisation]
	3	[Engineer's Rep Name]	NZ Transport Agency (Waka Kotahi NZ Transport Agency)
	4	[File Number]	NZ Transport Agency (Waka Kotahi NZ Transport Agency)

RESPOND BY

1.1 PIP **N/A**

In accordance with Clause 2.3.2 of the Maintenance Specification the following Principal's Intervention Period (PIP) is advised:

The PIP applies to OPM Group [OPM Group] where a response time of [Response Time] applies.

The particulars of the PIP are [PIP particulars, e.g. location].

Please ensure that this PIP is addressed within the response time and the Principal is notified of the outcome.

Signed: ……..

Name: [Name]

[Professional qualifications]

4.3 Cost Recovery

4.3.1 There are no forms or examples available for this activity.

4.4 Asset Management Programming

4.4.1 There are no forms or examples available for this activity.

4.5 Network Controls

4.5.1 There are no forms or examples available for this activity.

4.6 Safety Management

4.6.1 There are no forms or examples available for this activity.

4.7 Accumulated Pavement Rehabilitation and AC Quantity Reconciliation

4.7.1 There are no forms or examples available for this activity.

4.8 Resurfacing Quantity Management

4.8.1 There are no forms or examples available for this activity.

4.9 Vegetation Control Types 3 and 4

4.9.1 There are no forms or examples available for this activity.

4.10 Pavement Marking

4.10.1 There are no forms or examples available for this activity.

4.11 Drainage Renewals

4.11.1 There are no forms or examples available for this activity.

4.12 Asset Reconciliation

4.12.1 There are no forms or examples available for this activity.

4.13 Routine Maintenance Treatments

4.13.1 There are no forms or examples available for this activity.

4.14 Pavement Rehabilitation Design Development

4.14.1 There are no forms or examples available for this activity.

4.15 Surfacing Design Development

4.15.1 There are no forms or examples available for this activity.

4.16 Construction Assurance Monitoring

4.16.1 There are no forms or examples available for this activity.

4.17 Post-construction Pavement Rehabilitation Design Assessment

4.17.1 There are no forms or examples available for this activity.

4.18 Post-construction Resurfacing Design Assessment

4.18.1 There are no forms or examples available for this activity.

4.19 Winter Services Management

4.19.1 There are no forms or examples available for this activity.

4.20 Traffic Services

4.20.1 There are no forms or examples available for this activity.

4.21 Incident Response

4.21.1 There are no forms or examples available for this activity.

5 FINAL YEAR

5.1 New Project Plan Development

5.1.1 There are no forms or examples available for this activity.

5.2 Renewal Quantity Management Reward

5.2.1 There are no forms or examples available for this activity.

5.3 Procurement Process

5.3.1 There are no forms or examples available for this activity.

5.4 Hand Back of Assets

5.4.1 There are no forms or examples available for this activity.

6 CLOSE-OUT

6.1 Contract End

6.1.1 There are no forms or examples available for this activity.

6.2 Defects Liability

6.2.1 There are no forms or examples available for this activity.

6.3 Contract Close-out

6.3.1 There are no forms or examples available for this activity.

6.4 Project Close-out

6.4.1 There are no forms or examples available for this activity.

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1 PROCUREMENT

1.1 Set-up

1.1.1 No guidelines are available for this activity.

1.2 Project Plan

1.2.1 Risk

Guidance for undertaking risk management is available online in the HIP at the section titled 'HNO asset management risks', the link is: http://hip.nzta.govt.nz/technical-information/risk

1.3 Preselection Process

1.3.1 No guidelines are available for this activity.

1.4 Contract Document (RFT) Preparation

1.4.1 Lump Sum Items

Guidance for determining the appropriate quantities for each item is provided in the table below.

SCHEDULE OF PRICES – LUMP SUM ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
1	**Preliminary and General**				
1.1	**Contract Establishment (Non Time-related Costs)** *(The total tendered sum for schedule items 1.1.1 to 1.1.3 must not exceed 2.0% of the Total Tender Sum)*				
1.1.1	Facilities Establishment	LS	1		
1.1.2	Contract Plans Establishment	LS	1		
1.1.3	Set-up Costs other than schedule items 1.1.1 and 1.1.2	LS	1		
1.2	**Contract Management and Supervision (Time-related Costs)**				
1.2.1	Network Management Professional Services	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.
1.2.2	Management and Supervision of Physical Works	LS/year	7		
1.3	**Contractor's Facility Running Costs**	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.
2	**Value Management Proposition**				

SCHEDULE OF PRICES – LUMP SUM ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
2.1	**Value Management**	Included in Section 1, Schedule Items 1.2			
3	**Contract Management**				
3.1	**Contract Management**	Included in Section 1, Schedule Items 1.2			
4	**Contract Plan**				
4.1	**Contract Plan**	Included in Section 1, Schedule Items 1.2			
5	**Network Management**				
5.1	**Network Management**	Included in Section 1, Schedule Items 1.2			
6	**Physical Works**				
6.1	**Routine Sealed Pavement Maintenance**	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.
6.2	**Pavement Rehabilitation** *(Sum transferred from Pavement Rehabilitation Schedule 4)*	LS	1		
6.3	**Pavement Rehabilitation Modifications**	No lump-sum items within this schedule item			
6.4	**Sealed Road Resurfacing** *(Sum transferred from Resurfacing Schedule 5)*	LS	1		

SCHEDULE OF PRICES – LUMP SUM ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.5	**Resurfacing Modifications**	No lump-sum items within this schedule item			
6.6	**Routine Drainage Maintenance**	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.
6.7	**Drainage Renewal Activities**	No lump-sum items within this schedule item			
6.8	**Structures Routine Maintenance**	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.
6.9	**Structures Maintenance Activities**	No lump-sum items within this schedule item			
6.10	**Environmental Maintenance**	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.
6.11	**Environmental Maintenance Activities**	No lump-sum items within this schedule item			
6.12	**Routine Traffic Services Maintenance**	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.
6.13	**Traffic Services Maintenance Activities**	No lump-sum items within this schedule item			
6.14	**Operational Activities**	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.
7	**Network Specific Information and Requirements**				
7.1	Mobile Variable Message Signs	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.

SCHEDULE OF PRICES – LUMP SUM ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
7.2	Unsealed Roads				
7.2.1	Unsealed Road Maintenance	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.
7.3	Tunnels	LS/year	7		The quantity value required (7) is equal to the Contract Period in years, excluding the available tenure reward extensions. The Contract Period is defined within the approved procurement strategy.
7.4	NO2 Sample Collection Services	No lump-sum items within this schedule item			
8	**Local Roads**	**No lump-sum items within this Section**			
9	**Unscheduled Works**	**No lump-sum items within this Section**			

1.4.2 Measure and Value Items

Guidance for determining the appropriate measure and value quantities are provided in the table below.

Each of these items needs to be considered for each CoPTTM level.

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
1	**Preliminary and General**	No measure and value items within this Section			
2	**Value Management Proposition**				
2.1	**Value Management**	No measure and value items within this schedule item			
2.2	**KRA Reward**	PS	1	$1,400,000	The KRA Reward is available at the end of each year during the Contract Period. The maximum amount available to the Contractor is $200,000 per annum. The total PS amount is equal to the Contract term in years multiplied by $200,000.
2.3	**Asset Growth** *(Provisional Items)*				Refer MS section 2.5.1 and Appendix 2.6. For each of the items below, a prediction is required of the increase in asset quantities that may occur over the Contract Period. It is not intended for significant increases in asset growth as a result of Network acquisition for example. Generally asset growth is a result of improvement projects such as safety and capital work upgrades, and the Project Manager should consult with the relevant programme owners (Planning, Safety, M&O, Capital and third parties). Beware: the quantity is NOT simply a sum total of added assets. It is the total asset increase over each individual annual period, multiplied by the number of remaining annual periods. **Part 3.0 contains a template spreadsheet that shall be used to correctly sum total the Contract Period quantity for each Schedule of Prices 2.3 item.**

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
2.3.1	Street Light	ea.years	TBC		Quantity changes can be a result of minor safety programmes, capital improvement projects and new road intersections or intersection upgrades as a result of third party developments (e.g. subdivisions). Urban route upgrade projects can be a source of significant asset quantity changes.
2.3.2	Guardrail	m.years	TBC		Quantity changes predominantly result from minor safety programmes and capital improvement projects. For some networks, a guardrail is sometimes installed as part of emergency work retaining structures, and cattle underpasses.
2.3.3	Pavement marking – Full RTB	ea.years	TBC		Quantity changes predominantly result from minor safety programmes, third party developments and capital improvement projects.
2.3.4	Pavement marking – EL	m.years	TBC		Quantity changes predominantly result from minor safety programmes, third party developments and capital improvement projects.
2.3.5	Pavement marking – Flush medians/Shoulders	m.years	TBC		Quantity changes predominantly result from minor safety programmes, third party developments and capital improvement projects.
2.3.6	Pavement marking – No passing	m.years	TBC		Quantity changes predominantly result from minor safety programmes and installation of passing lanes.
2.3.7	Sealed pavement	m^2.years	TBC		Quantity changes predominantly result from minor safety programmes, seal widening completed in conjunction with pavement rehabilitation renewals, third party works (e.g. diagram E upgrades), and capital improvements.
2.3.8	Horizontal/Subsoil Drain	m.years	TBC		Sub-soil quantity increases can be expected in line with the annual base preservation investment programme (MS 6.2.2). Horizontal drain quantity increases can be as a result of Emergency Works slip repairs, preventive maintenance projects and capital improvements.
2.3.9	Vegetation – Type 7 Control	m^2.years	TBC		Quantity changes predominantly result from minor safety programmes, third party developments and capital improvement projects in urban or near urban areas.

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
2.3.10	Sign (sign face <0.75m^2)	ea.years	TBC		Quantity changes predominantly result from minor safety programmes and capital improvement projects.
2.3.11	Sign (sign face >0.75m^2)	ea.years	TBC		Quantity changes predominantly result from minor safety programmes and capital improvement projects.
2.3.12	Culvert	ea.years	TBC		Quantity changes can result from minor safety programmes, capital improvement projects, emergency works activities, and major drainage improvement activities.
2.3.13	Lined Water Channel	m.years	TBC		Quantity changes can result from minor safety programmes, capital improvement projects, and major drainage improvement activities. The quantity can be based on a combination of the following considerations: • Analysis of new lined water channels added into RAMM on average over the last few years. • The need required in terms of the FWP and renewal programmes. • The need as identified from future capital projects.
2.3.14	Wire Rope Barrier	m.years	TBC		Quantity changes can result from minor safety programmes, capital improvement projects, and major drainage improvement activities. The quantity can be based on a combination of the following considerations: • Analysis of new wire rope barrier added into RAMM on average over the last few years. • The need required in terms of the FWP and renewal programmes. • The need as identified from future capital projects.
2.3.15	Minor Structure/Underpass	ea.years	TBC		Quantity changes can result from minor safety programmes, capital improvement projects, and structural improvement activities. The quantity can be based on a combination of the following considerations:

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
					• Analysis of new structures added into RAMM on average over the last few years. • The need required in terms of the FWP and renewal programmes. • Knowledge that new underpasses have been approved with the Network. • The need as identified from future capital projects.
2.4	**Principal Risk Non-routine Maintenance Treatments** *(Provisional items)*				Refer to MS, Section 2.5.3 Principal Risk Non-routine Maintenance Treatments. The intent of the suite of 2.4 items and associated quantities is to create a quantity allowance for activities that are the responsibility of the Principal, such as addressing asset condition, when the condition risk lies with the Principal or not within the scope of the Network Outcomes Contract (outside the Contractor's lump sum). A good knowledge of historic and future Network performance, maintenance activities and an idea of the Network's condition response to the proposed Network Outcomes Contract will be required in order to estimate item 2.4 quantities appropriately. This, along with a high level of understanding of the Network Outcomes Contract scope and risk profile, will be required to calculate the predicted quantities needed over the Contract Period. Put another way, these items are only used if the activity is not covered by an outcome covered by the Contractor's performance measures (lump sum) and/or the Risk Profile boundaries defined in the Conditions of Contract (Volume 1), and is deemed necessary by the Principal.
2.4.1	Pavement Digout Repairs				
2.4.1.1	Patch area up to 20m^2	m^2	TBC		Obtain historical annual area from RAMM and take a portion that potentially could be the Principal's risk, i.e. 10%.
2.4.1.2	Patch area between 20m^2 and up to 50m^2	m^2	TBC		

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
2.4.1.3	Patch area greater than 50m^2	m^2	TBC		
2.4.2	Pavement Stabilisation Repairs				
2.4.2.1	Patch area up to 20m^2	m^2	TBC		Obtain historical annual area from RAMM and take a portion that potentially could be the Principal's risk, i.e. 10%. Also consider the expected quantities that could result from the peak roughness programme that the Contractor may be tasked to complete.
2.4.2.2	Patch area between 20m^2 and up to 50m^2	m^2	TBC		
2.4.2.3	Patch area greater than 50m^2	m^2	TBC		
2.4.3	Rip and Remake				
2.4.3.1	Chip Sealed Surface	m^2	TBC		Obtain historical annual area from RAMM and take a portion that potentially could be the Principal's risk, i.e. 10%.
2.4.3.2	AC Surface	m^2	TBC		
2.4.4	Premix Reshaping				
2.4.4.1	Chip Sealed Surface	m^2	TBC		Obtain historical annual area from RAMM and take a portion that potentially could be the Principal's risk, i.e. 10%. Also consider reductions or increases in AC surfacing over the duration of the Contract.
2.4.4.2	AC Surface	m^2	TBC		
2.4.5	Cold Mill and Inlay				
2.4.5.1	0 – 30mm Depth	m^2	TBC		Obtain historical annual area from RAMM and take a portion that potentially could be the Principal's risk, i.e. 10%. Also consider reductions or increases in AC surfacing over the duration of the Contract.
2.4.5.2	31 – 65mm Depth	m^2	TBC		
2.4.6	Crack Sealing	m^2	TBC		

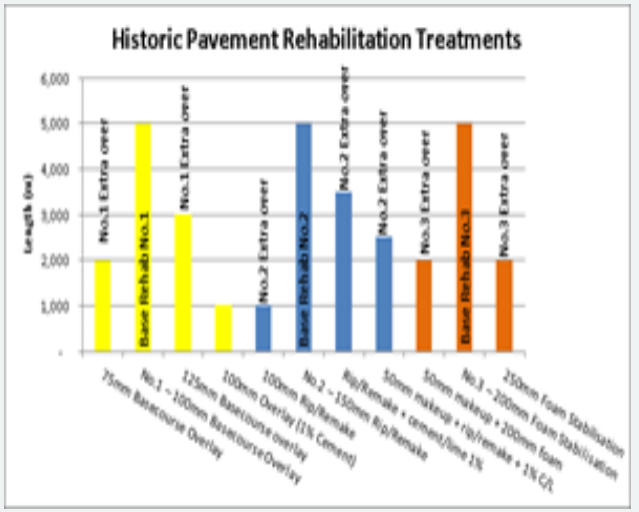
MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
2.4.7	Crack Filling	m	TBC		Obtain historical annual area from RAMM and take a portion that potentially could be the Principal's risk, i.e. 10%.
2.4.8	Scabbing and Stripping	m^2	TBC		
2.4.9	Watercutting	m^2	TBC		
2.4.10	Slurry Rut Filling	t	TBC		This is an assessment of the peak roughness programme the Contractor is likely to be tasked in Section 6.1.1.
2.4.11	Guardrail	m	TBC		This quantity is to allow for the lengths of guardrailing to be replaced beyond the first 10m. Also consider asset growth. If asset growth is considered in this item then there must be a corresponding quantity linkage to Section 2.3, Asset Growth.
2.4.12	Wire Rope Barrier	m	TBC		This quantity is to allow for the lengths of wire rope barrier to be replaced beyond the first 10m. Also consider asset growth. If asset growth is considered in this item then there must be a corresponding quantity linkage to Section 2.3, Asset Growth.
3	**Contract Management**				
3.1	**Contract Management**	No measure and value items within this schedule item			
3.2	**Unscheduled Inspections**	PS	1	$20,000	Unscheduled inspections may be required due to: • A significant weather event. • A customer enquiry that affects the wider Network. • The need raised by a change in policy or other external request. This provisional sum can be determined by the following:

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
					• Allow 2 Network inspections to be carried out annually during the Contract Period. • A minimum of $20,000 per Network.
4	**Network Management**				
4.1	**Contract Plan**	No measure and value items within this Section			
5	**Network Management**				
5.1	**Network Management**	No measure and value items within this schedule item			
5.2	**Asset Information Management**				
5.2.1	Implementation of Data Improvement Plan	PS	1	$50,000	Implementation of the data improvement plan may be required due to: • An identification of improvements by the Contractor and the value for money to complete the work. • The need raised by Waka Kotahi itself. This provisional sum can be determined by the following: • Consideration of any recently completed RAMM audits that have identified deficiencies. • The need to improve data integrity through internal RAMM checking. • A minimum of $50,000 per Network.
5.2.2	RAMM Updating for Other Projects	PS	1	$20,000	Consider the number of capital projects and minor improvements likely to be constructed over the Contract Period.
5.3	**Planning Assessment Reports**	PS	1	$50,000	Planning assessment reports may be required due to: • A customer planning application.

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
					• The Principal having no in-house resource to complete the reports. This provisional sum can be determined by the following: • Allow 4 reports of 1 day each monthly during the Contract Period. This will depend on the size and growth potential on the Network. • A minimum of $50,000 per Network.
5.4	**Safety Management**				
5.4.1	Road Safety Theme Inspections and Reporting	PS	1	$50,000	Safety theme inspections may be required due to: • A customer enquiry that affects the wider Network. • A suspected safety deficiency within the Network. • The need raised by a change in policy or other external request. This provisional sum can be determined by the following: • Allow 1 Network inspection to be carried out annually during the Contract Period. • A minimum of $50,000 per Network.
5.4.2	Fatal and Serious Crash Reports	ea	TBC		The quantity can be based on the rate of historical numbers of reports submitted.
5.4.3	Safety Reports	PS	1	$50,000	Safety reports may be required due to: • An identification of poor safety at a location on the Network. • A request by a coroner. • A customer enquiry relating to safety issues. • A road-safety action-plan meeting issue. • A proposed crossing place or subdivision development. This provisional sum can be determined by the following: • Allow 2 reports of 2 days each monthly during the Contract Period. • A minimum of $50,000 per Network.

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
5.4.4	Update KiwiRAP	PS	1	$5,000	Updating KiwiRAP may be required due to an alteration to existing infrastructure such barrier installation, realignment or intersection redesign. This provisional sum can be determined by the following: • Refer to the FWP, Annual and LTP. • Allow 4 updates of 4 hours each annually during the Contract Period. • A minimum of $5,000 per Network.
5.4.5	Attendance at Road Safety Forums	PS	1	$15,000	This provisional sum can be determined by the following: • Allow 1 forum of 4 hours every 3 months to be carried out during the Contract Period. • Allow an additional community meeting annually during the Contract Period. • A minimum of $15,000 per Network.
5.4.6	Crash Reduction Study Participation	PS	1	$5,000	This provisional sum can be determined by the following: • Refer to the FWP, Annual and LTP. • Allow 1 study of 2 days to be carried out annually during the Contract Period. • A minimum of $5,000 per Network.
6	**Physical Works**				
6.1	**Routine Sealed Pavement Maintenance**	No measure and value items within this schedule item			
6.2	**Pavement Rehabilitation**	Included in Section 1, Schedule Item 6.2			

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.3	**Pavement Rehabilitation Modifications**				Before commencing the development of this Schedule of Prices section, it will be necessary to complete Schedule of Prices Section 6.2 below first, to establish the 3 Base Pavement Rehabilitation types and quantities. This Schedule of Prices Section 6.3 only deals with design modifications (extra over items) that are estimated to occur over the Contract Period. These standard modifications can then be applied to the associated Base Rehabilitation Treatment type, to produce the cost rate for each final Principal approved pavement rehabilitation treatment type. The tactical intent of the Pavement Rehabilitation Modification extra over items is to provide the Principal with: • Tender tensioned rates that cover a broader spectrum of possible designs beyond the base treatment types in section 6.2. • Enough design modification cost information such that if a final approved design is not exactly covered by an extra over item, sufficient Schedule of Prices parameters exist that can form the basis for negotiating a fair new modification extra over item and rate. Once the 3 Base Rehabilitation Treatments have been determined in Section 6.2 below, the Schedule of Prices Developer is to transfer the selected Base Rehabilitation Treatment Type names into this Section 6.3.
6.3.1	Pavement Rehabilitation No.1 – Basecourse Overlay				Care must be taken when choosing the extra over items, to ensure that the tactical focus of the Base Rehabilitation generally remains valid, i.e. Standard cost, low cost, high cost. Refer to descriptions in Section 6.2 below. Extra over items can be either extra over to the base rehabilitation (2nd level reference) or extra over to an extra over item (3rd level reference). 4th level extra over references are not permitted.
6.3.1.1	Additional 25mm increments of basecourse overlay (extra over-rate to Schedule item 6.2.1.1)	m^2	TBC		The extra over items chosen for each Base Pavement Rehabilitation should be based on analysis of previous practices, successes and failures, and selected because they are used ‘sometimes’ and closely match with the base pavement rehabilitation design.

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.3.1.2	Cement/Lime stabilisation (2%) to 150mm (extra over-rate for Schedule item 6.2.1.1)	m^2	TBC		Review the extra over item treatment descriptions, to ensure they are appropriate for the selected base rehabilitation. Alter these descriptions if required, including % modification and depths. Care must be taken to ensure the extra over-rate description references the correct parent treatment. Image below represents the extra over item relationship to a base rehabilitation. 
6.3.1.3	Additional 25mm increments of cement/lime stabilisation (2%) (extra over-rate to Schedule item 6.3.1.2)	m^2	TBC		
6.3.1.4	Foam bitumen stabilisation (1.5% cement, 3% bitumen) to 150mm (extra over-rate for Schedule item 6.2.1.1)	m^2	TBC		
6.3.1.5	Additional 25mm increments of foam bitumen stabilisation (1.5% cement, 3% bitumen) (extra over-rate to Schedule item 6.3.1.4)	m^2	TBC		
6.3.2	Pavement Rehabilitation No.2 – Stabilisation Inlay				Refer to 6.3.1 above.
6.3.2.1	Additional 25mm increments of basecourse replacement (extra over-rate to Schedule item 6.2.1.2)	m^2	TBC		
6.3.2.2	Additional 25mm increments of cement/lime stabilisation	m^2	TBC		

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
	(2%) (extra over-rate to Schedule item 6.2.1.2)				
6.3.3	Pavement Rehabilitation No.3 – Granular Replacement				Refer to 6.3.1 above.
6.3.3.1	Additional 25mm increments of basecourse removal (extra over-rate to Schedule item 6.2.1.3)	m^2	TBC		
6.3.3.2	25mm increments of basecourse replacement (extra over-rate to Schedule item 6.2.1.3)	m^2	TBC		
6.3.3.3	Cement stabilisation (2%) to 150mm (extra over-rate for Schedule item 6.2.1.3)	m^2	TBC		
6.3.3.4	Additional 25mm increments of cement stabilisation (2%) (extra over-rate to Schedule item 6.3.3.3)	m^2	TBC		
6.3.4	Shape Irregularity Correction and Shoulder Treatment				For each of the items below, a prediction of the increase in asset quantities is required, that may occur over the Contract Period. The quantities are an allowance for removing shape irregularities within the existing pavement area or seal widening.
6.3.4.1	Waka Kotahi M/4 Basecourse	m^3	TBC		A suggestion to determine a suitable quantity is to allow: • A nominal 20mm over the forecasted area of total pavement rehabilitation base preservation length. • A nominal 20% additional area to the total pavement rehabilitation base preservation length. This percentage will depend on the current

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
					need and be in accordance with the agreed Asset Management Plan. Feather edge construction will also need to be considered and be quantified in accordance with Appendix 6.2.
6.3.4.2	AP65 Sub-basecourse	m^3	TBC		A suggestion to determine a suitable quantity is to allow: • A nominal 20mm over the forecasted area of total pavement rehabilitation base preservation length. • A nominal 20% additional area to the total pavement rehabilitation base preservation length. This percentage will depend on the current need and be in accordance with the agreed Asset Management Plan. Feather edge construction will also need to be considered and be quantified in accordance with Appendix 6.2.
6.3.4.3	Solid Fill	m^3	TBC		A suggestion to determine a suitable quantity is to allow a nominal 20% of the length to be widened in conjunction with pavement rehabilitation. Typical widening cross sections are included in Appendix 6.2.
6.3.4.4	Cut to Fill	m^3	TBC		A suggestion to determine a suitable quantity is to allow a nominal 20% of the length to be widened in conjunction with pavement rehabilitation. Typical widening cross sections are included in Appendix 6.2.
6.4	**Sealed Road Resurfacing**	Included in Section 1, Schedule Item 6.4			
6.5	**Resurfacing Modifications**				
6.5.1	Chip Seal				
6.5.1.1	Extra over-rate for PM seal, single coat (extra over-rate to Schedule items 6.4.1.1 to 6.4.1.3)	m^2	TBC		Generally based historic strategy but consideration should be made to the future strategy. Seek advice from Asset Integrator.
6.5.1.2	Extra over-rate for PM seal, two coat (extra over-rate to	m^2	TBC		

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
	Schedule items 6.4.1.4 to 6.4.1.5)				
6.5.1.3	Extra over-rate for exceeding 0.45 ESC after a minimum of 24 months from construction (extra over-rate to Schedule items 6.4.1.1 to 6.4.1.5)	m^2	TBC		
6.5.1.4	Extra over-rate for exceeding 0.5 ESC after a minimum of 24 months from construction (extra over-rate to Schedule items 6.4.1.1 to 6.4.1.5)	m^2	TBC		
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 (extra over-rate to Schedule items 6.4.2.1 to 6.4.2.5)	m^2	TBC		Generally based on historic strategy but consideration should be made to the future strategy. Seek advice from Asset Integrator.
6.5.2.2	Extra over-rate for exceeding 0.5 ESC after a minimum of 24 months from construction (extra over-rate to Schedule items 6.4.2.1 to 6.4.2.5)	m^2	TBC		
6.5.2.3	Extra over-rate for milling (extra over-rate to Schedule items 6.4.2.1 to 6.4.2.5)	m^2	TBC		
6.5.2.4	Extra over-rate for pre-levelling (extra over-rate to	m^2	TBC		

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
	Schedule items 6.4.2.1 to 6.4.2.5)				
6.5.2.5	Extra over-rate for membrane seal (extra over-rate to Schedule items 6.4.2.1 to 6.4.2.5)	m^2	TBC		
6.5.3	Waka Kotahi T/10 Skid Resistance Resurfacing	PS	1	$1,000,000	Generally based on historic strategy but consideration should be made to the future strategy. Seek advice from Asset Integrator/Network Outcomes Team. Also the PS should at minimum cover the costs of the length of skid resistance renewal quantities stated in Table 6.1.6.
6.6	**Routine Drainage Maintenance**	No measure and value items within this schedule item			
6.7	**Drainage Renewal Activities**				For each of the items below, a prediction is required of the renewal quantities that may occur over the Contract Period. A national analysis was conducted in mid-2013 where it was determined that on average the following percentages are typical for Network preservation.
6.7.1	High Lip Removal	edgeline.m	TBC		Allow 3% of the total Network length per annum.
6.7.2	Reform Unlined Water Channels	edgeline.m	TBC		Allow 2% of the total Network length per annum.
6.7.3	Clear and Regrade Side Drains	m	TBC		Allow 5% of the total side-drain length per annum.
6.7.4	Supply and install fabric-wrapped subsoil drain	m	TBC		Allow a nominal 1,000m per Network.

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.7.5	Renewal and Install Culverts and Lined Water Channels	PS	1	$20,000	Renewal or installation may be required due to: • The asset reaching its economic life • A customer enquiry relating to drainage issues • The need to improve poor drainage. This provisional sum can be determined by the following: • A best assessment of what costs may be required over the duration of the Contract. The current FWP may be useful to refer to for this exercise. • Based on a drainage condition survey recently completed for the Network which identified the need. • A minimum of $20,000 if these assets exist within the Network.
6.8	Structures Routine Maintenance	No measure and value items within this schedule item			
6.9	Structures Maintenance Activities				
6.9.1	Major Reinstatement of Guardrail and Wire Rope	PS	1	$50,000	Reinstatement may be required due to: • Being non-compliant currently. • The completion of a pavement rehabilitation or AC operation at a barrier location results in the barrier itself being non-compliant. • Reinstatement exceeding 20m in length. Refer risk item #33. This provisional sum can be determined by the following: • A best assessment of what costs may be required over the duration of the Contract. The current FWP may be useful to refer to for this exercise. • Based on a guardrail and wire rope compliance survey recently completed for the Network which identified the need. • Allow 2% of the current inventory to be replaced during the Contract Period.

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
					• A minimum of $50,000 if these assets exist within the Network.
6.9.2	Barrier Height Adjustments	PS	1	$30,000	Barriers may be required to be adjusted in height due to: • Being non-compliant currently. • The completion of a pavement rehabilitation or AC operation at a barrier location results in the barrier itself being non-compliant. This provisional sum can be determined by the following: • A best assessment of what costs may be required over the duration of the Contract. The current FWP may be useful to refer to for this exercise. • Based on a barrier compliance survey recently completed for the Network which identified the need. • Allow 2% of the current barrier inventory to be replaced during the Contract Period. • A minimum of $30,000 if barriers exist within the Network.
6.10	**Environmental Maintenance**	No measure and value items within this schedule item			
6.11	**Environmental Maintenance Activities**				
6.11.1	Winter Services Management	month	TBC		The quantity is determined by multiplying the Contract Period, in years, by the winter period, in months. The winter period is typically from June to September and is defined in the Conditions of Contract, part B, 1.2.
6.11.2	Winter Event Patrols	hr	TBC		Based on historical achievements. A good source is the end of year winter maintenance report that some Networks provide.
6.11.3	Winter Maintenance Activities – Plant				These quantities are determined through an analysis of historic use for each plant item. This data should be able to be sourced from the incumbent supplier.

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.11.3.1	Snow Clearance – Type 1 Plant Intervention	hr	TBC		
6.11.3.2	Snow Clearance – Type 2 Plant Intervention	hr	TBC		
6.11.3.3	Snow Clearance – Type 3 Plant Intervention	hr	TBC		
6.11.3.4	Gritting Application – Type 4 Plant Intervention	hr	TBC		
6.11.3.5	Gritting Removal – Type 5 Plant Intervention	hr	TBC		
6.11.3.6	CMA Application – Type 6 or 7 Plant Intervention	hr	TBC		
6.11.4	Winter Maintenance Activities – Materials				This item can be calculated from previous historic records. If they are not held within RAMM, contact the Network Consultant for the necessary records. These should be readily accessible from past monthly claim documentation.
6.11.4.1	Supply Grit	m^3	TBC		This item can be calculated from previous historic records. Note: not all networks apply grit. Just because there is a scheduled item does not mean that an ice gritting regime should be it in place. Thought required.
6.11.4.2	CMA Storage	t.month	TBC		Not all networks apply CMA. Just because there is a schedule item does not mean that a CMA regime should be it in place. Thought required.
6.11.4.3	CMA Mixing	t	TBC		This quantity is determined through an analysis of historic CMA mixing. This data should be able to be sourced from the incumbent supplier.
6.11.4.4	CMA Bulk Liquid Transfer	hr	TBC		This quantity is determined through an analysis of historic use for each plant item. This data should be able to be sourced from the incumbent supplier.

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.11.5	Vegetation Control Activities				
~~6.11.5.1~~	~~Type 3 Vegetation Control~~	~~edgeline.km~~	~~TBC~~		This item has been deleted.
6.11.5.2	Type 4 Vegetation Control	edgeline.km	TBC		
6.11.6	Replace Rest Area Furniture	PS	1	$10,000	This provisional sum can be determined by the following: • A best assessment of what costs may be required over the duration of the Contract. The current FWP may be useful to refer to for this exercise. • Allow one of each asset type to be replaced every 3 years. This will depend on the construction materials of the existing assets. Rubbish bins are expected to be the most replaced asset. • A minimum of $10,000 if rest area furniture exists within the Network.
6.11.7	Repair Noise Walls and Debris Fences	PS	1	$10,000	This provisional sum can be determined by the following: • A best assessment of what costs may be required over the duration of the Contract. The current FWP may be useful to refer to for this exercise. • A minimum of $10,000 if noise walls and/or debris fences exist within the Network.
6.12	**Routine Traffic Services Maintenance**	No measure and value items within this schedule item			
6.13	**Traffic Services Maintenance Activities**				
6.13.1	Waka Kotahi P/22 Pavement Marking				Pavement marking maintenance within the Network Outcomes Contract is essentially a measure and value item, where work programmes are to be ordered by block section. The only exclusions to this are: • The Contractor is responsible under the lump sum to reinstate all pavement marking and delineation devices after pavement

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
					rehabilitation 1st coats, routine pavement maintenance and all resurfacing renewals, as part of their tendered lump sum. • ATP (a provisional sum activity). For this Schedule of Prices Section, the Schedule of Prices developer must: • Break the Network down into appropriate road remarking 'packages' (Block sections) • Estimate appropriate reinstatement quantities for ATP markings needed over the Contract Period • Estimate the need for higher quality road remarking over the Contract Period. By breaking down the Network into 'like' sections of highway, the Contractor can provide a rate for a complete pavement remark over the defined road block section (or group of blocks) for all existing pavement marking assets (excluding ATP, RRPMs and P/30 high performance markings). The default pavement marking paint specification is set at 180 microns. This is at the lower end of the quality scale, but under a full annual remark regime, it should be sufficient to maintain line mark thickness and delineation visibility in most areas. An extra over Schedule of Prices item is available for increasing paint thickness over any 1km length of roadway, where the extra investment is warranted.
6.13.1.1	Pavement Marking (180 micron) for SH x, RS xx, total of xx Cl.km	ea	TBC		The Network needs to be divided into 'like' sections of roadway (blocks, or groups of blocks) based on similar levels of service need and asset deterioration. For efficiency reasons, each pavement marking SOP item (road section block or multiple blocks) should have a maximum total length of
6.13.1.2	Pavement Marking (180 micron) for SH x, RS xx, total of xx Cl.km	ea	TBC		

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.13.1.3	Pavement Marking (180 micron) for SH x, RS xx, total of xx Cl.km	ea	TBC		approximately 100 cl km and at minimum cover a complete road class or all urban areas. At least one of the SOP items should only cover urban road sections. A typical suite of Schedule of Prices items could be structured as follows: • Pavement Marking (180 micron) for all NSHVH highways, total of xxx Cl.km (excluding urban road sections) • Pavement Marking (180 micron) for all NSH highways, total of xxx Cl.km (excluding urban road sections) • Pavement Marking (180 micron) for all RSH highways, total of xxx Cl.km (excluding urban road sections) • Pavement Marking (180 micron) for all RCH highways, total of xxx Cl.km (excluding urban road sections) • Pavement Marking (180 micron) for all RDH highways, total of xxx Cl.km (excluding urban road sections) • Pavement Marking (180 micron) for all urban road sections, total of xxx Cl.km. Network Outcomes Contract Volume 4, MS Section 6.5.1 Pavement Parking states that a full Network P/22 remark will be undertaken annually. Therefore the quantity value for items 6.13.1.1 to 6.13.1.7 is equal to the Contract Period in years, rounded down to the nearest complete year.
6.13.1.4	Pavement Marking (180 micron) for SH x, RS xx, total of xx Cl.km	ea	TBC		
6.13.1.5	Pavement Marking (180 micron) for SH x, RS xx, total of xx Cl.km	ea	TBC		
6.13.1.6	Pavement Marking (180 micron) for SH x, RS xx, total of xx Cl.km	ea	TBC		
6.13.1.7	Pavement Marking (180 micron) for SH x, RS xx, total of xx Cl.km	ea	TBC		
6.13.1.8	Pavement Marking (180 micron) for SH x, RS xx, total of xx Cl.km	ea	TBC		
6.13.1.9	Pavement Marking (220 micron) (Extra over-rate for Schedule items 6.13.1.1 to 6.13.1.8)	cl.km	TBC		These extra over-rate Schedule of Prices items are provided for upgrading any centreline kilometre to a higher specification 220 or 300 micron line thickness finish. This quantity can be determined by the following: • Analysing past practices (historic line marking programmes and standards), being cognisant of the new Waka Kotahi LoS expectations. • Identifying and sum totalling the discrete road sections within the above block sections that are known to deteriorate at a faster rate than the overall block, i.e. a constrained curvilinear alignment.
6.13.1.10	Pavement Marking (300 micron) (Extra over-rate for Schedule items 6.13.1.1 to 6.13.1.8)	cl.km	TBC		

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
					A suggestion to determine a suitable quantity is to allow a nominal 5% of the Network CL length in both 6.13.1.9 and 6.13.1.10, multiplied by the Contract Period.
6.13.2	High Performance Road Marking	PS	1	$35,000	Consider all high performance road marking within RAMM, and in particular the likely growth of this asset over the Contract Period and its asset maintenance needs.
6.13.3	Audio Tactile Profiled Road Marking (Provisional Items)				The replacement of deteriorated ATP or ATP needing reinstatement after any work activity is achieved by measure and value work ordering. That is, a Principal risk item, using items 6.13.3.2 to 6.13.3.5. It could be that there is no regional strategy or budget allocation to maintain or reinstate ATP, in which case the respective quantity shall be nil. Refer to the Regional Asset Management Plan for guidance.
6.13.3.1	Remove existing ATP	m	TBC		Assess the future likelihood of removing ATP.
6.13.3.2	150mm Edgeline	m	TBC		These quantities can be determined by assessing the FWP; cross-referencing the location of the predicted renewal treatments with the location of existing ATP markings (located in RAMM), and calculating the lengths of ATP (by type) that will need to be reinstated, for the full Contract Period. Discussions with the Network safety team will be required, to ensure allowance is made for any imminent ATP programmes yet to be installed on the Network.
6.13.3.3	150mm Centreline	m	TBC		
6.13.3.4	150mm Continuous Centreline	m	TBC		
6.13.3.5	200mm Centreline	m	TBC		
6.13.3.6	200mm Continuous Centreline	m	TBC		
6.13.4	Replace or repair Electronic Warning Signs	PS	1	$50,000	Determine the current asset quantity and its replacement value, then make an assessment of annual replacement due to failure, damage or theft. Suggest 25%. Also consider the age and condition of these assets and the expected life.

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.13.5	Renewal of Street Lights	PS	1	$30,000	Determine the current asset quantity and its replacement value, then make an assessment of annual replacement due to failure or damage. Suggest 3%. Also consider the age and condition of these assets and the expected life.
6.14	**Operational Activities**	No measure and value items within this schedule item			
7	**Network Specific Information and Requirements**				
7.1	**Mobile Variable Message Signs**	No measure and value items within this schedule item			
7.2	**Unsealed Roads**				
7.2.2	Basecourse Renewal	m^2	TBC		
7.2.3	Wearing Course Renewal	m^2	TBC		
7.3	**Tunnels**	No measure and value items within this schedule item			
7.4	**NO^2 Sample Collection Services**	month	TBC		
TBC	TBC	TBC	TBC		
8	**Local Roads**				
TBC	TBC	TBC	TBC		

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
9	**Unscheduled Works** *(Provisional Items)*				
9.1	**Plant and Equipment**				
9.1.1	Excavator, 15-20t	hr	TBC		These quantities can be determined by the following: • A best assessment of what plant may be required over the duration of the Contract. The current FWP may be useful to refer to for this exercise. • The estimate for Plant and Equipment is expected to be around 1.5% of the total estimate. • A minimum of 20 hours per year, where appropriate.
9.1.2	Loader, 0-3m^3	hr	TBC		
9.1.3	Truck, 0-5m^3	hr	TBC		
9.1.4	Truck, 5.1-8m^3	hr	TBC		
9.1.5	Truck Trailer	hr	TBC		
9.1.6	Grader, 60-120kW	hr	TBC		
9.1.7	Roller, 5.1-10t	hr	TBC		
9.1.8	Tractor Broom	hr	TBC		
9.1.9	Suction Sweeper	hr	TBC		
9.1.10	Bitumen Distributor, 0-1,000l	hr	TBC		
9.1.11	Water Cart	hr	TBC		
9.1.12	Heavy Plant Transporter	hr	TBC		
9.1.13	Light Truck, 2-4t	hr	TBC		
9.1.14	Compressor, 150l/sec	hr	TBC		
9.1.15	Suction Truck	hr	TBC		
9.1.16	Attenuator	hr	TBC		

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
9.1.17	Mobile VMS	day	TBC		
9.2	**Materials**				
9.2.1	Materials	PS	1	$20,000	This provisional sum can be determined by the following: • A best assessment of what materials may be required over the duration of the Contract. The current FWP may be useful to refer to for this exercise. • The estimate for Materials is expected to be around 0.1% of the total estimate. • A minimum of $20,000.
9.2.2	Contractor's On-cost to Materials *(The tendered rate must be expressed as a decimal and rounded to two places. The quantity is in dollars($))*	%	20,000		
9.3	**Labour**				
9.3.1	Contract Manager	hr	TBC		These quantities can be determined by the following: • A best assessment of what labour may be required over the duration of the Contract. The current FWP may be useful to refer to for this exercise. • The estimate for Labour is expected to be around 0.3% of the total estimate. • A minimum of 20 hours per year, where appropriate.
9.3.2	Pavement and Surfacing Designer	hr	TBC		
9.3.3	Geotechnical Engineer	hr	TBC		
9.3.4	Safety Engineer	hr	TBC		
9.3.5	Land Use Planner	hr	TBC		
9.3.6	Bridge and Structures Inspector	hr	TBC		

MEASURE & VALUE ITEMS					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
9.3.7	Network Inspector	hr	TBC		
9.3.8	Asset Information Technician	hr	TBC		
9.3.9	Labourer	hr	TBC		
	<<regions to add others>>				
9.4	**Cost Fluctuations**	PS	1	$1,000,000	This provisional sum is calculated by assuming a typical annual fluctuation rate, say 2%, over the duration of the Contract, excluding the first 12 months. This equates to around 6.9% over the course of the Contract.

1.4.3 Pavement Rehabilitation

Guidance for determining the appropriate resurfacing items are provided in the table below.

PAVEMENT REHABILITATION SCHEDULE					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.2.1	Base Pavement Rehabilitations				**This section must be developed before commencing Schedule of Prices section 6.3 above.** This section deals with the selection of 3 Base Rehabilitation treatment types and associated quantities to be used over the Contract Period (excluding possible extensions). The 'total' pavement rehabilitation base preservation quantity for the Contract Period shall be determined by the Regional Asset Integrator. The SOP Developer shall ensure that this total is reflected in MS TABLE 6.1.1: PAVEMENT REHABILITATION BASE PRESERVATION CUMULATIVE LANE LENGTHS. As supported by the guidance notes below, the Senior Network Performance Manager shall then:

PAVEMENT REHABILITATION SCHEDULE					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
					• Determine the 3 base rehabilitation treatment designs. The chosen base rehabilitation designs shall be labelled within MS Table 6.1.1 and SOP items 6.2.1.1, 6.2.1.2 and 6.2.1.3. • Be responsible for calculating an appropriate distribution of the total approved base preservation quantities across the 3 chosen base rehabilitation designs (SOP items 6.2.1.1, 6.2.1.2 and 6.2.1.3). The tactical intent of the base rehabilitation treatment types is to cover 3 typical needs: • Base rehabilitation No.1 – a standard-cost 25 year design life renewal, whose basic design is proven and used more often than any other design. • Base rehabilitation No.2 – a much lower cost but higher risk pavement design, as compared with No.1. Its value is proven when used appropriately and used regularly. • Base rehabilitation No.3 – a much higher cost proven pavement design, as compared with No.1, but is only used when risks are significant enough to warrant the additional cost. Used occasionally. • The selected base rehabilitation names need to be transferred to MS, tables 6.1.2, 6.13 and 6.1.4, where the scope of each base treatment type is to be clearly defined.
6.2.1.1	No.1 – Basecourse Overlay	m^2	TBC		Base Pavement Rehabilitation No.1 should: • Be the most common treatment type expected to be used on the Network, which has a proven track record of value for money. • Be the treatment that most likely is recommended following a robust investigation and 25-year design life process, more often than any other treatment. • Does not have significant constructability constraints, i.e. good local material availability and no real supplier capability limitations. • Typically be a basecourse overlay design. The proportion of the Pavement Rehabilitation Base Preservation quantity allocated to this pavement type should be based on historic analysis of its previous use, including all those previous sites that fit within the base design +/_ the extra over design parameters ultimately chosen within section 6.3.1 above.
6.2.1.2	No.2 – Stabilisation Inlay	m^2	TBC		Base Pavement Rehabilitation No.2 should:

PAVEMENT REHABILITATION SCHEDULE					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
					• Be the most common, much lower cost treatment type expected to be used on the Network, with a proven value for money track record. • Be a higher risk (life span) treatment than No.1. • Does not have significant constructability constraints, i.e. good local material availability and no real supplier capability limitations. • Typically be an insitu or rip/remake design. The proportion of the Pavement Rehabilitation Base Preservation quantity allocated to this pavement type should be based on historic analysis of its previous use, including all those previous sites that fit within the base design +/_ the extra over design parameters ultimately chosen within section 6.3.1 above.
6.2.1.3	No.3 – Granular Replacement	m^2	TBC		Base Pavement Rehabilitation No.3 should: • Be a high cost treatment type, known to have a use on the Network, and likely to be used based on the current FWP. • Have a proven value for money track record. • Be the treatment that has been used in the past to address unacceptable risks that it is necessary to control, even at the much higher cost. • Typically an AC inlay design. The proportion of the Pavement Rehabilitation Base Preservation quantity allocated to this pavement type should be based on historic analysis of its previous use, including all those previous sites that fit within the base design +/_ the extra over design parameters ultimately chosen within section 6.3.1 above.
6.2.2	Traffic Control				Tenderers supply a standard m^2 rate for each of the base rehabilitations itemised above based only on L1 COPTTM traffic control. Therefore, to fairly compensate the Contractor for when renewals occur on L2 or L3 designated treatment lengths, traffic control extra over-rates need to be added to the Contractor's completed works claim.
6.2.2.1	Level 1	Included in tendered rates			
6.2.2.2	Level 2 (extra over-rate to Schedule item 6.2.2.1)	m^2	TBC		The quantity to be included within the SOP is calculated by: • Obtaining the latest Asset Integrator approved FWP.

PAVEMENT REHABILITATION SCHEDULE					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.2.2.3	Level 3 (extra over-rate to Schedule item 6.2.2.1)	m^2	TBC		• For the Contract Period, sum totalling the m^2 of pavement rehabilitation renewals that occur within L2 road sections and entering this within 6.2.2.2. • For the Contract Period, sum totalling the m^2 of pavement rehabilitation renewals that occur within L3 road sections and entering this within 6.2.2.3. The following check should be undertaken to ensure correct quantity calculation: (For the Contract Period, sum totalling the m^2 of pavement rehabilitation renewals that occur within L1 road sections) + (6.2.2.2 m^2) + (6.2.2.3 m^2) = (6.2.1.1 + 6.2.1.2 + 6.2.1.3).

1.4.4 Resurfacing

RESURFACING SCHEDULE					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.4.1	Chip Seal (Exceeding ESC 0.4 after a minimum of 24 months from construction)				Refer to Asset Integrator.
6.4.1.1	Grade 3	m^2	TBC		
6.4.1.2	Grade 4	m^2	TBC		
6.4.1.3	Grade 5	m^2	TBC		
6.4.1.4	Two Coat Grade 2 and Grade 4	m^2	TBC		
6.4.1.5	Two Coat Grade 3 and Grade 5	m^2	TBC		
6.4.1.6	Grade 6	m^2	TBC		
	<<Add other treatments if required>>	TBC	TBC		Other treatments can be added to the schedule to reflect successful local surfacing treatments.

RESURFACING SCHEDULE					
ITEM	**DESCRIPTION**	**UNIT**	**QUANTITY**	**RATE**	**GUIDANCE NOTE**
6.4.2	Asphaltic Concrete (Exceeding ESC 0.4 after a minimum of 24 months from construction)				Refer to Asset Integrator.
6.4.2.1	Asphaltic Concrete Mix 10	m^2	TBC		
6.4.2.2	SMA	m^2	TBC		
6.4.2.3	AC Mix 14	m^2	TBC		
6.4.2.4	OGPA	m^2	TBC		
6.4.2.5	Slurry	m^2	TBC		
	<<Add other treatments if required>>	TBC	TBC		
6.4.3	Traffic Control				
6.4.3.1	Level 1	Included in tendered rates			
6.4.3.2	Level 2 (extra over-rate to Schedule item 6.4.3.1)	m^2	TBC		Determine from the forward work programme the treatments within Level 2 areas over the Contract Period.
6.4.3.3	Level 3 (extra over-rate to Schedule item 6.4.3.1)	m^2	TBC		Determine from the forward work programme the treatments within Level 3 areas over the Contract Period.

1.5 Request for Tender and Award

1.5.1 No guidelines are available for this activity.

2 ESTABLISHMENT

2.1 Project Plan Update

2.1.1 No guidelines are available for this activity.

2.2 Financial Update

2.2.1 No guidelines are available for this activity.

2.3 Role Delegation and Confirmations

2.3.1 No guidelines are available for this activity.

2.4 Systems Set-up

2.4.1 No guidelines are available for this activity.

2.5 Pre-commencement Activities

2.5.1 Contract Plan Acceptance Matrix

Introduction

The Contractor shall prepare an all-encompassing Contract Plan (CP) to meet all statutory and Principal's requirements. The CP shall clearly demonstrate an integrated working system and strategic-level framework for the management, planning and execution of the Contract.

Section 4 of the Maintenance Specification provides the technical detail required to be provided for each of the subsections to the Contract Plan.

The following management plans shall form subsections of the Contract Plan:

a) Health and Safety Management Plan (HSMP) (refer Maintenance Specification, Section 4.1)

b) Quality Management Plan (QMP) (refer Maintenance Specification, Section 4.2)

c) Traffic Control Plan (TCP) (refer Maintenance Specification, Section 4.3)

d) Environmental and Social Management Plan (ESMP) (refer Maintenance Specification, Section 4.4)

e) Customer and Stakeholder Communication Management Plan (CSCMP) (refer Maintenance Specification, Section 4.5)

f) Risk Management Plan (RMP) (refer Maintenance Specification, Section 4.6)

g) Emergency Procedures and Preparedness Plan (EPPP) (refer Maintenance Specification, Section 4.7)

h) Maintenance Management Plan (MMP) (refer Maintenance Specification, Section 4.8).

Purpose

The purpose of the acceptance matrix is to give an overview of who should be involved in the process from communication to acceptance for the various individual subsections of the Contract Plan and ultimately the full Contract Plan.

The roles behind the headings in the acceptance matrix:

- Responsible (R) – In accordance with the Maintenance Specification the Contractor is the owner for developing the Plan(s).
- Accountable (A) – the person or team to whom "R" is accountable and who is the authority who accepts and signs-off on the plan(s) before it is effective. The Maintenance Contract Manager

will have overall accountability to ensure that the relevant parties to the acceptance matrix are involved, and actions are completed at the appropriate time throughout the acceptance process.

- Supportive (S) – the person or team who provides resource or plays a supporting role in the plan development.
- Consulted (C) – the person or team who provides the information and/or expertise necessary to complete the plan(s). Consultation may also include the person or team who is accountable.
- Informed (I) – the person or team who needs to be notified of the approval but need not necessarily be consulted.

Payment

The Schedule of Prices items 1.1.1, 1.1.2 and 1.1.3 make up the lump sum to be paid to the Contractor in preparation of the Contract Plan.

Payment of this portion of the lump sum will be made as follows:

- 10% of the lump sum on completion and acceptance of each individual subsection of the Contract Plan
- The remaining amount on completion and acceptance of the full Contract Plan.

No further payment will be made, without reasonable grounds, after four months from Contract commencement for any plans not accepted; however, they still need to be completed.

Once the Contract Plan development period has expired, no further payment of Scheduled items 1.1.1, 1.1.2 and 1.1.3 is made throughout the Contract term.

Acceptance Matrix

The Contractor must allow, at minimum, 10 working days for the Principal to undertake each review.

PLAN (SECTION)	ACCOUNTABLE	SUPPORTIVE	CONSULTED	INFORMED
Contract Plan	MCM			Network Manager / Contract Board
Health & Safety Management	MCM/ Manager Zero Harm	RPM or HM		Contract Board
Quality Management (include Data Quality)	MCM/Network Manager	Principal Asset Manager Integrator (Data)	National Pavements Manager / Performance Manager	RPM or HM
Traffic Control	MCM/Journey Manager	Network Manager	Journey Manager/Safety Engineer/TOC	RPM or HM
Environmental & Social Management	MCM/Network Manager	Journey Manager	Environment and Urban Design Manager	RPM or HM
Customer & Stakeholder Communication Management	MCM/Journey Manager	Journey Manager	Customer Development Manager	RPM or HM

PLAN (SECTION)	ACCOUNTABLE	SUPPORTIVE	CONSULTED	INFORMED
Risk Management	MCM	RPM or HM	Risk Advisor	Contract Board
Emergency Procedures & Preparedness	MCM/Network Manager	RPM or HM	Journey Manager/TOC	Outcome Delivery Manager
Maintenance Management	MCM	Principal Asset Manager Integrator	Outcome Delivery Manager	Network Manager

The Health and Safety Plan, Traffic Control Plan and Emergency Procedures and Preparedness Plan must be operative at the commencement of Contract. The

All other plans must be accepted within four months of Contract commencement.

The Contract Plan(s) remain live documents throughout the Contract Period and are linked to the key result areas through various key performance indicators.

Key Contacts

The following table provides a list of current contacts for roles listed in the Acceptance Matrix. Note these contacts may not be the direct contact point for plan development, but they will assign a resource for the role they are required to undertake.

Points of Contact	Name	Contact Detail
Regional Performance Manager (RPM) Highway Manager (HM) Network Manager Journey Manager Safety Engineer Traffic Operating Centre (TOC)	Network Specific	Regional Office
Manager Zero Harm	Martin McMullan	Martin.McMullan@nzta.govt.nz
National Pavements Manager	John Donbavand	John.Donbavand@nzta.govt.nz
Performance Manager	Liane Powell	Liane.Powell@nzta.govt.nz
Principal Asset Manager Integrator (Data)	Dave Robertson	Dave.Robertson@nzta.govt.nz
Principal Asset Manager Integrator	Gordon Hart	Gordon.Hart@nzta.govt.nz
National Traffic and Safety Manager	Fergus Tate	Fergus.Tate@nzta.govt.nz
Environment and Urban Design Manager	Rob Hannaby	Rob.Hannaby@nzta.govt.nz
Customer Development Manager	Mark McCann	Mark.McCann@nzta.govt.nz

Points of Contact	Name	Contact Detail
Risk Advisor	Manager Project Services	National Office
Outcome Delivery Manager	David Darwin	David.Darwin@nzta.govt.nz
Commercial Intelligence Analyst (Outcome Delivery)	David Kelsey	David.kelsey@nzta.govt.nz

2.6 Contract Commencement

2.6.1 No guidelines are available for this activity.

2.7 Performance Framework Set-up

2.7.1 No guidelines are available for this activity.

2.8 Alignment

2.8.1 Contract Management Team – Terms of Reference Guidance

The Contract Management Team (CMT) is responsible for the day-to-day management and leadership of the Contract teams to ensure that the Contract outcomes, including OPMs, KRAs and KPIs, are being considered.

The relationships within the team (and externally) are effective, and Contract risks are being appropriately managed.

The CMT is also responsible for overseeing cost-effective, innovative practices.

It is expected that the CMT works within an empowered relationship between all the parties and is based on the following Contract key elements:

- Trust
- Empowerment
- Honesty
- Openness
- Cooperation
- Fair
- Courageous
- Unconstrained
- Respect
- Reasoned Requirements.

2.8.2 Contract Board – Terms of Reference Guidance

Effective governance is the effective separation, management and execution of the relationships, duties, obligations and accountabilities of the organisation (Contract), such that the management team is best able to achieve its purpose. Thus good governance exists to ‘add value’. Without it, an entity is unlikely to survive or fulfil its fundamental purpose.

The Board, as a key agent of good governance, adds value when its actions as a Board further the achievement of the entity’s purpose. Adding value is not one of several things that our Board does; it is what the Board does, and will be achieved in four critical areas:

- Determination of Purpose

  A value-adding Board leads the development of the organisation's purpose goals and its strategy to achieve those goals.

- Governance Culture

  The value-adding Board works well as a team to deal effectively with the right issues at the right time and in the right manner. It operates within a high performance culture that celebrates debate, thoughtful challenge and dissent, commitment, candour and trust characterised by effective relationships within the Board and with management, customers and key stakeholders.

- Holding to account

  A value-adding Board holds management strictly and continuously to account through informed, astute, effective and professional oversight. It does not do management activities, but it ensures the purpose and strategy is understood by management and implemented with a clear plan with proper resource deployment, task allocation and performance management.

- Compliance

  A value-adding Board ensures the organisation is and remains financially viable. It will ensure the probity of financial reports and process and the accuracy of compliance with regulatory environments. It ensures that all risks, existing and prospective, affecting the entity's ability to fulfil its fundamental purpose are identified and managed.

  The two key obligations of Board Members are the fiduciary duty of good faith and the duty of care and skill.

  Governance is a high level overview of the entity's operations, monitoring and ensuring performance and achievements of its objectives and goals.

2.9 Contract Plan Development

2.9.1 No guidelines are available for this activity.

2.10 Reporting

2.10.1 No guidelines are available for this activity.

3 CONTRACT MANAGEMENT ANNUAL CYCLE

3.1 Project Plan Maintenance

3.1.1 No guidelines are available for this activity.

3.2 Contract Plan Management

3.2.1 No guidelines are available for this activity.

3.3 Contract Management Team

3.3.1 Meeting Agenda Framework

Refer to Section 2.8, Part 3.

3.3.2 Dashboard Reporting

Refer to Section 2.8, Part 3.

3.4 Engineer to Contract

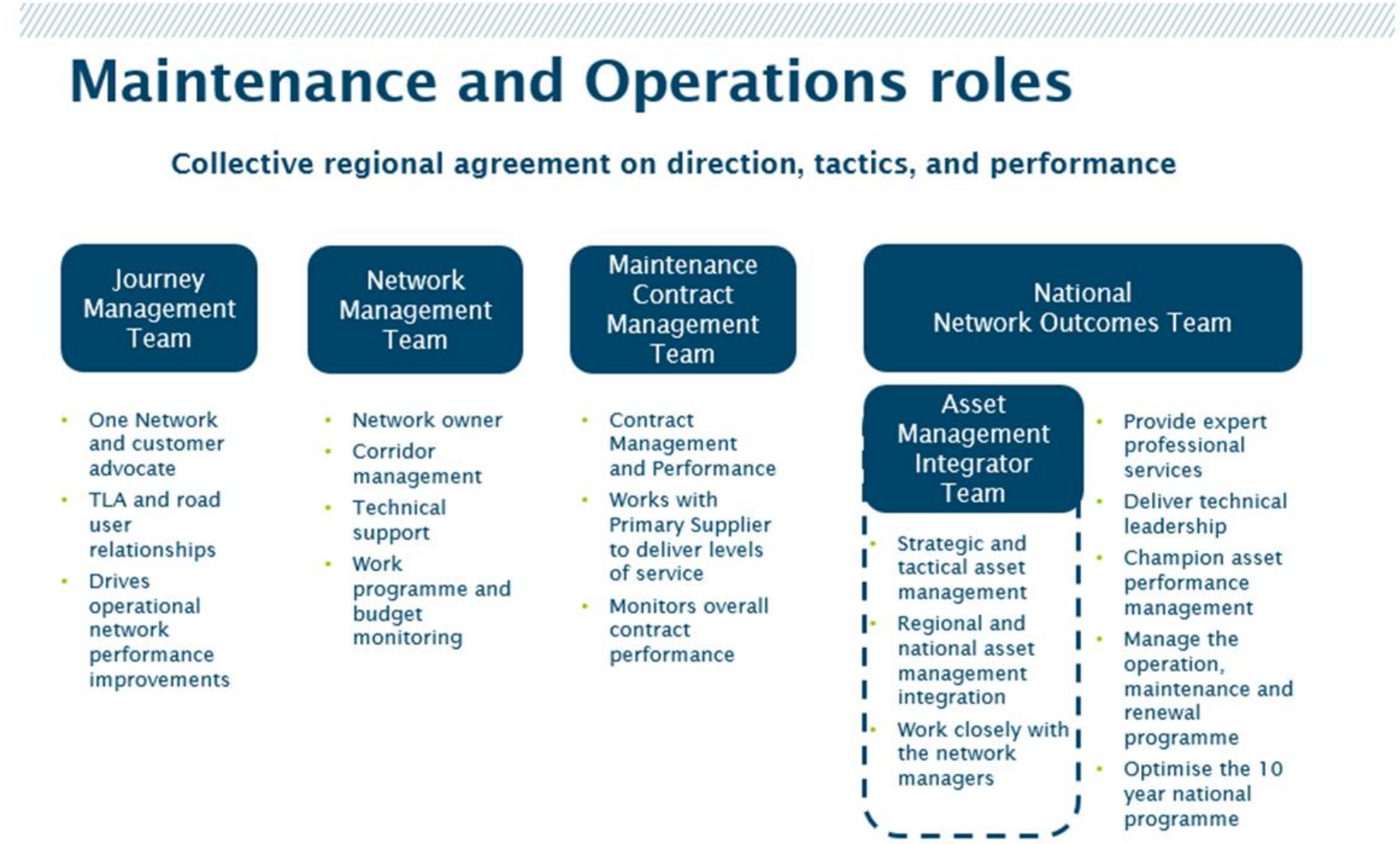
3.4.1 No guidelines are available for this activity.

3.5 Contract Board

3.5.1 No guidelines are available for this activity.

3.6 Roles and Responsibilities

3.6.1 HNO Roles and Responsibility Chart



3.7 Contract Administration

3.7.1 No guidelines are available for this activity.

3.8 Financial Management

3.8.1 Contract Claim/payment process

The step-by-step process to complete a monthly payment claim is outlined below:

a) MCM receives the Contractor's monthly payment claim – date-stamp it.

b) Check and verify the claimed amounts, ** agree any adjustments with the Contractor.

c) Prepare a Contract Payment Schedule that reconciles with the Contractor's claim.

d) Log in to SAP.

e) Select Contract Payments.

f) Select the Contract, (e.g. Waka Kotahi 63088 SC NOC by using the Contract Manager name drop) Create CPV (click on this icon).

g) Edit (click on this icon).

h) Enter 'date of work completed to' (the end of the month for the claim period).

i) Enter the 'date of service' (date the Contractor's claim was received on).

j) Enter the 'due date' for payment (we use the 20th of the month following the claim period).

k) Using the Contract WBS, scroll and select the appropriate Contract ID and descriptions, enter the dollar values for each claim/payment schedule line item.

l) When all the values have been entered, check the 'certified value' of the Payment Claim CPV equals the same total on the Payment Schedule. If incorrect, recheck the entered values and alter to correct, if OK proceed.

m) Certify the Claim (tick the box).

n) Save (click on this icon).

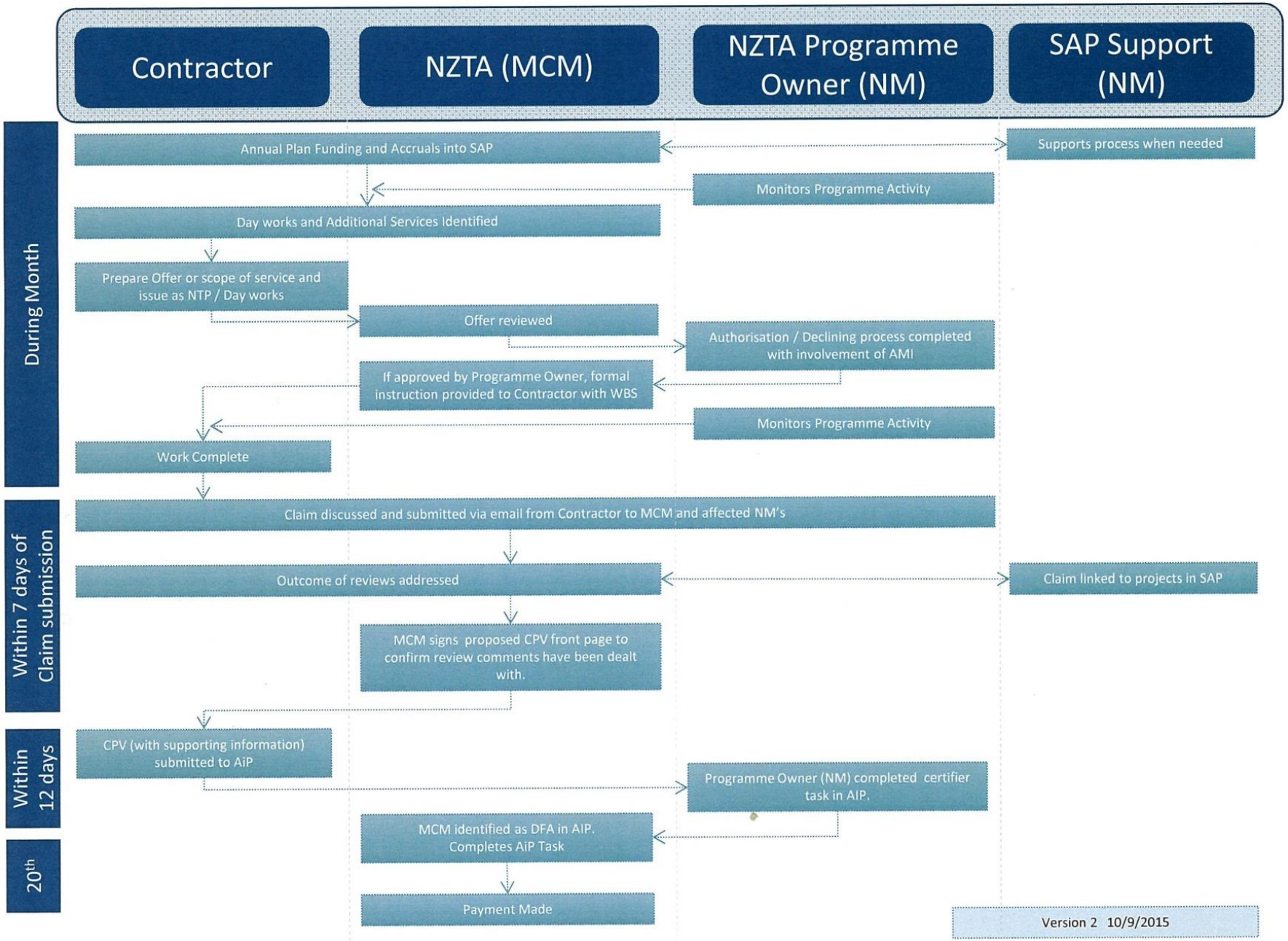
o) Create PDF CPV (click on this icon), open the pdf file.

p) Print the pdf copy of the CPV, check it to ensure it matches the Payment Schedule.

q) Sign the CPV in both locations (Created/Checked and Certification).

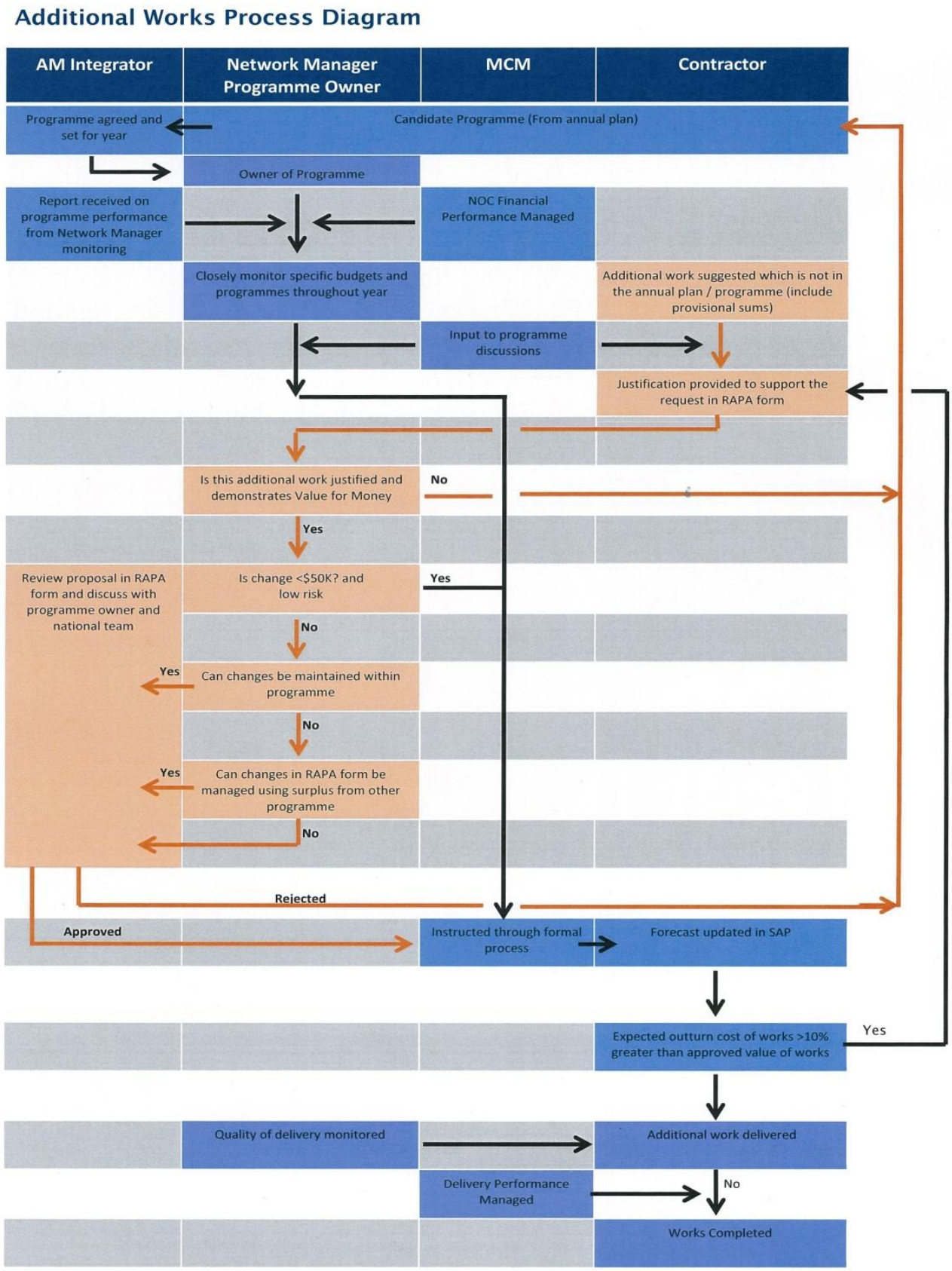
r) Scan the CPV, Payment Schedule and Contractor's Claim summary and send to Contract Administrator and Network Manager for AIP approval/payment processing; down box, find your name, select, then select your Contract by clicking on it).

** Note: if adjustments to the payment claim are made and not agreed with the Contractor as part of the claims process, then the Contractor will need to be advised in writing of the adjustments and the reasons for any non-payment along with a copy of the Payment Schedule.


Contractor
NZTA (MCM)
NZTA Programme Owner (NM)
SAP Support (NM)
During Month
Annual Plan Funding and Accruals into SAP
Supports process when needed
Monitors Programme Activity
Day works and Additional Services Identified
Prepare Offer or scope of service and issue as NTP / Day works
Offer reviewed
Authorisation / Declining process completed with involvement of AMI
If approved by Programme Owner, formal instruction provided to Contractor with WBS
Monitors Programme Activity
Work Complete
Within 7 days of Claim submission
Claim discussed and submitted via email from Contractor to MCM and affected NM's
Outcome of reviews addressed
Claim linked to projects in SAP
MCM signs proposed CPV front page to confirm review comments have been dealt with.
Within 12 days
CPV (with supporting information) submitted to AiP
Programme Owner (NM) completed certifier task in AIP.
20th
MCM identified as DFA in AIP. Completes AiP Task
Payment Made
Version 2 10/9/2015

3.9 Variation Management

3.9.1 Guidance on Additional Works Process.



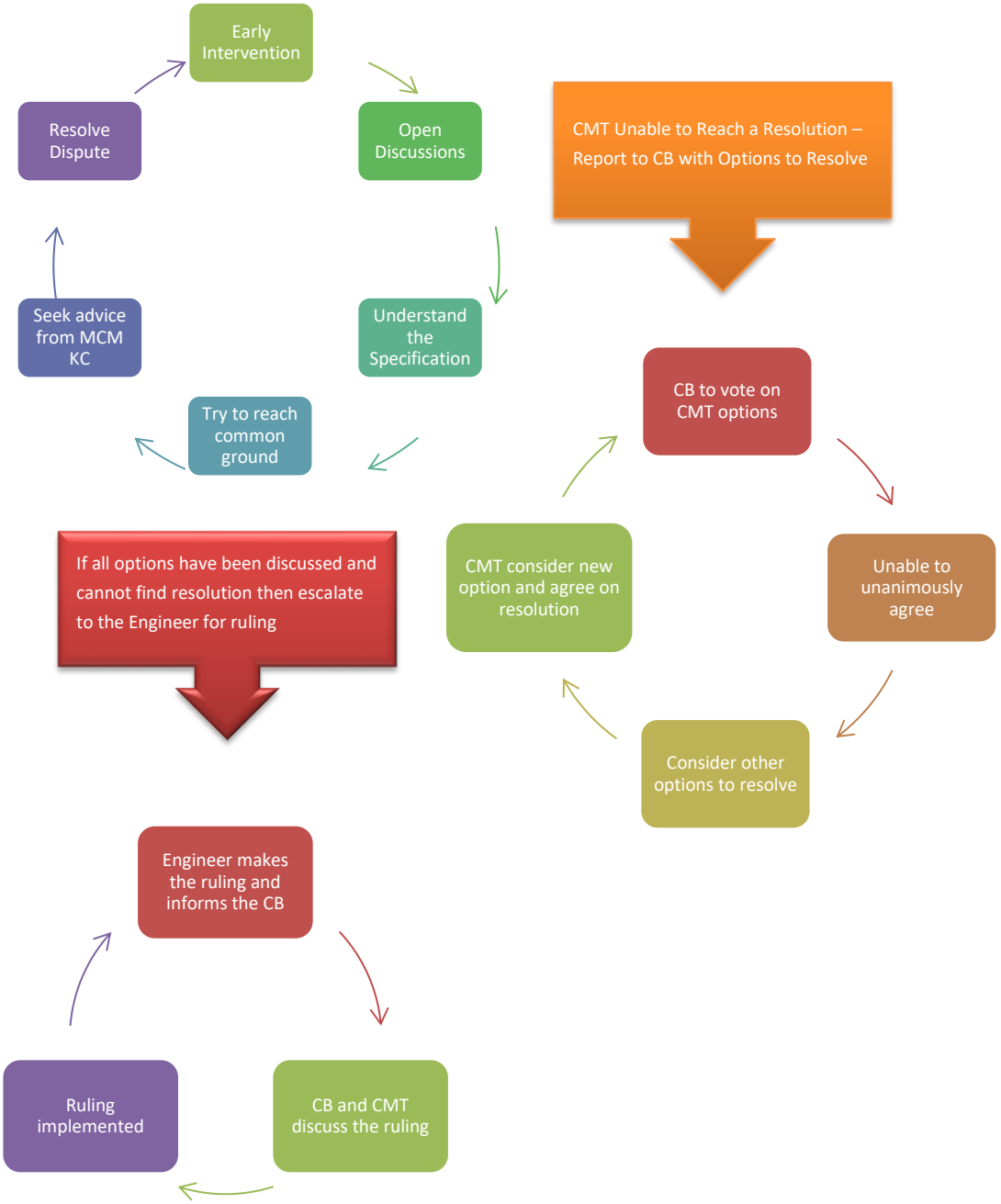
3.10 Model and Specification Enhancements

3.10.1 No guidelines are available for this activity.

3.11 Dispute Resolution

3.11.1 Escalation Flowchart

The flow charts shown below describe how disputes are managed by the CMT and the steps required to either seek approval or to escalate the Contract issue.



3.12 Contractor Performance

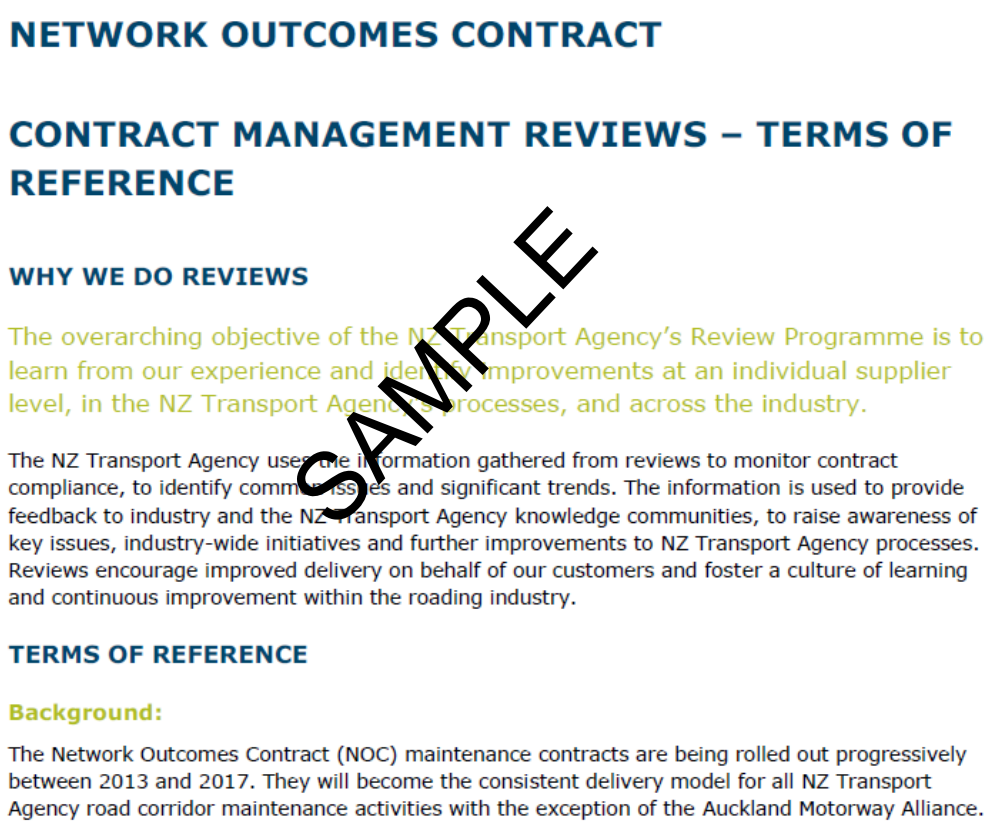
3.12.1 No guidelines are available for this activity.

3.13 Handover of Assets from other contractors

3.13.1 No guidelines are available for this activity.

3.14 System and Process Audits and Reviews

3.14.1 CMR terms of reference and programme



NETWORK OUTCOMES CONTRACT

CONTRACT MANAGEMENT REVIEWS – TERMS OF REFERENCE

WHY WE DO REVIEWS

The overarching objective of the NZ Transport Agency's Review Programme is to learn from our experience and identify improvements at an individual supplier level, in the NZ Transport Agency's processes, and across the industry.

The NZ Transport Agency uses the information gathered from reviews to monitor contract compliance, to identify common issues and significant trends. The information is used to provide feedback to industry and the NZ Transport Agency knowledge communities, to raise awareness of key issues, industry-wide initiatives and further improvements to NZ Transport Agency processes. Reviews encourage improved delivery on behalf of our customers and foster a culture of learning and continuous improvement within the roading industry.

TERMS OF REFERENCE

Background:

The Network Outcomes Contract (NOC) maintenance contracts are being rolled out progressively between 2013 and 2017. They will become the consistent delivery model for all NZ Transport Agency road corridor maintenance activities with the exception of the Auckland Motorway Alliance.

4 MAINTENANCE, OPERATIONS AND RENEWAL DELIVERY ANNUAL CYCLE

4.1 OPM Management

4.1.1 No guidelines are available for this activity.

4.2 PIPs

4.2.1 No guidelines are available for this activity.

4.3 Cost Recovery

4.3.1 No guidelines are available for this activity.

4.4 Asset Management

4.4.1 No guidelines are available for this activity.

4.5 Network Controls

4.5.1 No guidelines are available for this activity.

4.6 Safety Management

4.6.1 No guidelines are available for this activity.

4.7 Accumulated Pavement Rehabilitation and AC Quantity Reconciliation

4.7.1 No guidelines are available for this activity.

4.8 Resurfacing Quantity Management

4.8.1 No guidelines are available for this activity.

4.9 Vegetation Control Types 3 and 4

4.9.1 No guidelines are available for this activity.

4.10 Pavement Marking

4.10.1 No guidelines are available for this activity.

4.11 Drainage Renewals

4.11.1 No guidelines are available for this activity.

4.12 Asset Reconciliation

4.12.1 No guidelines are available for this activity.

4.13 Routine Maintenance Treatments

4.13.1 No guidelines are available for this activity.

	Principal Risk Non-routine Maintenance Treatments		Activities, Events, Programmes & Risks that Contribute to Quantity Calculation													
2.4	*(Provisional items)*		MS 2.4 Renewal Quantity Reward, Appendix 2.4 and Process Maps Renewal Quantity Management Reward, and CoC Principal Risk #7 - **Changes to the accumulated annual pavement rehabilitation programme** as reconciled against the Contractor's tendered accumulated Pavement Rehabilitation Baseline Plan.	**MS 2.5.4 Changes to Annual Renewal levels** and Appendix 2.4 Process Maps Management of Annual **Rehabilitation** Quantity, and CoC Principal Risk #8 **Beyond a 10% change to the accumulated annual resurfacing programme** as reconciled against the Contractor's tendered accumulated Resurfacing Baseline Plan.	**MS 2.5.4 Changes to Annual Renewal levels** and Appendix 2.4 Process Maps Management of Annual **Resurfacing** Quantity.	**MS 2.5.4 Changes to Annual Renewal levels** and Appendix 2.4 Process Maps Management of Annual **Resurfacing** Quantity.	MS 6.1.1 Routine Sealed Pavement Maintenance, **Peak Roughness Programme**	MS 6.1.1 Routine Sealed Pavement Maintenance, **Rut Fill Programme**	CoC 13th Schedule	CoC 13th Schedule	CoC 13th Schedule	CoC 13th Schedule	CoC 13th Schedule	Innovation	Shared risk reseals
			"If it is jointly agreed, on a year 1 SM018 justified pavement rehabilitation or AC renewal, to implement an alternative non-pavement rehabilitation or AC, then the Principal will fully fund the initial alternative strategy over the length in question, including repairs, in conjunction with a prior agreed Period of Defects Liability." The SOP developer should assess the likelihood of this happening over the contract period, the total length of road effected, and an assessment of maintenance treatments that would typically be applied to achieve deferral. As a guide, greater than 1km/year would be considered unlikely.	*"Pavement maintenance risk will pass over to the Principal if the Principal is unable to, or chooses not to, fund SM018 justified pavement rehabilitation renewal projects where this results in the Contractor being prevented from implementing the renewal investment levels as set out in the Contractor's* ***Pavement Rehabilitation Baseline Plan****."* The SOP developer should assess the likelihood of this happening over the contract period, the total length of road effected, and an assessment of maintenance treatments that would typically be applied to achieve acceptable holding condition. As a guide, greater than 1km/year would be considered unlikely.	*"Pavement maintenance risk will pass over to the Principal if the Principal is unable to, or chooses not to, fund mutually agreed justified* ***resurfacing renewal projects,*** *which results in the Contractor being prevented from implementing the renewal investment levels to within 10% of the Contractor's Resurfacing Baseline Plan."* The SOP developer should assess the likelihood of this happening over the contract period, the total length of road effected, and an assessment of maintenance treatments that would typically be applied to achieve acceptable holding condition. As a guide, greater than 2km/year would be considered unlikely.	*"In the event that the annual skid-resistance renewal need is more than that stated in Table 6.1.6,* ***Skid Resistance Renewal Quantities****, and is funded by the Principal, then.. The Principal shall arrange payment to the Contractor for the agreed ...* ***pre-reseal repairs*** *...in accordance with the Basis of Payment, Schedule Item 2.4, Principal Risk Non-routine Maintenance Treatments."* The SOP developer should assess the likelihood of this happening over the contract period, the total length of road effected, and an assessment of maintenance treatments that would typically be applied to achieve acceptable pre-reseal platform condition. As a guide, greater than 2km/year would be considered unlikely.	*"The Contractor shall propose, for the Principal's approval, up to 30 sites annually, based on the most recent 20m roughness HSD, by means of an appropriate Prioritisation process that takes account of* ***roughness severity, safety risk, truck ride and potential damage to assets, such as bridge abutments.*** *The sites are not to be generated from defects that are covered by OPMs, or within pavement rehabilitation or resurfacing sites in the next two years' programme. The Principal may or may not engage the Contractor to undertake the treatments."* The SOP developer must consult with the Regional Asset Integrator, who will provide the contract period total estimated quantity to be included within the SOP. The estimated need will be based on high speed data analysis, deterioration expectations, historic intervention activity	*"The Contractor shall propose, for the Principal's approval, up to 30 sites annually where* ***rutting is less than 20mm,*** *based on the most recent 20m rutting HSD, using an appropriate Prioritisation process that takes account of rutting severity, safety risk and potential damage to assets. The sites are not to be generated from defects that are covered by OPMs, or within pavement rehabilitation or resurfacing sites in the next two years' programme. The Principal may or may not engage the Contractor to undertake the treatments."* The SOP developer must consult with the Regional Asset Integrator, who will provide the contract period total estimated quantity to be included within the SOP. The estimated need will be based on high speed data analysis, deterioration expectations, historic intervention activity quantities,	*"Principal Risk #4 - Maintaining pavement and surfacing, within 7m of any rail, at* ***railway level crossings"****.* The SOP developer should assess the number of rail crossings on the network, their condition, the historic spend on work within the 7m zone, and estimate the future need.	*"Principal Risk #23 & 24 - Skid Resistance Management*	*Principal responsibilities under Risk #26 & 27 -* ***Road noise and vibrations.*** The SOP developer should assess the historic spend on work done on the network to address noise and vibration (excluding renewal projects), and the type of work done. Consideration should be given to the change in LoS service that the NOC road class allocations and OPM's will deliver, and any link to a possible increase or decrease in road noise/vibration challenges. This is especially important for the urban areas. Due to the impact of "...work completed by the Contractor.." and "..monitored by the Contractor...", predicted Principal Risk quantities should decrease as a result of the LoS responsibility progressively moving back to the Contractor, over the contact period. Examples of problems include service covers, utility trenches,	*Principal Risk #33 -* ***"Reinstatement of structure railings, guardrail and wire rope as a result of vehicle crash damage beyond the first 20m in length****".* The SOP developer should assess the number of instances of this occurring in the past (RAMM) to estimate the future need, beyond the 20m threshold. Any known significant improvement programs that are expected to add to the rail asset should be included in the event prediction.	*Principal responsibilities under* ***Risk #60 - "Road slumping settlement / slumping / dropout / washout of any part of the formation and pavement between the edge lines..."*** *and* ***Risk #61 - Road slumping settlement / slumping / dropout / washout / over slip of any part of the formation and pavement on the sites listed within Appendix 6.15, Recurring Hazards.*** The SOP developer should assess the historic spend on the network to address these issues, including the types of intervention undertaken. The quantity calculated should NOT cover slip sites once they qualify for emergency works funding (i.e. the site costs will then lie outside maintenance and operations budgets).	The SOP developer should assess the likelihood of innovation and shared risk for reseals for the given Network.	
2.4.1	Pavement Digout Repairs															
2.4.1.1	Patch area up to 20m^2	m^2	☑	☑	☑	☑			☑		☑		☑	☑		
2.4.1.2	Patch area between 20m^2 and up to 50m^2	m^2	☑	☑	☑	☑			☑		☑		☑	☑		
2.4.1.3	Patch area greater than 50m^2	m^2	☑	☑	☑	☑			☑		☑		☑	☑		
2.4.2	Pavement Stabilisation Repairs															
2.4.2.1	Patch area up to 20m^2	m^2	☑	☑	☑	☑	☑	☑	☑		☑			☑		
2.4.2.2	Patch area between 20m^2 and up to 50m^2	m^2	☑	☑	☑	☑	☑	☑	☑		☑			☑		
2.4.2.3	Patch area greater than 50m^2	m^2	☑	☑	☑	☑	☑	☑	☑		☑			☑		
2.4.3	Rip and Remake															
2.4.3.1	Chip Sealed Surface	m^2	☑	☑	☑	☑	☑						☑	☑		
2.4.3.2	AC Surface	m^2	☑	☑	☑	☑							☑	☑		
2.4.4	Premix Reshaping		☑	☑												
2.4.4.1	Chip Sealed Surface	m^2	☑	☑	☑		☑		☑		☑		☑	☑		
2.4.4.2	AC Surface	m^2	☑	☑	☑		☑	☑	☑		☑		☑	☑		
2.4.5	Cold Mill and Inlay		☑	☑	☑											
2.4.5.1	0 – 30mm Depth	m^2	☑	☑	☑			☑	☑		☑			☑		
2.4.5.2	31 – 65mm Depth	m^2	☑	☑	☑				☑					☑		
2.4.6	Crack Sealing	m^2	☑	☑	☑				☑					☑	☑	
2.4.7	Crack Filling	m	☑	☑	☑	☑			☑				☑	☑	☑	
2.4.8	Scabbing and Stripping	m^2	☑	☑	☑	☑								☑	☑	
2.4.9	Watercutting	m^2	☑	☑	☑	☑								☑	☑	
2.4.10	Slurry Rut Filling	t	☑	☑	☑			☑						☑		
2.4.11	Guardrail											☑				
2.4.12	Wire rope											☑				

4.14 Pavement Rehabilitation Design Development

4.14.1 No guidelines are available for this activity.

4.15 Surfacing Design Development

4.15.1 No guidelines are available for this activity.

4.16 Construction Assurance Monitoring

4.16.1 No guidelines are available for this activity.

4.17 Post-construction Pavement Rehabilitation Design Assessment

4.17.1 No guidelines are available for this activity.

4.18 Post-construction Resurfacing Design Assessment

4.18.1 No guidelines are available for this activity.

4.19 Winter Services Management

4.19.1 No guidelines are available for this activity.

4.20 Traffic Services

4.20.1 No guidelines are available for this activity.

4.21 Incident Response

4.21.1 No guidelines are available for this activity.

5 FINAL YEAR

5.1 New Project Plan Development

5.1.1 No guidelines are available for this activity.

5.2 Renewal Quantity Management Reward

5.2.1 No guidelines are available for this activity.

5.3 Procurement Process

5.3.1 No guidelines are available for this activity.

5.4 Hand Back of Assets

5.4.1 No guidelines are available for this activity.

6 CLOSE-OUT

6.1 Contract End

6.1.1 No guidelines are available for this activity.

6.2 Defects Liability

6.2.1 No guidelines are available for this activity.

6.3 Contract Close-out

6.3.1 No guidelines are available for this activity.

6.4 Project Close-out

6.4.1 No guidelines are available for this activity.

FEEDBACK

To **E-mail Address:** **Subject:**	SM034 Manual Owner, Waka Kotahi NZ Transport Agency, Wellington procurement@nzta.govt.nz **Feedback for SM034**

From *(Name & Company)*	
Contact Number	
Contact E-mail	
Contact Address	

Document Reference ***(Appendix Reference & Clause)***	
Comment and/or Description of problem	
Describe what you would like to happen/suggest change	

Feedback ID **(For internal use only)**		**Action** **(For internal use only)**	