

CMR update

Issue 08 February 2014



Taneatua rail overbridge

Review to improvement

The NZ Transport Agency currently has an extensive review programme including post approval reviews (PAR), post implementation reviews (PIR), value for money reports, contract management reviews (CMR) and lesson learnt reviews (LLR) among others.

We are currently examining how these reviews can be better integrated to deliver both regulatory compliance as well as identify any gaps, overlap or opportunities to improve. A joined up approach to reviews should also ensure a good spread across projects and avoid 'review overload'.

This joined up approach will also support our ongoing continuous improvement programme. By combining review findings we will be able to identify common trends and improvement opportunities. The focus now is to develop processes to act on these more quickly and make this information more readily available across the Transport Agency and the wider industry.

PROGRAMME 2013/14

The CMR programme for the 2013/14 year is well underway. The programme consists of 28 reviews which includes 7 CMRs, 17 LLRs and 4 special purpose audits. So far we have completed 12 LLRs and a CMR for the Memorial Park Alliance in Wellington.

In order to continually improve the value of the reviews, we have made a number of changes to the 2013/14 CMR programme:

- A focus on large scale roads of national significance (RoNS) projects (including alliances).
- Reviews of the new network outcome contracts (NOC).
- CMRs that are undertaken during the physical works phase will review all contracted parties including client, consultant and contractor.
- LLRs at key project milestones or to focus on a specific area rather than considering the whole project at the end of construction.

During the last six months we have received a number of requests for LLRs as a structured way to debrief their team following a particular incident or tricky issue. It is great to see the willingness of the teams to engage in this way and to share their learnings with the wider industry.

We still have capacity to add further reviews to the programme so please let us know if there is a particular project that you would like considered for review.

Contract management reviews

The first CMR for the 2013/14 year was completed in December 2013. This was the first ever Alliance CMR and required a modified approach to fit with the different structure of an Alliance Project.

We will provide a more detailed analysis of review findings in our next newsletter when further Alliance CMRs have been completed.

It has also been noted that the number of CMR reviews requested in 2013/14 has significantly reduced with only 4 reviews in this year's programme. While this is in part due to the focus on the RoNS programme with less small block projects and changes to maintenance contracts (Network Outcome Contract), we would encourage more CMR contract nominations moving into the 2014/15 programme.

LESSONS LEARNT REVIEWS

There has been a marked increase in the LLR review programme this year with 17 reviews currently in the programme and additional reviews being requested each month.

The review focus has also changed from the traditional 'end of project' to consider specific stages of a project and more specialist focus areas. This year's reviews have included: investigation phase reviews, changes to the overweight permitting process, road noise, emergency response and email traffic alert systems among others.

This has enabled reviews to become more focused and review findings to be fed directly back into projects and Transport Agency processes and procedures.

The chart on the right summarises review findings. This is generally consistent with categories identified at the end of the 2012/13 financial year.

A number of common themes have been identified from this year's review programme to date, these include:

Clear objectives – Misaligned or unclear project objectives is a common review finding. Take time to develop clear project objectives at the start of a project. Ensure these are clear and understood by all parties. Revisit objectives as a project develops to ensure they are still appropriate and update as necessary (clearly documenting any change).

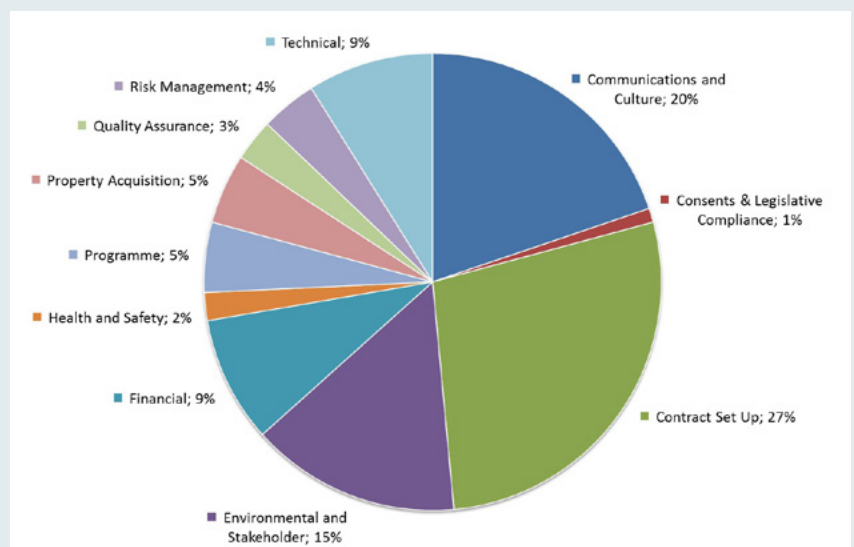
Contract set up – There is often a big push to get projects started which can result in rushing the initial contract set up. Take time to set up contracts and ensure resources are in place to set up appropriate systems and procedures.

Projects that have gone well typically allowed time to mobilise and plan before commencing works.

Resources – Stating the obvious but a common theme from reviews is that a successful project is built around a strong team. It's all about the people, ensure projects are adequately resourced with suitably skilled people. If there is a problem take action early to resolve.

Programme management – Active programme management is central to good project management. A good programme enables early and effective decision making – planning resources, informing public and stakeholders and enables early action to be taken if things are falling behind programme. A risk adjusted programme should always be agreed at the start of a project.

A number of reviews have concluded that the programme was not used to actively manage the project but simply provided as a contractual requirement.



Change control – Ensure all changes are well documented and that any financial or programme implications are identified and agreed as early as possible. This will avoid difficult and frustrating disputes at the end of a project.

Stakeholder communications – Early consistent communications with stakeholders is essential on all projects. This is especially important with stakeholders who may not support the project. 'Informed stakeholders who are able to discuss and understand the project tend not to obstruct it.'

Please note these themes have been developed from both good and bad project experiences.

FEEDBACK FROM REVIEWS

'The CMR changed the way we managed the project and we have taken this approach with us to the next job. The review emphasised the importance of good contract management procedures and how these can support a project.' Quote from a contractor at a recent LLR of a contract which had also been subject to a CMR.

'Rewarding day. Feel day away from heavy workload was worthwhile. Reviews are an excellent process to improve performance. Well managed. Knew the requirements at start of day, well wrapped up at the end.'

'Thanks, a valuable experience. Open, honest insights from all parties involved. Good to understand perspectives. Good process and pace to keep energy level.'

'Encourage this be undertaken mid-project as well as at the end. Impressive, very good facilitation on lessons learnt, learning and understanding the project.'

THE REVIEW TEAM

The review team for both CMRs and LLRs are made up of a lead reviewer from 41South and a co-reviewer and observer from the Transport Agency. Co-reviewers are generally those with the knowledge and experience to suit the needs of the review contract, while the observer may be someone who is likely to gain valuable insight into Transport Agency projects and use the experience as part of their development. Both are critical and valuable to the process and we are always on the lookout for more people to be part of the review team. If you feel you have something to offer or something to gain from being a co-reviewer or observer please speak with your manager or contact cmr@41s.co.nz for more information.

If you have any other ideas on how to improve the outcomes of the CMR/LLR contract, please contact Ian or Peter.

We are constantly 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@41s.co.nz with your details.



Te Rapa ribbon cutting



Otago emergency response



Papatawa realignment



Waikato Expressway

i FOR MORE INFORMATION

You can find further information about the CMR/LLR review process on the Transport Agency website www.nzta.govt.nz/network/tenders-contracts/review.html (or just type 'cmr' into the search field).

We welcome your feedback or questions on the Transport Agency's CMR/LLR programme or this newsletter. Please contact:

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