

CMR update

New review team

In June 2011 the NZ Transport Agency (NZTA) awarded Forty 1 South Ltd (41S) a three-year contract for the conduct of Contract Management Reviews (CMRs), Lessons Learnt Reviews (LLRs) and Special Purpose Audits (SPAs). 41S is an engineering consultancy specialising in the provision of management services to the civil infrastructure industry. They are based in Wellington, with a second office in Auckland.

41S directors Tristan Lees-Baker and Peter Martineau are delighted to be partnering with the NZTA and are joined by Catherine Schollar as lead reviewers. The team will be working alongside both the NZTA and their suppliers with the aim of improving contract delivery.

'The team's breadth of experience working as client, contractor and consultant gives 41S a level of knowledge of the New Zealand roading industry that will enable us to identify tangible opportunities for improvement in the way NZTA contracts are conducted. We have a detailed working knowledge of the contract forms used, along with NZTA standards, processes, legislative requirements and most importantly how these are applied to deliver client requirements,' says Peter.

In choosing to partner with 41S, the NZTA recognised 41S's capability to translate hands-on engineering experience into industry improvements. '41S through their tender documentation demonstrated a clear understanding of the objectives the revised CMR contract specification was setting, the processes to be applied and the deliverables expected. Furthermore, 41S offered an outstanding level of contract management knowledge relating to the delivery of NZTA roading contracts, combined with innovative ideas that would maximise returns on the CMR contract investment,' says CMR contract manager Ian Rich.



Widening of SH2 at Silverstream (Wellington)



Muldoons Corner



Tauranga Eastern Link



Waikato maintenance contract

Three types of reviews

41S will work on three different types of reviews:

- **Contract Management Review (CMR)** – This is a review against contract documentation and is intended to provide confidence that quality systems are functioning as intended, supplier services are appropriately controlled and executed and outputs meet objectives.
- **Lessons Learnt Review (LLR)** – This is a facilitated workshop attended by contract representatives and is intended to generate and document knowledge gained from execution of the contract that will benefit client and supplier organisations plus the wider roading industry.
- **Special Purpose Audit (SPA)** – This audit is conducted against a specific area of a contract. The SPA assesses contract compliance and provides assurance that supplier management practices meet the expectation of the client. These are likely to be conducted for key contract areas such as health and safety, risk management or environmental.

CMRs have been part of the NZTA landscape for over nine years, while LLRs were added to the programme in 2009 and SPAs in 2011.

One of the new requirements for LLRs is the integration of stakeholders into the process - by either conducting interviews prior to the workshop or attending the workshop itself. This has been introduced as part of the NZTA's focus on improving customer service and is embodied in the NZTA's strategic priority 'Improving customer service and reducing compliance costs'. The NZTA's values include a commitment to outstanding service, placing a high priority on our customers having positive experiences when they interact with us. The assumption underlying our approach is that customer-centred transformation can produce substantial cost savings. There are many opportunities to improve levels of service offered to our customers that will also result in lower costs to the organisation. The challenge for us is to strive to balance costs with levels of service and legislated standards.

To maximise the value of the review processes to the NZTA, co-reviewers will be actively engaged in the review process, bringing their detailed understanding of the NZTA's processes as well as their experience of how projects are managed in a different region and/or their specialist knowledge.

New faces – the CMR team

The new Contact Project Manager located in the NZTA's National Office is **Ian Rich**. Ian is the Highways and Network Operations (HNO) Risk Advisor. Ian joined the NZTA from the UK where he most recently worked within a roading alliance on a network maintenance and renewals contract for the UK Highways Agency.

With 20 years' experience working as client, contractor and consultant, **Peter Martineau** has a broad knowledge of the construction industry and how to get the best from it. He has both worked under and helped to develop a wide range of contract types and delivery models. It is this rounded experience combined with his management and communication skills that will ensure the NZTA gets the maximum value from the CMR and LLR process.

Tristan Lees-Baker is a professionally qualified civil engineer with 20 years' experience in the industry. He has worked for a client/government organisation, as an international consultant and in senior roles for a national contracting business. This experience enables Tristan to fully appreciate what contributes to a successful contract as well as some of the pitfalls that occur in the industry.

Catherine Schollar is a professionally qualified Civil Engineer with over 20 years' experience in client (local and central government) and consultant roles within the civil engineering sector. Her experience includes delivery of professional services and physical works contracts, capital projects and maintenance contracts.

David McCallum is a civil engineer with 10 years' experience in consultant and contractor roles. He has a good balance of knowledge and experience across a range of infrastructure. David is providing a supporting role for the reviews.

All of the Forty 1 South team have completed a recognised Lead Auditor qualification.



From left to right: David McCallum, Ian Rich, Catherine Schollar, Peter Martineau and Tristan Lees-Baker

Sharing the lessons

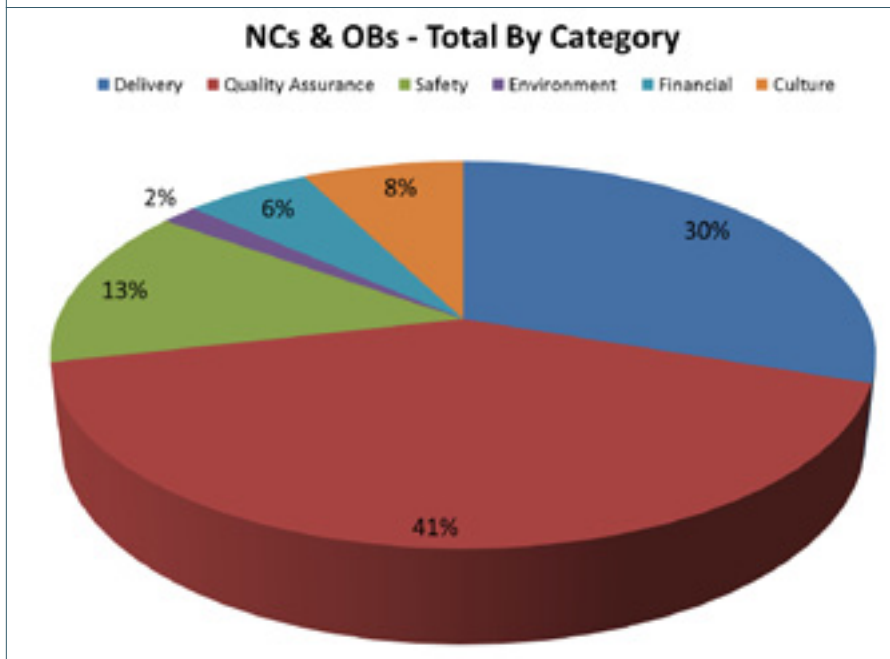
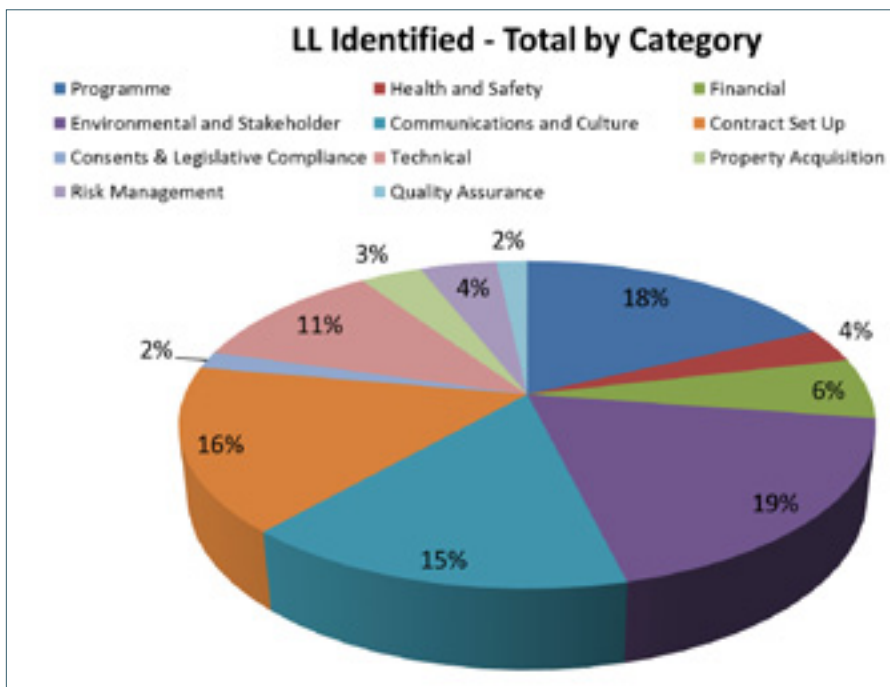
Future issues of this newsletter will provide feedback to the industry on trends. To date 12 reviews have been completed. These have identified some commonality in the following theme areas (refer also to the graphs):

- management plans
- reporting and delivery
- risk management
- inspection and testing
- workplace health and safety
- programme management
- stakeholder management
- technical
- contract set-up.

The findings from CMRs, LLRs and SPAs will also continue to provide input to the ongoing development of NZTA specifications and contract documentation.

While recognising the need to protect supplier confidentiality, we are continually looking for ways to share the information collected from these reviews, both within the NZTA and to our suppliers. If you have any suggestions on how we can better disseminate this information please contact cmr@forty1south.co.nz.

NZTA Lessons Learnt Roadshows will continue to be held, providing two-way discourses on the data gathered from conduct of reviews. The intention is to hold bi-annual roadshows nationwide, covering all regions over the three years of the contract.



Murphys Bridge SH62 (Marlborough)

NZTA - driving forward

Improving the way we do business by learning from past projects enables the NZTA and suppliers to improve performance and deliver better outcomes. Our aim is to become more effective and efficient in how we deliver our contracts and projects. This will drive better value for money and ensure we maximise the return on the government's investment in the state highway network.

Programme for 2011/12

Development of the programme for 2011/12 was top of the priority list for the new team.

Each region proffered a selection of contracts or projects to undergo review. The selections made are reviewed at a national level by the team to ensure an appropriate mix. Key to identifying which projects or contracts are to be reviewed is ensuring that the whole spectrum of work conducted by the NZTA is represented. This means that selection must consider the different types of contract form, geographic representation, performance, cost and complexity.

This year's programme includes 13 CMRs and 12 LLRs.

Getting the programme right requires considerable time, effort and understanding of the NZTA's expectations of the CMR contract, so a big thank you to all those who helped establish the programme and to the NZTA staff who have volunteered to be co-reviewers.

Focus for 2011/12

The reviews are undertaken across a number of outcome areas, with focus areas for 2011-12 being:

- risk management
- completeness of information in asset data bases
- customer focus
- validation of asset data, including certification of personnel involved
- timeliness of asset information following completion of construction
- acceptance of monthly reports by NZTA personnel
- post-construction test reports
- road closure reports
- uptake of contract incentives
- environmental initiatives.

Getting the news out

One of the biggest challenges for the CMR/LLR programme is how to disseminate the information that is gained from the reviews. A report is produced for each review and circulated to the parties involved. The key information from each report is collated centrally so that common themes can be identified.

The key communication mechanism in the past has been this newsletter. We are updating the newsletter distribution list so please forward this to colleagues who may have missed out. If you would like to receive this newsletter, please email cmr@forty1south.co.nz with your details.

Some of the other ideas being considered are: email alerts, posters and use of the NZTA's intranet. If you have any other ideas on how to get the lessons from the reviews out to the NZTA and their suppliers, please contact Ian or Peter.



For more information

We welcome your feedback or questions on the NZTA's Contract Management Review programme or this newsletter. Please contact:

Ian Rich, Contract Project Manager
NZ Transport Agency, National Office
Private Bag 6995
Wellington 6140

ian.rich@nzta.govt.nz
04 894 6287

Peter Martineau, Lead Reviewer
Forty 1 South Ltd
PO Box 5986
Wellington 6145

cmr@forty1south.co.nz
04 472 6582

For general information about the NZTA, visit our website at www.nzta.govt.nz or call our contact centre on **0800 699 000**.