

To SM032 Manual Users

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From Maintenance Contracts Governance Group (MCGG)

Date 31 March 2020

Subject SM032 NZTA State Highway Maintenance Contract Proforma Manual – Summary of Amendments March 2020: Issue 11

Purpose of this communication

To provide context and commentary for the amendments made to the Network outcomes contract (NOC) released in the March 2020 publication of *SM032 State Highway Maintenance Contract Proforma Manual*.

Context

The first generation NOC1 was a nationally consistent outcomes-based road maintenance contract. As such it was expected that some development and upskilling during contract tenures, along with increased oversight, would be required to contribute to the capability of the supplier market.

As the supplier market developed and the Waka Kotahi NZ Transport Agency's focus moved more towards efficiency and fostering an environment of mutual trust between the Transport Agency and suppliers, the next generation of NOC came into play.

The next and current version of NOC has an increased focus on value delivery under an environment of mutual trust. It follows and builds upon the ethos that the Transport Agency wishes to appoint maintenance contractors who will take ownership of and stewardship of assets to provide best-for-network outcomes while demonstrating value for money. The current version of the NOC seeks to deliver on the direction of the Transport Agency strategy and GPS, and address issues encountered during earlier tenures. Additionally, this version of the NOC incorporates the requirement to consider Broader Outcomes.

Summary of motivation for NOC updates

- **Increased Customer Focus** to deliver benefits for all road users. By having a focus on customers, it is expected that a better road environment will be delivered. An example of this is:
 - **Pedestrian, Cycle, Motorcycle and Bridle Routes** have been specifically identified in the NOC3 contract documents to ensure appropriate maintenance effort is directed to support these user groups
- **Working Together** is a more prominent feature of the NOC3 contract. More emphasis has been placed on the working partnership between the Contractor and NZTA with greater involvement of Senior/Network managers on a day-to-day basis. This is expected to provide a “no surprises” environment, aligning views around customer service levels and fostering trust for the NZTA in its suppliers.
- **Capability and Capacity** for key roles has stronger requirements during evaluation when procuring new NOC3 contracts. This reflects NZTA’s view and experience that people are a key factor in the successful delivery of these contracts.
- **Value Management Proposition** has been updated to reflect the Agency’s desire to work with the Contractor and deliver a step change in providing value to the Network condition and integrity.
 - **KRA Performance Framework** an updated version to accompany the NOC 3 documents has been issued. This has been updated to better reflect NZTA’s expected outcomes and GPS focus areas and adopt a model for continuous improvement across contract tenures.
 - **Whole of Life** philosophy has a stronger focus through the Maintenance Specification and the OPMs
 - **Pavement Marking** specifications have been improved to contribute to safety outcomes

- **Operational Performance Measures (OPMs)** have been reviewed to ensure early intervention at the fault stage to manage and maintain the network in a cost effective whole of life manner as part of the Agency’s customer value proposition. This has included reviewing return on investment and the behaviours driven for a number of OPMs and adjusting accordingly.
- **Physical Works** section of the contract documents have updated contents to better reflect all modes of transport, road types (i.e. unsealed) and work categories. Functionally this remains similar to NOC 1, however the changes are expected to improve readability and reduce ambiguity.

Table of Amendments for NOC 3.1

Note: minor amendments are not always identified.

Contents and introduction		
Clauses	Subject	Comment
		-Amended dates and issue numbers
Document Information	Regional Champions	-Removed section
Document Information	Review Team	-Changed to “Maintenance Contracts Governance Group”
Manual Management Plan	Purpose	-Added: “...Management Plan which details updates, amendments, and contact points for the <i>State Highway Maintenance Contract Proforma Manual</i> (SMO32).” -Added: “This Manual is the property of Waka Kotahi NZ Transport Agency (Transport Agency) and its issue is controlled. No part of it may be communicated to any person outside the organisation without written authority. Any copy released outside the Transport Agency is not a controlled copy and will not be updated.”
Document Information	Manual Owner	-Updated to “Procurement Strategy and Methods Team”
Document Information	Manual Sponsor	-Updated to “Senior Manager Procurement”
Manual Management Plan	Amendment and Review Strategy	Added: This document is subject to review and amendment from time-to-time. Document revisions will be issued to the registered copyholder via a Technical Advice Notice (TAN) detailing the changes and section(s) affected. -Added: A summary of amendments for each publication is available for viewing on the Transport Agency’s website at: https://www.nzta.govt.nz/resources/state-highway-maintenance-contract-proforma-manual/ and the Transport Agency’s internal files server at https://infohub.nzta.govt.nz/otcs/cs.dll/link/9359729
Manual Management Plan	Amendment and Review Strategy	-Updated sections re: “may require coordinating with...” to “subject matter experts as necessary” -Date formatting -Added TAN notification mechanism to table
Manual Management Plan	Distribution	-Removed

Manual Management Plan	Feedback	-Added section on feedback
Manual Management Plan	Other Information (at Manual Owner's discretion)	-Changed "National Direction and Performance BUDMT" to "Transport Agency's Procurement Strategy and Methods Team"
Record of Amendment		-Changed "Amendment notices detailing changes will be issued via email to manual holders and should be inserted behind this page." to "Amendment Notices detailing the changes will be issues via a Technical Advice Notice and published on the Transport Agency's website." -Changed email addresses to procurement@nzta.govt.nz and included additional instructions
Introduction		-Changed from "introduction" to "how to use this manual"
1.4.1	Intended Manual Users	-Changed "Project Services team in National Office" to "Procurement Strategy and Methods Team"
1.5.1	Communication, feedback, and amendment control	-changed email address to procurement email and included additional instructions
1.6.2	Manual review process	-Changed "SMO32 Working Group" to "Transport Agency's Procurement Strategy and Methods Team" -Changed "Transport Agency's asset management, maintenance management communities, and suppliers" to "Maintenance Contracts Governance Group"
1.7.1(b)	Interrelationships with other manuals	-Changed "Procurement" to "infrastructure"
1.8.3	Document availability	-Changed "Project Services team at National Office" to "Transport Agency's Procurement Strategy and Methods Team" -Updated email to procurement email and included additional instruction
3.2.2	Background	-Changed "No further work is planned to update these now replaced delivery models" to "Updates to these models are planned for the next release of SMO32." -Added: "...delivery models in the meantime can be made on request."
Appendices		-Amended to align with current NOC structure and terminology

Network outcomes contract

Volume 1 – Conditions of contract

Clauses	Subject	Comment
1.2, Definitions	Schedule 2 – Special Conditions of	-Inserted definition of broader outcomes -Inserted definition of data breach

	Contract – Other Conditions of Contract	-Inserted definition of personal information -Inserted definition of principal’s personal information -Inserted definition of privacy laws
5.23, Broader Outcomes	Schedule 2 – Special Conditions of Contract – Other Conditions of Contract	-Inserted clause relating to broader outcomes
5.24, Information and Security	Schedule 2 – Special Conditions of Contract – Other Conditions of Contract	-Inserted clause relating to information and security
Section 16- Privacy Obligations	Schedule 2 – Special Conditions of Contract – Other Conditions of Contract	-Inserted clause relating to privacy

**Network outcomes contract
Volume 2 – Schedule of Prices**

Clauses	Subject	Comment
2.1 CoPTTM Level Measure and Value Items	15.5.2 Planning Assessment Reports	-Changed “Planning Assessment Reports” to “Planning Assessment Reports for 3 rd Party Developments”

**Network outcomes contract
Volume 4 – Maintenance Specifications**

Clause	Subject	Comment
1.1	Working Together	-Inserted additional bullet point on Contractor Code of Conduct
3.4.1 (a)	Information provided prior to Contract Commencement	-Changed ‘Highway Information Sheets’ to “Highway Information Portal Access” with a link through to the Highway Information Portal
3.4.1 (h)	Information provided prior to Contract Commencement	-Added “Traffic Deflectometer survey data”
3.4.1 (p)	Information provided prior to Contract Commencement	-Added “Risk Register”
4.1, 4(a)	Health and Safety Management Plan	-Updated information on risk register