

**To** SM034 Manual Users

**Cc**

**From** The Maintenance Contracts Governance Group (MCGG) and the Network Outcomes Contracts Clarification and Governance Group (NOC CGG)

**Date** 5 October 2020

**Subject** *State highway network outcomes contract management manual (SM034) – Summary of Amendments October 2020: Issue 2*

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### Purpose

To present the amendments made in the October 2020 Issue 2 publication of the *State highway network outcomes contract management model (SM034)* which has been updated where required from the November 2015 issue (Issue 1).

**Note: This is an interim version of SM034 and has not been updated except where identified below. It is the responsibility of the manual user to verify the accuracy of the information contained therein.**

### Table of Amendments

Note: minor amendments are not always identified.

Clauses	Subject	Comment
Entire document		-CHANGED minor editorial sections such as dates, version numbers, and website links -AMENDED generally for grammar and readability -CHANGED “NZ Transport Agency” to “Waka Kotahi NZ Transport Agency” and “Transport Agency” or “NZTA” to “Waka Kotahi”, except where legal name is necessary -CHANGED “Statement of Interest and Ability/SIA” to “Registration of Interest/ROI” -CHANGED “Registration of Interest/ROI” to “Notice of Intention/NOI” -CHANGED “Value Assurance Committee/VAC” to “Maintenance Contracts Governance Group/MCGG”
	Copyright Information	CHANGED “material in it may be” to “material in that it may be”
Manual Management Plan	Document Information	-REMOVED “Regional Champions” -CHANGED manual owner to “National Maintenance and Operations Manager” -CHANGED manual sponsor to “Maintenance Contracts Governance Group”
	Record of Amendment	-REMOVED reference to signing up for notification of amendments -ADDED information about the current update, including disclaimer of interim nature
	Foreword	-AMENDED to reflect current information

	Numbering Table	-AMENDED to reflect current numbering
1	Process Owners	-UPDATED to reflect current owners
2.1	NOCMM	-AMENDED email contact information
2.7.4	Agree Performance Framework	-REMOVED "and those that are being measured only"
3	Acronyms	-UPDATED references to NOC
4	Referenced Documents	-ADDED new section
6.2.1	Contract Proforma Alignment	-UPDATED references to NOC
	Feedback	-AMENDED to reflect current feedback process
1.2.1	Project Plan	-CHANGED "Prepare the Project Plan" to "The Project Manager is to prepare the Project Plan"
2	Contract Establishment	-CHANGED name from "Establishment" to "Contract Establishment"
2.4	Systems Set Up	-UPDATED to align with amendments
2.5.2	Pre-Commencement Activities	-ADDED "certificates"
2.5.6	Pre-Commencement Activities	-CHANGED "accept" to "prepare and accept"
2.5.7	Pre-Commencement Activities	-CHANGED "accept" to "prepare and accept"
2.6.1	Contract Commencement	-ADDED "agree"
3.2	Contract Management Plan	-CHANGED "4-monthly" to "quarterly"
3.3.4	CMT	-CHANGED "4-monthly" to "quarterly"
3.8.2	Financial Management	-ADDED "NLTP"
3.8.4	Financial Management	-ADDED "Received, assessed and approved all variation claims in accordance with the Contract."
3.9.1	Variation Management	-ADDED "any"
3.9.4	Variation Management	-CHANGED "Provided" to "maintained" -CHANGED "to Performance Management team 6 monthly" to "for financial management and audit purposes"
4.1.1	OPM Management	-ADDED "review and approval of Contractor's OPM auditing processes and systems within Contractor's Quality Plan"
4.1.2	OPM Management	-ADDED "OPM" -ADDED "including participation in OPM audits from time to time"

4.1.3	OPM Management	-CHANGED "performance evaluation" to "Non-Compliance Score" -CHANGED "reviewed" to "agreed and approved for upload"
4.1.4	OPM Management	-REMOVED section
4.2.1	PIPs	-CHANGED "requested" to "notified" -ADDED "and actioned"
4.3.1	Cost Recovery	-ADDED "agreed and has"
4.5.1	Network Controls	-CHANGED "SAP" to "TREIS, CS-VUE, CAR and LUD management systems"
4.5.2	Network Controls	-CHANGED "The Principal is using CRMS (SAP)" to "The Principal is using CRMS, TREIS, CS-VUE, CAR, and LUD management systems."
4.5.4	Network Controls	-CHANGED "recorded" to "tracked and recorded" -REMOVED "refer Principal Influence Measure KPI #7"
4.5.5	Network Controls	-REMOVED section
4.9.1	Vegetation Control Types 3 and 4	-ADDED "annual"
4.10.1	Pavement Marking	-ADDED "annual"
4.10.3	Pavement Marking	-CHANGED "Group 6.5.8" to "104"
4.11.1	Drainage Renewals	-ADDED "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".
4.13	Routine Maintenance Treatments	-CHANGED title of section from "Principal Risk Non-Routine Maintenance Treatments to "Routine Maintenance Treatments" -AMENDED to align with updated process
4.14.3	Pavement Rehabilitation Design Development	-ADDED "NPV"
4.15.5	Surfacing Treatment Selection	-ADDED "NPV"
4.17	Post-Construction Pavement Rehabilitation Design Assessment	-CHANGED "Quality Assurance" to "Design Assessment"
4.17.2	Post-Construction Pavement Rehabilitation Design Assessment	-ADDED "(use JunoViewer tool)"

4.1.8	Post-Construction Resurfacing Design Assessment	-CHANGED "Quality Assurance" to "Design Assessment"
4.1.8.2	Post-Construction Resurfacing Design Assessment	-ADDED "(use JunoViewer tool)"
5.2.1	Renewal Quantity Management Reward	-CHANGED "assess" to "Commence the assessment" -ADDED "at the beginning of the final year"
6.1.3	Contract End	-ADDED "including full assessment and reconciliation of all post construction completion performance measures"
6.3.2	Contract Close-Out	-ADDED "including ensuring handover to Waka Kotahi of all hardcopy and electronic records owned by the Principal as part of any deliverable under the contract."
1.1.2	Set-Up – Reference(s)	-CHANGED "nil" to "State highway maintenance contract proforma manual (SM032)"
1.1.3	Set Up – Responsibility	-CHANGED "Regional Performance Manager" to "Senior Procurement Manager" -CHANGED "Non-business Unit Highway" to "Regional System"
1.1.4	Assign Project Manager	-CHANGED "Regional Performance Manager" to "Manager Systems Management" -CHANGED "or Non Business Unit Highway Manager" to "and the Regional System Manager"
1.1.9	Linkage(s)	-ADDED link to Network Procurement Strategy
1.2.1	Introduction	-AMENDED to clarify ISO certification -ADDED "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."
1.2.3	Project Plan – Responsibility	-CHANGED "Regional Performance Manager" to "Manager Systems Management"
1.2.6	Project Plan – Distribution	-CHANGED "Maintenance Contract Manager" to "Tender Project Manager"
1.3.9	Preselection Process – Advertising	-CHANGED "Highway Manager" to "Manager Systems Management"
1.4.4	Document Preparation (5.2.1, Resource Consents)	-ADDED "Check this information with the local planning team"
1.4.4	Document Preparation (6.10, Extent of Vegetation Control)	-ADDED "Get input from the Regional Council about their plant pest issues"

1.4.4	Document Preparation (6.15, Recurring Hazards)	-ADDED "Define how these are to be treated within the document, especially whether the risks are to be with the Principal or with the Contractor."
1.5.9	Individual Technical Interactive 2	-REMOVED "Certificate M"
1.5.12	Tender Presentations	-AMENDED to include MMP Alignment Workshops
1.5.13	Reporting and Approval	-ADDED "Ensure that a process is established for dealing with unsustainable tenders."
1.5.15	Tender Award	-AMENDED to align with current processes
2.1.3	Project Plan Update	-CHANGED "Regional Performance Manager" to "Project Manager"
2.1.4	Project Plan Update	-ADDED " to the Maintenance Contract Manager"
2.2.2	Financial Update	-UPDATED section numbers for "Annual Allocations and Cash Flows" and "Monthly Financial Accruals"
2.2.4	SAP update	-UPDATED "Update SAP with financial updates for each Work Category" to align with current practice
2.3.4	Contractor	-AMENDED to limit scope to key personnel  -ADDED "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."
2.3.6	Contract Management Team	-CHANGED "Contractor Quality Manager" to "Contractor Compliance & Quality Manager"  -CHANGED "Contractor Safety Engineer" to "Contractor Safety Manager/Engineer"  -CHANGED "The working CMT may need to be reduced to a smaller group of key staff as noted above" to "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	-AMENDED to clarify System Manager responsibilities and TMC responsibilities  -ADDED "The Contractor will also need to be issued the Waka Kotahi Instrument of Delegation in relation to the TMC setting temporary speed limits."
2.3.8	Other Delegations	-CHANGED "allow" to "communicate"
2.3.9	Confidentiality Agreement	-CHANGED "Deeds of Grant" to "Deeds of Grant/License to Occupy"
2.3.10	Financial Update – Linkage(s)	-ADDED "CS-VUE" and "TREIS"
2.4.2	Systems Set-Up	-UPDATED Customer Database, Incident Response Management, Corridor Access Management, Environmental Consent Compliance Management System, Bridge and Other Structures Maintenance

		Management, Road Safety Management, Financial Management, and Operational Traffic Management -CHANGED "Safety Management" to "Road Safety Management" -CHANGED "Operational Activities" to "Operational Traffic Management"
2.4.4	Performance Management System	-ADDED "and Quality Management Plan requirements"
2.4.6	Highways Information Portal (HIP)	-ADDED "Within HIP Technical Disciplines it has a section (resources) specifically for Network Outcome Contracts (NOCs)."
2.4.11	Health & Safety Monthly Performance Reporting	-ADDED new section
2.4.12	Zero Harm	-REMOVED section
2.4.15	TREIS/NIEMS	-CHANGED title from "TREIS" to "TREIS/NIEMS"
2.4.16	MetConnect	-AMENDED to align with current processes
2.4.17	Highways Structure Information Management System (HSIMS)	-CHANGED all references from "Bridge Data System (BDS)" to "Highways Structure Information Management System (HSIMS)" -AMENDED to align with current processes
2.4.19	CAS	-CHANGED "obtain a CAS license by contacting the IS service desk" to "obtain access by application via this website link" -CHANGED <a href="mailto:service@nzta.govt.nz">service@nzta.govt.nz</a> to <a href="mailto:cas.administrator@nzta.govt.nz">cas.administrator@nzta.govt.nz</a>
2.4.20	SAP	-ADDED "(SAP user form)"
2.4.21	Traffic Monitoring Systems	-ADDED sections for "Waka Kotahi Journey Planner" and "Detour Maps"
2.4.22	Site-Specific Warning Systems	-ADDED "Variable Message Signs"
2.4.23	Linkage(s)	-ADDED Journey Planner
2.5.5	Establishment Plan	-ADDED "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."
2.5.8	Joint Handovers	-ADDED "Network Manager"
2.6.4	Tender Pledges	-AMENDED to align with current processes
2.6.7	Team Engagement	-ADDED new section
2.6.8	Maintenance Programmes	-ADDED new section
2.6.9	Contract Commencement - Linkage(s)	-ADDED "NZS 3917 Section 5.10"

2.7.4	Agree Performance Framework	-REMOVED reference to grace period -AMENDED Key Result Areas (KRAs)
2.8.5	Initial Joint Inspection	-AMENDED to align with current processes
2.9.4	Contract Plans	-ADDED "including the Performance Framework System"
2.10.2	Reporting	-CHANGED "Introduction" to "KRA Performance Framework" -CHANGED "Web-Based Portal" to "Web-Based Portal Information Sharing" -UPDATED reference number for Corridor Access Management -AMENDED to refer to KRI upload template
3.2.2	Contract Plan Management	-CHANGED "Guide to the KRA Performance Framework" to "Operational Performance Measures"
3.2.5	Contract Plan Reviews	-ADDED "complete an annual review"
3.2.7	Confidentiality	-ADDED "particularly the MMP"
3.3.2	Contract Management Team	-UPDATED reference number for Reporting
3.3.4	Contract Management Team	-CHANGED "the Contractor" to "the Contractor's Contract Manager" -CHANGED "2 working days" to "5 working days" -ADDED "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."
3.4.2	Engineer to Contract – References	-ADDED "Maintenance Specification 3.5.2 (Contract Board)"
3.4.4	Engineer to Contract (ETC) Duties	-AMENDED specific duties
3.4.5	Engineer's Representative(ER) duties	-ADDED "The reviewing of matters in dispute" -REMOVED "under \$500,000" from valuing variations
3.4.8	Opportunities	-CHANGED "Knowledge" to "and Network Manager's"
3.4.9	Linkage(s)	-REMOVED "NZS3910"
3.5.2	Contract Board	-UPDATED reference number for Coordinated Inspections
3.8.2	Financial Management	-CHANGED "Mid year and End of Year Achievement Reports" to "Other Reports" -UPDATED reference numbers for Annual Allocations and Cash Flows and Monthly Financial Accruals

3.8.4	Annual Plan Development	-ADDED "(cost fluctuations)" -ADDED "and Renewal Quantity Management Reward"
3.8.5	Start of year SAP Updating	-AMENDED to reflect current processes
3.8.6	Monthly Financial Activities	-AMENDED to reflect current processes
3.8.7	End of Year Claim Processing	-ADDED "Payment of any applicable KRA reward"
3.8.8	Cost Escalation	-ADDED "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."
3.9.2	Variation Management – References	-ADDED "Volume 5 Appendices"
3.9.4	Payment Variations	-UPDATED What are payment variations?
3.9.5	Variation Payment Control	-AMENDED sections b, f, and h
3.9.6	National Consistency	-CHANGED "seek advice from peers on difficult VSFs" to "Seek advice from peers and or the NOC Clarification Governance Group on difficult or significant VSFs" -CHANGED "Knowledge Community" to "Contract Performance Team"
3.9.7	Variation Documentation	-ADDED "Approved Variations also need loaded into SAP with a description, reference and variation value before they can be administered via the Payment Claim Process"
3.12.2	Contractor Performance	-CHANGED "Introduction" to "KRA Performance Framework" -UPDATED reference number for Reviews and Audits
3.12.4	Contractor Performance	-CHANGED "4-monthly" to "quarterly"
3.12.5	Contractor Performance	-CHANGED "the Maintenance Contract Manager Knowledge Community" to "forums within System Management" -REMOVED "In the future a web-based tool will be available for the storage and access of evaluations on a national basis."
3.12.8	Contractor Performance	-CHANGED "4-monthly" to "quarterly" -CHANGED "performance" to "pre-requisite performance" -CHANGED "Knowledge community" to "forum" -CHANGED "score" to "evaluation against pre-requisite performance criteria"



3.13.2	Handover of Assets from other Contractors	-UPDATED reference numbers for “Asset Growth” and “Capital Projects”
3.14.1	Systems and Process Audits and Reviews – Introduction	-ADDED “for both Key Result Areas (KRAs) and Operational Performance Measures (OPMs)”
3.14.2	System and Process Audits and Reviews	-UPDATED reference number for Reviews and Audits -CHANGED “Compliance Sampling and Auditing Process” to “Value Management Proposition”
3.14.4	Performance Against Customer Value Proposition	-ADDED new section
3.14.5	Performance Against Plans	-CHANGED “plans” to “contract plans” -CHANGED “Checks” to “Reviews”
3.14.6	Performance Against Specification	-ADDED “or quality issues” and “and or Network Manager”:
3.14.7	Performance against Self-Compliance Processes (KRAs and OPMs)	-AMENDED to reflect current processes
3.14.8	National Contract Audit Programme	-AMENDED to reflect current processes
3.14.9	Linkage(s)	-ADDED “Guide to the KRA Performance Framework”
4.1.2	Maintenance, Operations and Renewal Delivery Annual Cycle – Reference(s)	-ADDED “Appendices, 2.3 (Visual Audit Guideline); Appendices, 2.4 (Process Maps – Fault intervention Options); Appendices 2.5 (OPM Monthly Evaluations Example)”
4.1.4	Tools	-CHANGED “is currently developing an” to “utilizes an” -ADDED “portal” -REMOVED “When this is in place”
4.1.5	Personnel	-AMENDED to reflect current processes
4.1.6	OPM Process	-AMENDED to reflect current processes
4.1.7	OPM Review	-AMENDED to reflect current processes
4.3.2	Cost Recovery	-UPDATED reference number for Corridor Access Management
4.3.5	Process	-REMOVED “Appendix 2L, with letter template in Appendix 2M” and “Waka Kotahi must respond within 24 hours”
4.4.2	Asset Management Programming	-CHANGED “Drain Renewals” to “Planned Drainage Renewals” -CHANGED “MMP Minimum Scope Content” to “Minimum Scope Content for Plans” -UPDATED reference numbers for Pavement Rehabilitation, Sealed Road Resurfacing, Planned

		Drainage Renewals, and Minimum Scope Content for Plans
4.5.2	Reference(s)	-UPDATED reference number for Network Controls
4.5.5	Set-Up	-CHANGED “These include CRMS and RAMM Car Manager” to “These include, but are not limited to, CRMS, CS-VUE, TREIS, and RAMM Car Manager”
4.5.6	CRMS Process	-CHANGED “transfer” to “recording”
4.6.2	Road Safety Management	-CHANGED “safety management” to “road safety management”  -UPDATED reference number for Road Safety Management`
4.6.9	Linkage(s)	-ADDED “Network Safety Management Plan (SMP)”
4.7.2	Management of Annual Pavement Rehabilitation Quantity	-CHANGED “Changes to Annual Renewal Investment Levels” to “Renewal Investment Levels”  -UPDATED reference numbers for Renewal Investment Levels and Pavement Rehabilitation
4.8.2	Resurfacing Quantity Management	-CHANGED “Changes to Annual Renewal Investment Levels” to “Renewal Investment Levels”  -UPDATED reference numbers for Renewal Investment Levels and Sealed Road Resurfacing
4.9.1	Vegetation Control Types 3 and 4 - Introduction	-ADDED “of roadside shoulder”
4.9.2	Vegetation Control - Types 3 and 4	-CHANGED “Lump Sum Items” to “Lump Sum Items (Routine Environmental Maintenance)”  -CHANGED “Measure and Value Items” to “Measure and Value Items (Vegetation Control Activities)”  -CHANGED “Sensitive Vegetation Control” to “Sensitive Environmental, Social and Cultural Heritage Vegetation Areas”  -CHANGED “Extent of Vegetation Control” to “Extent of Vegetation Control and Vegetation Management”  -UPDATED reference numbers for Lump Sum Items (Routine Environmental Maintenance), Measure and Value Items (Vegetation Control Activities), and Routine Environmental Maintenance
4.9.4	Programming	-AMENDED to align with current processes
4.9.5	Linkage(s)	-CHANGED “nil” to “SM018 Annual Plan process”
4.10.2	Pavement Marking	-REMOVED “Schedule of Prices, 6.13.1 Measure and Value items”  -CHANGED “6.5.1” to “7.7.1”  -CHANGED “Routine Traffic Services Maintenance” to “Pavement Marking”
4.10.4	Programming	-CHANGED “When Waka Kotahi Commissions any P/30 works the AQ and performance requirements of the specification must be checked by the MCM so that the Contractor complies” to “As per the maintenance specification requirements the Contractor is

		encouraged to provide additional safety related pavement marking strategies to the Principal for acceptance”
4.11.2	Planned Drainage Renewals	-CHANGED “Drainage Renewals” to “Planned Drainage Renewals  -UPDATED reference numbers for Planned Drainage Renewals and Typical Cross-section for Drainage Renewals
4.12.2	Asset Reconciliation	-CHANGED “capital project” to “capital projects”  -CHANGED “Example of an Asset Reconciliation Register and Cost Escalation” to “Example of an Asset Reconciliation and Cost Calculation”  -UPDATED reference numbers for Asset Growth and Capital Projects
4.13	Routine Maintenance Treatments	-CHANGED all references to “Principal Risk Non-Routine Maintenance Treatments” to “Routine Maintenance Treatments”  -AMENDED to align with current processes
4.14.2	Pavement Rehabilitation Design Development	-UPDATED reference number for Pavement Rehabilitation
4.15.2	Surfacing Treatment Selection	-CHANGED “MMP Minimum Scope Content” to “Minimum Scope for Plans”  -UPDATED reference numbers for Skid Resistance Management, Sealed Road Resurfacing, and Minimum Scope Content for Plans
4.16.2	Construction Assurance Monitoring	-UPDATED reference numbers for Reviews and Audits, Quality Management Plan, and Guide to Auditing Pavement and Surfacing Renewals
4.17	Post-Construction Pavement Rehabilitation Design Assessment	-CHANGED “Quality Assurance” to “Design Assessment”
4.17.2	Post-Construction Pavement Rehabilitation Design Assessment	-UPDATED reference number for Pavement Rehabilitation
4.18	Post-Construction Resurfacing Design Assessment	-CHANGED “Quality Assurance” to “Design Assessment”
4.18.2	Post-Construction Resurfacing Design Assessment	-UPDATED reference number for Sealed Road Resurfacing
4.19.2	Winter Services Management	-UPDATED reference number for Routine Environmental Maintenance
4.19.4	Winter Services	-ADDED “and winter service requirements are included in those contracts”

4.19.5	Winter Service Targets	-CHANGED "has already provided" to "provides"
4.19.6	Weather Information	-CHANGED "thermal maps" to "route forecasting and alert services" -UPDATED specification references
4.19.7	Winter Service OPMs and Reporting	-UPDATED specification references
4.20.2	Traffic Services	-UPDATED reference number for Traffic Services
4.21.2	Incident Response	-CHANGED "Operational Activities" to "Operational Performance Measures" -UPDATED reference numbers for Incident Response Management, Operational Performance Measures, Incident Response, and Site-Specific Warning System
5.2.1	Renewal Quantity Management Reward – Introduction	-ADDED "tender" -ADDED "Note: this is a feature of the original NOC contracts, but has been removed from the NOC V3 contract documents"
5.2.4	Background	-ADDED "tender" -ADDED "period, which includes any additional tenure earned"
5.2.5	Monitoring Renewals Against Baseline Plan	-ADDED "and record this within the SM018 Network Statement" -ADDED "in regards renewals 'actual achievement'" -ADDED "10 year FWP"
5.2.7	End of Contract Term Reward Assessment	-AMENDED to reflect current processes
5.2.8	Linkage(s)	-CHANGED "nil" to "NOC Clarifications"
5.3.4	Process	-ADDED "it is important that the incumbent Waka Kotahi team managing the existing contract is involved to assist with preparing the tender documentation."
6.1.2	Contract End	-CHANGED "Key Reporting" to "Post Construction Responsibilities" -UPDATED reference number for Post Construction Responsibilities
6.1.4	Process	-AMENDED to align with current processes
6.2.5	Processes	-ADDED new section
6.2.6	Defects Liability – Linkage(s)	-ADDED "Section 11" -ADDED reference to NZS3910
2.3.2	NTC No.2 Proforma	-AMENDED to more accurately reflect delegation obligations -ADDED sample Instrument of Delegation

4.13	Routine Maintenance Treatments	-CHANGED "Principal Risk Non-Routine Maintenance Treatments" to "Routine Maintenance Treatments"
4.13.1	Routine Maintenance Treatments	-CHANGED "The following table provides further definition" to "No guidelines are available for this activity"  -REMOVED table