



Volume 3

# BASIS OF PAYMENT

<<insert Network Name>> Network Outcomes Contract  
Contract No: <<insert Contract Number>>

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# DOCUMENT CHANGE FORMAT CODES

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## <<Guidance Notes>>

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# Preamble

The following Clauses apply to all Items included in the Schedule of Prices.

## i. Abbreviations

Units of measurement shown in the unit column of the Schedule of Prices are abbreviated as follows:

%	=	Percent
cl.km	=	Centreline kilometres
day	=	Day
ea	=	each
ea.year	=	Each years
edgeline.m	=	Edgeline metres
edgeline.km	=	Edgeline kilometres
hr	=	Hour
km	=	Kilometre
LS	=	Lump Sum
LS/year	=	Lump Sum per year
m	=	Metre
m.year	=	Metre years
month	=	Month
m <sup>2</sup>	=	Square Metre
m <sup>2</sup> .yr	=	Square Metre years
t	=	tons
t.month	=	ton months
PS	=	Provisional Sum

## ii. Measurement

Payment for all work completed in relation to Schedule of Prices, Section 1, Items 6.2 and 6.4 and Section 2 will be based on the quantities stated on the collaborative programme. No payment will be made for any work completed by the Contractor that is:

- Not agreed with the Principal
- Not on an agreed Programme
- Deleted by the Principal from any programme

d) Not fully complete at the time of measurement.

No additional payment will be made for any increase in the extent of work required to complete activities if this happened only because the activities were not completed by the date agreed with the Principal.

### iii. **Payment Adjustments**

#### **General**

Lump Sum Payments will be prorated in equal monthly instalments for the Contract Period, for each month assets are maintained according to the Maintenance Specification.

Appendix 2.4, Process Maps, includes the Annual Lump Sum Calculation and End of Year Reconciliation Process Map.

Other payment adjustments will be made at the appropriate time for:

- a) Annual KRA Reward
- b) Monthly At-Risk Payment
- c) Pavement Rehabilitation Design Achievement
- d) Resurfacing Design Achievement
- e) Changes to Renewal Investment Levels
- f) Cost Fluctuations
- g) Renewal Quantity Management Reward.

#### **Annual KRA Reward**

The Principal has set a maximum annual KRA reward of \$200,000/annum.

In July of each year, the KRA Reward will be assessed based on the overall annual performance level for the year as calculated in accordance with Section 2.2, Key Result Area of the Maintenance Specification. The June claim will include any KRA reward payment adjustment if earned.

The annual KRA reward is a one-off annual payment adjustment; it is not subject to escalation and does not carry over into the next financial year in the case of only partial or non-achievement.

Payment will be made within one month of the Principal's approval.

The KRA reward is dependent on the overall annual performance level achieved for the year, as follows:

- a) By June 30<sup>th</sup> of each year, where the overall annual performance level achieved is rated Poor or Minimum Condition of Satisfaction, then no KRA Reward is earned
- b) By June 30<sup>th</sup> of each year, where the overall annual performance level achieved is rated Best Practice , then a one-off payment of 50% of the KRA reward is earned
- c) By June 30<sup>th</sup> of each year, where the overall annual performance level achieved is rated Outstanding, then a one-off payment of 100% of the KRA reward is earned.

#### **Monthly At-Risk Payment**



The Principal has set a maximum monthly value of the at-risk payment at 10% of the Contractor’s monthly tendered base lump sum, being 1/12<sup>th</sup> of the annualised total tendered base lump sum less Schedule item 1.1, Contract Establishment, Schedule item 6.2 Pavement Rehabilitation and Schedule item 6.4 Sealed Road Resurfacing (Schedule 1 total lump sum items minus Contract Establishment, Pavement Rehabilitation and Sealed Road Resurfacing). This annual at-risk value will remain the same for the full term of the contract. The amount that is potentially deducted per month is dependent on the level of non-compliance reported for any given month and is non-recoverable.

The at-risk payment will not be deducted from the Contractor’s monthly lump sum payment if the Monthly Compliance Score is less than or equal to [[45]].

100% of the at-risk payment will be deducted from the Contractor’s monthly lump sum payment if the Monthly Compliance Score exceeds [[65]].

The proportion of the at-risk payment to be deducted from the Contractor’s monthly lump sum payment for scores between [[46]] and [[65]] will be based on the following sliding scale equation:

<< Guidance on setting the values is obtained with the NOCMM>>

$Proportion\ adjustment = 100 - (-0.2336x^2 + 21.188x - 380.78)$  <<this formula needs to be modified if the scores of 45 and 65 are altered>>

Where x = Monthly Network Compliance Score between [[46]] and [[65]].

This is a quadratic equation that results in the:

- lower score producing a payment of 100%
- score meeting the lower quarter of the range producing a payment of 95%
- score meeting the middle of the range producing a payment of 80%
- score meeting the upper quarter of the range producing a payment of 40%
- upper score producing a payment of 0%.

Figure 1.0 shows the proportions diagrammatically.

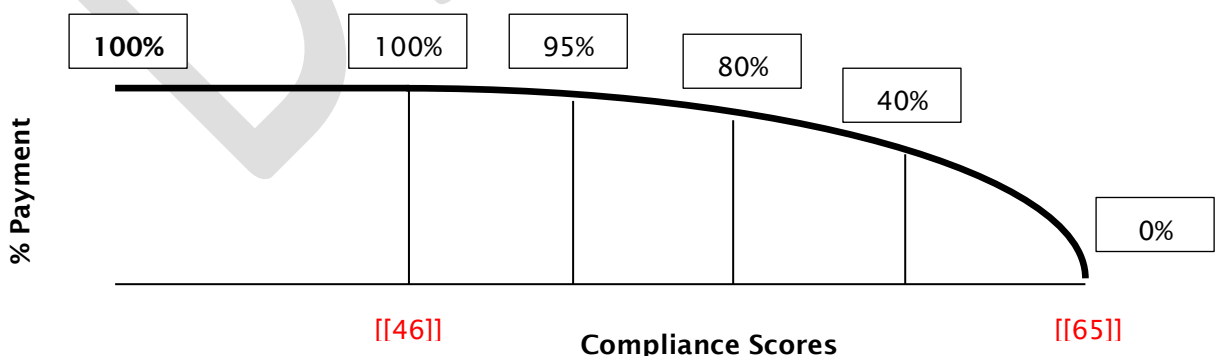


Figure 1.0: OPM Proportion Adjustment Diagram

The at-risk payment levels are set based on the monthly compliance scores, which in turn are a function of the results from network compliance and reporting.

**Pavement Rehabilitation Design Achievement**

If the Contractor fails to comply with the contract standard as defined in Maintenance Specification, Section 6.1.2, Pavement Rehabilitation, a payment deduction shall be made in the month of June following the final year assessment for each pavement rehabilitation site.

The amount to be deducted shall be based on the greater deduction of the following:

- a) Deduction for roughness
- b) Deduction for rutting.

*Deduction for Roughness*

Where the roughness fails to comply in the final year assessment or is greater than 50% of the calculated moving averages in any assessment year, the percentage value earned (%VE) shall be obtained from the following table.

To determine the payment reduction of a non-complying site requires the calculation of the 85<sup>th</sup> Percentile Inclusive array of data points from the 100 metre moving average of lane roughness over the extent of works.

The method to determine this is done by using the following Microsoft Excel function:

*PERCENTILE.INC(array,k)*

Where the array, is the 100 metre moving averages of lane roughness over the extent of works

k is the percentile of values in the range.

The percentage value earned (%VE) shall be obtained from the following table.

% VE	ALL ROAD CLASSIFICATIONS CHIP SEAL OR NON STRUCTURAL AC SURFACE (MIX DEPTH <= 40MM THICKNESS)
	85 <sup>TH</sup> PERCENTILE
100	<= 75
95	> 75 to <= 80
90	> 80 to <= 85
80	> 85 to <= 95
60	> 95 to <= 100
50	> 100

% VE	ALL ROAD CLASSIFICATIONS STRUCTURAL AC (MIX DEPTH > 40MM THICKNESS)
	85 <sup>TH</sup> PERCENTILE
100	<= 60
95	> 60 to <= 65
90	> 65 to <= 70
50	> 70

The deduction to be made shall be calculated as follows:

Roughness Deduction = (100% - %VE) x value of the rehabilitation site paid by the Principal at completion of the pavement rehabilitation works.

Example:

The target for a structural AC surface is 60 NAASRA, it has an array of 100m moving lane average of (60, 56, 60, 68, 59, 75, 63, 55) the site has 3 100m averages for a lane that exceed 60 NAASRA requirement) and therefore is considered non-compliant.

*PERCENTILE.INC(60,56,60,68,59,75,63,55,0.85) = 67.75*

The %VE from the Structural AC Table is 90.

The percentage deduction is then (100% - % Value Earned), (100 - 90) = 10. Thus in this example the deduction would be 10% of the value of the rehabilitation works.

The Value Earned is determined for the worst lane only (lowest level of compliance).

#### *Deduction for Rutting*

Where the rutting fails to comply in the final year assessment, the deduction for rutting shall be calculated as detailed herein.

To determine the payment reduction of a non-complying site requires the calculation of the cumulative normal distribution of the rehabilitation site that meets the specification requirements. This is the “% tile compliant” in the rutting deduction table provided below.

The method to determine this is done by using the following Microsoft Excel function:

*NORMDIST(x,mean,standard\_dev,cumulative)*

Where x is the value for which you want the distribution (i.e for chip seal surface x is 10mm, for AC surfacing x is 8mm)

Mean is the arithmetic mean of the distribution (ie the mean of the wheelpath)

Standard\_dev is the standard deviation of the distribution

Cumulative is a logical value that determines the form of the function. If cumulative is TRUE, NORMDIST returns the cumulative distribution function; if FALSE, it returns the probability mass function (ie Set to True).

The level compliance is returned by the function and this is then multiplied by 100 to provide the "%tile compliant".

The percentage value earned (%VE) shall be obtained from the following table.

% TILE COMPLIANT	NUMBER OF YEARS AFTER CONSTRUCTION					
	0	1	2	3	4	5
≤ 55	1	1	0	0	0	0
60	6	6	5	4	4	3
65	23	21	19	17	15	12
70	51	47	44	39	35	30
75	79	75	71	67	61	54
80	95	93	91	87	83	77
85	99	99	98	97	95	92
90	100	100	100	100	99	98
95	100	100	100	100	100	100
100	100	100	100	100	100	100

The deduction to be made shall be calculated as follows:

Rutting Deduction = (100% - %VE) x value of the rehabilitation site paid by the Principal at completion of the pavement rehabilitation works.

Example:

The target for a chip seal surface is 10mm, it has a site mean of 6mm and a site standard deviation of 3.6mm. The function becomes

$\text{NORMDIST}(10,6,3.6,\text{True}) * 100 = 87\%$  compliant

The "% tile compliant" is entered into the table above and the percentage value earned is determined. In the example a 87% compliance at year 2 would be approximately 99% value earned. Linear interpolation between points in the Table should be used. The percentage deduction is then (100% - % Value Earned). Thus in this example the deduction would be 1% of the value of the rehabilitation works.

The Value Earned is determined for the worst wheel path only (lowest level of compliance).

## Resurfacing Design Achievement

### *Deduction for Skid Resistance (Chip and AC)*

For Skid Assessment Lengths (SALs) within treated sites that do not comply with the on road skid resistance performance requirement of the Maintenance Specification a percentage reduction payment (or Principal credit) may be required, or a suitable remedy may be agreed or a suitable remedy may be required by the Principal at the Contractor's cost for that Skid Assessment Length or Lengths deemed not to comply.

The deduction to be made shall be calculated as follows:

$$\text{Percentage price reduction} = \{((\text{IL}-0.02) - \text{ESC})/((\text{IL}-0.02) - (\text{TL}-0.02))\} * 100$$

Where:

IL = Investigatory Level of the chip seal agreed on road Skid Resistance performance

ESC = Equilibrium SCRIM Coefficient as measured by the Principal's annual HSD survey

TL = Threshold Level of the chip seal agreed on road Skid Resistance performance.

If the site has an:

- ESC  $\geq$  IL - 0.02 after two years then the site complies
- ESC < IL - 0.02 or  $\geq$  IL - 0.04 after two years then a further measure will be required in Year Three. For the Year Three measure, if the measured ESC is  $\leq$  0.01 lower than the ESC measure in Year Two then the site complies. If the ESC is > 0.01 lower than the ESC measure in Year Two then the site does not comply then a percentage reduction payment (or Principal credit) will be required, or a suitable remedy may be agreed with the Principal at the Contractor's cost,
- ESC < IL - 0.04 or  $\geq$  TL + 0.02 after two years then the site does not comply then a percentage reduction payment (or Principal credit) will be required, or a suitable remedy may be agreed with the Principal at the Contractor's cost,
- ESC < TL + 0.02 after two years then the site does not comply and a suitable remedy will be required and by the Principal at the Contractor's cost.

Example 1:

Required IL = 0.45

If the site has an ESC of 0.40 after two years then the percentage reduction in life will be calculated as follows:

$$(((0.45 - 0.02) - 0.40) / ((0.45 - 0.02) - (0.35 - 0.02))) * 100 = 30\%$$

Therefore, the percentage price reduction (or Principal credit) is 30% of the cost of the site treatment.

**Example 2:**

Required IL = 0.5

Reading in year 2 = 0.47 (less than 0.02 but greater than 0.05, a year three reading is required)

Reading in year 3 = 0.44 (greater than 0.01, therefore percentage reduction will apply)

The percentage reduction in life is calculated as follows:

$$(((0.5 - 0.02) - 0.44) / ((0.5 - 0.02) - (0.4 - 0.02))) * 100 = 40\%$$

Therefore, the percentage price reduction (or Principal credit) is 40% of the cost of the site treatment.

***Deduction for Transport Agency P/17 (Chip)***

For chip sealing, Transport Agency P/17, Section 11 shall apply to all resurfacing treatments completed in the last two construction seasons of the contract.

***Deduction for Roughness and Rutting (AC)***

If the Contractor fails to comply with the contract standard as defined in Maintenance Specification, Section 6.1.3, Sealed Road Resurfacing, a payment deduction shall be made in the month of June following the final year assessment for each AC site.

The amount to be deducted shall be based on the greater deduction of the following:

- a) Deduction for roughness
- b) Deduction for rutting.

Where the roughness fails to comply in the final year assessment or is greater than 50% of the calculated moving averages in any assessment year, the percentage value earned (%VE) shall be obtained from the following table.

To determine the payment reduction of a non-complying site requires the calculation of the 85<sup>th</sup> Percentile Inclusive array of data points from the 100 metre moving average of lane roughness over the extent of works.

The method to determine this is done by using the following Microsoft Excel function:

*PERCENTILE.INC(array,k)*

Where the array, is the 100 metre moving averages of lane roughness over the extent of works

k is the percentile of values in the range.

The percentage value earned (%VE) shall be obtained from the following table.

% VE	ALL ROAD CLASSIFICATIONS NON STRUCTURAL AC (MIX DEPTH <= 40MM THICKNESS)
	85 <sup>TH</sup> PERCENTILE
100	<= 75
95	> 75 to <= 80
90	> 80 to <= 85
80	> 85 to <= 95
60	> 95 to <= 100
50	> 101

The deduction to be made shall be calculated as follows:

Roughness Deduction = (100% - %VE) x value of the AC resurfacing site paid by the Principal at completion of the AC resurfacing works.

Example:

The target for a non-structural AC surface is 75 NAASRA, it has an array of 100m moving lane average of (75,72,78,62,69,65,78,79,72,89,86) the site has 5 100m averages for a lane that exceed 75 NAASRA requirement) and therefore is considered non-compliant.

$PERCENTILE.INC(75,72,78,62,69,65,78,79,72,89,86,0.85) = 82.5$

The %VE from the Non Structural AC Table is 90.

The percentage deduction is then (100% - % Value Earned), (100 - 90) = 10. Thus in this example the deduction would be 10% of the value of the rehabilitation works.

The Value Earned is determined for the worst lane only (lowest level of compliance).

Where the rutting fails to comply in the final year assessment, the deduction for rutting shall be calculated as detailed herein.

To determine the payment reduction of a non complying site requires the calculation of the cumulative normal distribution of the AC surface site that meets the specification requirements. This is the "% tile compliant" in the rutting deduction table provided below.

The method to determine this is done by using the following Microsoft Excel function:

$NORMDIST(x, mean, standard\_dev, cumulative)$

Where x is the value for which you want the distribution (i.e for AC surfacing x is 8mm)

Mean is the arithmetic mean of the distribution (ie the mean of the wheelpath)

Standard\_dev is the standard deviation of the distribution

Cumulative is a logical value that determines the form of the function. If cumulative is TRUE, NORMDIST returns the cumulative distribution function; if FALSE, it returns the probability mass function (ie Set to True).

The level compliance is returned by the function and this is then multiplied by 100 to provide the "%tile compliant".

The percentage value earned (%VE) shall be obtained from the following table.

% TILE COMPLIANT	NUMBER OF YEARS AFTER CONSTRUCTION					
	0	1	2	3	4	5
55	1	1	0	0	0	0
60	6	6	5	4	4	3
65	23	21	19	17	15	12
70	51	47	44	39	35	30
75	79	75	71	67	61	54
80	95	93	91	87	83	77
85	99	99	98	97	95	92
90	100	100	100	100	99	98
95	100	100	100	100	100	100
100	100	100	100	100	100	100

The deduction to be made shall be calculated as follows:

Rutting Deduction = (100% - %VE) x value of the AC resurfacing site paid by the Principal at completion of the AC resurfacing works.

Example:

The target for an AC surface is 8mm, it has a site mean of 5.3mm and a site standard deviation of 2.5mm. The function becomes

NORMDIST (8,5.3,2.5,True)\*100 = 86% compliant

The "% tile compliant" is entered into the table above and the percentage value earned is determined. In the example a 86% compliance at year 3 would be approximately 97% value earned. Linear interpolation between points in the Table should be used. The percentage deduction is then (100% - % Value Earned). Thus in this example the deduction would be 3% of the value of the AC surface works.



The Value Earned is determined for the worst wheel path only (lowest level of compliance).

### Contract Flexibility

As this contract is a combined lump sum and measure and value contract, and the Principal is seeking best for network solutions and flexibility to fairly value changes, the following adjustment mechanisms are in place:

- Asset Growth (refer to Basis of Payment, Section 2.3, Asset Growth)
- Principal Risk Non-routine Maintenance Treatments (refer to Basis of Payment, Section 2.4, Principal Risk Non-routine Maintenance Treatments)
- Pavement Rehabilitation Modifications (refer to Basis of Payment, Section 6.3, Pavement Rehabilitation Modifications)
- All measure and value items.

### Cost Fluctuations

Cost fluctuations shall be calculated in accordance with Conditions of Contract, 17<sup>th</sup> Schedule.

### Renewal Quantity Management Reward

If, at the contract end date, the Contractor has been able to manage the network to a state where the total base preservation renewal quantity investment has not been necessary, constituting a savings for the Principal, then the Principal shall share these savings with the Contractor in the spirit of true collaboration.

The savings share to the Contractor shall be calculated based on the following formulas:

For Pavement Rehabilitation:  $0.15 \times \text{Base Pavement Rehabilitation No.1 rate}$  (Schedule of Prices, Section 4, Schedule Item 6.2.1.1)  $\times$  (Accumulated Baseline Renewal Preservation Plan lane length – Accumulated Funded Plan lane length)  $\times$  average seal lane width for the network at time of tender (refer Maintenance Specification, Section 2.5).

For Asphalt:  $0.15 \times \text{SMA rate}$  (Schedule of Prices, Section 5, Schedule Item 6.4.2.2)  $\times$  (Asphalt Surfacing Accumulated Baseline Renewal Preservation Plan lane length – Accumulated Funded Plan length)  $\times$  average seal lane width for the network at time of tender (refer Maintenance Specification, Section 2.5).

Appendix 2.3, Process Maps, includes the Renewal Quantity Management Reward process map.

**iv. Annual Renewal Reconciliation**

In July of each year, the agreed pavement rehabilitation and resurfacing programme for the upcoming financial year shall be forecast-valued, using the tendered rates from the Schedule of Prices, Schedules 2, 4 and 5 to develop a renewal lump sum. This renewal lump sum will be prorated in equal monthly instalments for the upcoming financial year. The June claim of each year will include a reconciliation of the final Principal-approved treatments in relation to the original July forecast value.

**v. Contractor's Monthly Payment Claim**

Unless the Principal and the Contractor agree otherwise in writing, the Contractor shall each month submit to the Engineer a progress payment claim. The first claim shall be submitted within one month of the date the Contract Works commence. The progress payment claim shall:

- (a) Claim the appropriate payment for each item identified in the Schedule of Prices
- (b) Include an editable electronic file version of the claim.

Before payment, the Engineer will check all amounts claimed by the Contractor for work, and process the payment claim in accordance with 12.2 of the General Conditions of Contract as amended by the Special Conditions of Contract, Part B.

Progress payments will be made in accordance with clauses 12.1 and 12.2 of the NZS3917, General Conditions of Contract, and as amended by the Special Conditions of Contract – Part B, to this contract.

All payments will be by direct credit only.

**vi. Inspections**

The tendered rates must include all the Contractor's costs associated with undertaking and completing all routine, self-compliance and joint inspections as specified within the Maintenance Specification.

**vii. Open Book Philosophy**

In the event of disagreement with respect to a claim, the parties, by mutual agreement consistent with partnering, shall use first principles for substantiating the claim. This may mean the Contractor shall make available to the Principal, on a reasonable basis, its pricing information.

Commercial and price-sensitive information provided by the Contractor to the Principal will be treated with the utmost confidentiality.

**viii. Stockpile and Disposal Areas**

The tendered rates must include all the Contractor's costs to ensure compliance with Maintenance Specification, Section 3.16, Stockpile and Disposal Areas.

**ix. Site Investigation and Materials Testing**

The tendered rates must include all the Contractor's costs associated with completing site investigations and materials testing.

**x. On-site and Off-site Overheads and Profit**

The tendered rates must include all the Contractor's costs associated with all on-site and off-site overheads and profit.

**xi. Scheduled Quantities**

The scheduled quantities stated in the Schedule of Prices are for **[[7]]** years.

**xii. Provisional Sums**

Provisional sums are amounts of money the Principal enters into the Schedule of Prices. These sums provide for work that may or may not be carried out by the Contractor. Such work shall only be performed on the written instruction of the Principal.

The amount payable to the Contractor shall be that agreed within the written instruction.

Payment will be made on completion of activities to the satisfaction of the Principal.

**xiii. Provisional Items**

Provisional items provide for work that may or may not be carried out by the Contractor, but must still be priced by the Contractor. This work shall only be performed on the written instruction of the Principal.

The amount payable to the Contractor shall be for the quantity of work directed by the Principal, at the tendered rate.

The tendered rate for provisional items shall fully compensate the Contractor for all their costs for that item, including but not limited to, Labour, Plant, Materials, On-Site Overheads, Off-Site Overheads and Profit.

# Payment

## 1 Preliminary and General

### 1.1 CONTRACT ESTABLISHMENT (NON TIME-RELATED COSTS) WORKS

Payment of the lump sum for items 1.1.1, 1.1.2 and 1.1.3 will be made as follows:

1. 10% of the lump sum on completion and acceptance of each individual subsection of the contract plan, except for the Maintenance Management Plan
2. 30% of the lump sum on completion and acceptance of the full contract plan, including the Maintenance Management Plan.

The Contractor is entitled to make a separable claim as each Plan is accepted.

No payment will be made, without reasonable grounds, after four months from contract commencement for any plans other than the Maintenance Management Plan not accepted however they still need to be completed.

No payment will be made, without reasonable grounds, after eight months from contract commencement for the full contract plan including the Maintenance Management plan not accepted however they still need to be completed.

The Contractor must allow, at minimum, 10 working days for the Principal to undertake each review.

The tendered rate must not be greater than the value stated in the Schedule of Prices.

#### 1.1.1 Facilities Establishment

Payment will be made as stated in 1.1 above.

The tendered rate must include all the Contractor's costs associated with the setting up of a physical presence, including but not limited to, set-up and fit-out of offices, storage compounds, workshops, satellite facilities, communication systems, and computer systems (hardware and software), minor plant and security systems.

#### 1.1.2 Contract Plans Establishment

Payment will be made as stated in 1.1 above.

The tendered rate must include all the Contractor's costs associated with developing the contract plan and the individual subsections, including setting up the systems, processes and external consulting advice (contract plan specific).

#### 1.1.3 Set-up Costs other than schedule items 1.1.1 and 1.1.2 above

Payment will be made as stated in 1.1 above.

The tendered rate must include all the Contractor's costs associated with any other contract related set-up costs including (but not limited to) joint venture or subcontract agreements, legal advice, recruitment, mobilisation and relocation of people and equipment.

## 1.2 CONTRACT MANAGEMENT AND SUPERVISION (TIME-RELATED COSTS)

### 1.2.1 Network Management Professional Services

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is managed according to the Contract Documents.

The tendered rate must:

- include all the Contractor's costs associated with professional services including (but not limited to) design, reporting, self-compliance and auditing, quality assurance, information management, value management (refer Schedule of Prices, Schedule item 2.1), contract management (refer Schedule of Prices, Schedule item 3.1), contract plan (refer Schedule of Prices, Schedule item 4.1), and network management (refer Schedule of Prices, Schedule item 5.1),
- allow for staff costs associated with the provisions of network management and support services including salaries and employment-related allowances and provisions, statutory payroll burdens, provisions for training, vehicles and vehicle running costs (excluding pool vehicles which are assumed to be activity specific), personal protective equipment, and if applicable allocation of corporate overheads.

### 1.2.2 Management and Supervision of Physical Works

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with the management of the Contract Works and supervision of the physical works (other than that included in schedule item 1.2.1) including, but not limited to, salaries and staff related costs associated with the contract management and site supervision, inspections, programming and coordination, customer and stakeholder communications, reporting and delivery.

## 1.3 CONTRACTOR'S FACILITY RUNNING COSTS

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period a Contractor's facility is required according to the Contract Documents.

The tendered rate must include all the Contractor's time-related (running) costs associated with providing a physical presence, including but not limited to, lease of premises, rates, power, water, security, cleaning, waste removal, IT (hardware and software) running costs, internet service provider, data transfer, computer hire, licences, communications, and insurances and bonds.

<<insert Network Name>>

Network Outcomes Contract

Contract No: <<insert no>>

NZ Transport Agency

Basis of Payment

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## 2 Value Management Proposition

### 2.1 VALUE MANAGEMENT

Payment for this item is included in Schedule Items 1.2.

### 2.2 KRA REWARD

This is a provisional sum item.

Refer to Preamble, iii.

### 2.3 ASSET GROWTH

These are provisional items only.

The Payment must fully compensate for the on-going annual maintenance of each individual asset (added or removed) in full accordance with the contract scope, performance criteria and risk profile. Individual rates for each asset shall only apply from 1st July after installation or removal.

These rates are not for supplying and installing the asset.

The total asset reconciliation amount calculated annually shall become a lump sum and Payment will be prorated in equal payments for each month of the subsequent 12-month period.

The tendered rates must include all the Contractor's maintenance and management costs associated with the addition (or removal) of individual assets as recorded in the asset register in accordance with Maintenance Specification, Section 2.6.1.

The rate shall be used as both an over and under rate, relative to asset growth or reduction reconciliation.

### 2.4 PRINCIPAL RISK NON-ROUTINE MAINTENANCE TREATMENTS

These are provisional items only.

The tendered rates shall be used by the Contractor and the Principal as the basis for Principal risk non-routine maintenance treatment options.

The tendered rates shall also include reinstatement of delineation for any areas affected by the completed works.

#### 2.4.1 Pavement Digout Repairs

Payment will be made for the total area completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

#### 2.4.2 Pavement Stabilisation Repairs

Payment will be made for the total area completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

### **2.4.3 Rip and Remake**

Payment will be made for the total area completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

### **2.4.4 Premix Reshaping**

Payment will be made for the total area completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

### **2.4.5 Cold Mill and Inlay**

Payment will be made for the total area completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

### **2.4.6 Crack Sealing**

Payment will be made for the total area completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

### **2.4.7 Crack Filling**

Payment will be made for the total length completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

### **2.4.8 Scabbing and Stripping**



Payment will be made for the total area completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

#### **2.4.9 Watercutting**

Payment will be made for the total area completed in accordance with Maintenance Specification, Section 2.

The tendered rates must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

#### **2.4.10 Slurry Rut Filling**

Payment shall be made per tonne of dry aggregate, and shall include all constituents of the total mix, completed in accordance with Maintenance Specification, Section 2.

The tendered rate must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

#### **2.4.11 Guardrail**

Payment shall be made per linear meter of guardrail installed, and shall include all components of the guardrail system (excluding end treatment system), completed in accordance with Manufacturer's requirements and Maintenance Specification, Section 2.

The tendered rate must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

#### **2.4.12 Wire Rope Barrier**

Payment shall be made per linear meter of wire rope barrier installed, and shall include all components of the wire rope barrier system (excluding end treatment system), completed in accordance with Manufacturer's requirements and Maintenance Specification, Section 2.

The tendered rate must include all the Contractor's costs associated with management, programming, materials, plant, resources, disposals and construction activities.

## 3 Contract Management

### 3.1 CONTRACT MANAGEMENT

Payment for this item is included in Schedule Items 1.2.

### 3.2 UNSCHEDULED INSPECTIONS

This is a provisional sum item.

Payment will be made on completion of any Principal-requested inspection, and completed to the satisfaction of the Principal.

Applicable rates shall be taken from Schedule of Prices, Section 9, Unscheduled Works, relative to work activities requested by the Principal.

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## 4 Contract Plan

### 4.1 CONTRACT PLAN

Payment for this item is included in Schedule Items 1.2.

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# 5 Network Management

## 5.1 NETWORK MANAGEMENT

Payment for this item is included in Schedule Items 1.2.

## 5.2 ASSET INFORMATION MANAGEMENT

### 5.2.1 Implementation of Data Improvement Plan

This is a provisional sum item.

Refer to Preamble, xii.

### 5.2.2 RAMM Updating for Other Projects

This is a provisional sum item.

Refer to Preamble, xii.

## 5.3 PLANNING ASSESSMENT REPORTS

This is a provisional sum item.

Refer to Preamble, xii.

## 5.4 SAFETY MANAGEMENT

### 5.4.1 Road Safety Theme Inspections and Reporting

This is a provisional sum item.

Refer to Preamble, xii.

### 5.4.2 Fatal and Serious Crash Reports

Payment will be made for each report requested by the Principal and submitted in accordance with Maintenance Specification, Section 5.

The tendered unit rate must fully compensate for preparing and submitting each report as specified.

### 5.4.3 Safety Reports

This is a provisional sum item.

Refer to Preamble, xii.

### 5.4.4 Update KiwiRAP

This is a provisional sum item.

Refer to Preamble, xii.

### 5.4.5 Attendance at Road Safety Forums

This is a provisional sum item.

Refer to Preamble, xii.

#### **5.4.6 Crash Reduction Study Participation**

This is a provisional sum item.

Refer to Preamble, xii.

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## 6 Physical Works

### 6.1 ROUTINE SEALED PAVEMENT MAINTENANCE

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

### 6.2 PAVEMENT REHABILITATION

The monthly Payment will be a prorated amount based on the annual renewal base lump sum forecast as established in July each year. Reconciliation will occur in the final month of each financial year, refer Preamble, iv, to establish the final payment based on the as-built total area constructed and Principal-approved treatment designs.

#### 6.2.1 Base Pavement Rehabilitations

Payment will be made for the total area of pavement rehabilitation completed in accordance with Maintenance Specification, Section 6.

The tendered rates must fully compensate for completely constructing the pavement rehabilitation, including but not limited to:

- i) Designing each rehabilitation
- ii) Public notification
- iii) Compliance reporting
- iv) Dis-establishment and Reinstatement of traffic services and service covers
- v) Preparing the surface
- vi) Supplying and complete construction of the rehabilitation
- vii) First coat seal or tack coat membrane
- viii) For asphalt pavements, top surface
- ix) Sweeping of excess chip
- x) Clean up
- xi) Post-verification testing and reporting.

Appendix 6.2, Typical Shoulder Slope Details for Pavement Rehabilitation, defines the extent of shoulder treatment required within the unit rate.

#### 6.2.2 Traffic Control

The tendered rates must include all the Contractor's costs associated with providing all traffic control in accordance with Maintenance Specification, Section 4.

### 6.3 PAVEMENT REHABILITATION MODIFICATIONS

#### 6.3.1 Base Pavement Rehabilitation No.1 – **Basecourse Overlay**

Payment will be made for the total area of base pavement rehabilitation No.1, adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are extra over-rates to the base pavement rehabilitation No.1 rate schedule item 6.2.1.1 and must include all the Contractor's costs associated with materials, resourcing and construction activities, in addition to the base pavement rehabilitation No.1 rate item 6.2.1.1.

Any stated increments are solid measure increments.

### **6.3.2 Base Pavement Rehabilitation No.2 – Stabilisation Inlay**

Payment will be made for the total area of base pavement rehabilitation No.2, adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are extra over-rates to the base pavement rehabilitation No.2 rate schedule item 6.2.1.2 and must include all the Contractor's costs associated with materials, resourcing and construction activities, in addition to the base pavement rehabilitation No.2 rate item 6.2.1.2.

Any stated increments are solid measure increments.

### **6.3.3 Base Pavement Rehabilitation No.3 – Granular Replacement**

Payment will be made for the total area of base pavement rehabilitation No.3, adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are extra over-rates to the base pavement rehabilitation No.3 rate schedule item 6.2.1.3 and must include all the Contractor's costs associated with materials, resourcing and construction activities, in addition to the base pavement rehabilitation No.3 rate item 6.2.1.3.

Any stated increments are solid measure increments.

### **6.3.4 Extra Shape Correction and Shoulder Treatments**

#### **6.3.4.1 Transport Agency M/4 Basecourse**

Payment will be made for the solid volume in cubic metres of material supplied and constructed as specified.

The tendered rate shall be in full compensation for the supply of all plant, labour and materials required for the complete construction of the basecourse as specified.

#### **6.3.4.2 AP65 Sub-basecourse**

Payment will be made for the solid volume in cubic metres of material supplied and constructed as specified.

The tendered rate shall be in full compensation for the supply of all plant, labour and materials required for the complete construction of the sub-basecourse as specified.

#### **6.3.4.3 Solid Fill**

Payment will be made for the solid volume in cubic metres of material supplied and constructed as specified.

The tendered rate shall be in full compensation for the supply of all plant, labour and materials required for the complete construction of the solid fill as specified.

#### 6.3.4.4 Cut to Fill

Payment will be made for the total solid volume in cubic metres of material cut to fill and constructed as specified. The quantity for payment purposes will be the solid volume following placement and compaction of the filling.

The tendered rate shall be in full compensation for the supply of all plant and labour required for the complete removal off-site of the waste material as specified.

## 6.4 SEALED ROAD RESURFACING

The monthly Payment will be a prorated amount based on the annual renewal base lump sum forecast as established in July each year. Reconciliation will occur in the final month of the financial year, refer Preamble, iv, to establish the final payment based on the as-built total area sealed and Principal-approved treatment designs.

### 6.4.1 Chip Seal

Payment will be made for the total area of sealing completed in accordance with Maintenance Specification, Section 6.

The tendered rates must fully compensate for completely constructing the reseal, including but not limited to:

- i) Designing each reseal
- ii) Public notification
- iii) Compliance reporting
- iv) Dis-establishment and Reinstatement of all services
- v) Preparing the surface
- vi) Supplying and complete construction of the sealing chip and associated binder
- vii) Sweeping of excess chip
- viii) Pavement marking, excluding profiled marking
- ix) Clean up
- x) Post-verification testing and reporting.

### 6.4.2 Asphaltic Concrete

Payment will be made for the total area of AC completed in accordance with Maintenance Specification, Section 6.

The tendered rates must fully compensate for completely constructing the AC, including but not limited to:

- i) Designing each AC



- ii) Public notification
- iii) Compliance reporting
- iv) Dis-establishment and Reinstatement of all traffic services (excluding ATP reinstatement) and service covers
- v) Service cover adjustments
- vi) Preparing the surface
- vii) Supplying and complete construction of the AC (nominal thickness [[35]]mm) <<note thickness must not exceed 40mm>>
- viii) Clean up and disposal of waste millings
- ix) Pavement marking, excluding profiled marking
- x) Post-verification testing and reporting.

If a membrane seal is required prior to the application of asphaltic concrete then schedule item 6.5.2.5 applies.

### 6.4.3 Traffic Control

The tendered rates must include all the Contractor's costs associated with providing all traffic control in accordance with Maintenance Specification, Section 4.

## 6.5 RESURFACING MODIFICATIONS

### 6.5.1 Chip Seal

Payment will be made for the total area of resurfacing adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are extra over-rates to the base resurfacing schedule items 6.4.1 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

### 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

Payment will be made for the total area of asphaltic concrete adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are extra over-rates to the base asphaltic concrete schedule items 6.4.2 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

#### 6.5.2.2 Extra over-rate for exceeding 0.5 ESC after a minimum of 24 months from construction

Payment will be made for the total area of asphaltic concrete adjusted by the extra over design modifications, constructed in accordance with Maintenance Specification, Section 6.

The tendered rates are extra over-rates to the base asphaltic concrete schedule items 6.4.2 and must include all the Contractor's costs associated with materials, resourcing and construction activities.

#### **6.5.2.3 Milling up to 50mm**

Payment will be made for the total area of milling carried out prior to the base asphaltic concrete surfacing constructed in accordance with Maintenance Specification, Section 6.

This rate applies to the milling of tie-ins and all perimeter edges such as kerb line edges, vehicle accessways and other locations where a physically constrained edge exists.

The tendered rate must include all the Contractor's costs associated with materials, resourcing and construction activities.

#### **6.5.2.4 Pre-levelling**

Payment will be made for each ton of pre-levelling applied prior to the base asphaltic concrete surfacing constructed in accordance with Maintenance Specification, Section 6.

The tendered rate must include all the Contractor's costs associated with materials, resourcing and construction activities.

#### **6.5.2.5 Membrane seal**

Payment will be made for the total area of membrane seal applied prior to the base asphaltic concrete surfacing constructed in accordance with Maintenance Specification, Section 6.

The tendered rate must include all the Contractor's costs associated with materials, resourcing and construction activities.

### **6.5.3 Transport Agency T/10 Skid Resistance Resurfacing**

This is a provisional sum item.

Refer to Preamble, xii.

## **6.6 ROUTINE DRAINAGE MAINTENANCE**

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

## **6.7 DRAINAGE RENEWAL ACTIVITIES**

### **6.7.1 High Lip Removal**

Payment will be made for each edgeline metre of high lip removed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity, including removal of excess material off site.

### **6.7.2 Reform Unlined Water Channels**

Payment will be made for each edgeline metre of unlined water channel reformed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity, including removal of excess material off site, re-lowering or repositioning of culverts, but not installing new culverts (see schedule item 6.7.5).

### **6.7.3 Clear and Regrade Side Drains**

Payment will be made for each metre of side drain cleared and regraded as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity, including removal of excess material off site.

### **6.7.4 Supply and install Fabric-wrapped Subsoil Drain**

Payment will be made for each metre of subsoil drain installed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity, including removal of excess material off site.

### **6.7.5 Renew, Upgrade or Install new Culverts and Lined Water Channels**

This is a provisional sum item.

Refer to Preamble, xii.

## **6.8 STRUCTURES ROUTINE MAINTENANCE**

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

## **6.9 STRUCTURES MAINTENANCE ACTIVITIES**

### **6.9.1 Major Reinstatement of Guardrail and Wire Rope**

This is a provisional sum item.

Refer to Preamble, xii.

### **6.9.2 Barrier Height Adjustments**

This is a provisional sum item.

Refer to Preamble, xii.

## 6.10 ENVIRONMENTAL MAINTENANCE

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

## 6.11 ENVIRONMENTAL MAINTENANCE ACTIVITIES

### 6.11.1 Winter Services Management

Payment will be made for each month that winter services management (including but not limited to Network and weather monitoring) is provided in accordance with the Winter Services requirements.

The tendered rate shall allow for all services as specified, including a Winter Services Manager.

### 6.11.2 Winter Event Patrols

Payment will be made for each hour of winter event patrols required.

The tendered rate shall allow for all plant and labour sufficient to resource winter event patrols as specified, including mobilisation and patrolling.

### 6.11.3 Winter Maintenance Activities – Plant

Payment will be made for each hour the winter maintenance activity is undertaken as approved by the Principal, in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking these activities, including initiation, mobilisation and completion of the winter maintenance operations.

The rates shall include additional safety personnel and equipment (including pilot vehicles if appropriate) associated with the winter maintenance operations in addition to the normal number of operators for the plant.

The cost for operating grit loading equipment for the loading of the grit ex-stockpile is considered to be included in the rate for the Type 4 plant with no additional hours or payment being allowed for such loading plant.

### 6.11.4 Winter Maintenance Activities – Materials

#### 6.11.4.1 Supply Grit

Payment for supplying grit will be made for each cubic metre on the loose measure on board the Type 4 plant. The Operator of the plant shall record on a tally docket acceptable to the Principal the quantity of each load before leaving the grit stockpile area.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity.

#### **6.11.4.2 CMA Storage**

CMA will be supplied by the Principal.

Payment for storage and handling of CMA will be made for each ton stored over each one-month period.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity.

#### **6.11.4.3 CMA Mixing**

Payment for mixing of CMA will be made for each ton (in granular form) mixed to liquid form.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity.

#### **6.11.4.4 CMA Bulk Liquid Transfer**

Payment will be made for each hour of undertaking the CMA bulk liquid transfer service.

The tendered rate shall allow for all plant and labour sufficient to carry out the service as specified.

### **6.11.5 Vegetation Control Activities**

#### **6.11.5.1 Type 4 Vegetation Control**

Payment will be made for each edgeline kilometre of Type 4 Vegetation control completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered rate must include all the Contractor's costs associated with undertaking this activity including, materials, resourcing and reporting.

#### **6.11.6 Replace Rest Area Furniture**

This is a provisional sum item.

Refer to Preamble, xii.

#### **6.11.7 Repair Noise Walls and Debris Fences**

This is a provisional sum item.

Refer to Preamble, xii.

## **6.12 ROUTINE TRAFFIC SERVICES MAINTENANCE**

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

## 6.13 TRAFFIC SERVICES MAINTENANCE ACTIVITIES

### 6.13.1 Transport Agency P/22 Pavement Marking

Payment will be made for each item of remark completed in accordance with Maintenance Specification, Section 6.

The payment must fully compensate for supplying all materials, site establishment, testing and completing a full remark of all marking assets within the carriageway as specified, over the entire road section as scheduled and as approved by the Principal. The unit rates shall also allow for post-marking compliance assessments and reporting.

The extra over-rates shall allow for any change in standard, as prior approved by the Principal, for any centreline kilometre length, for all line types.

### 6.13.2 High Performance Road Marking

This is a provisional sum item.

Refer to Preamble, xii.

### 6.13.3 Audio Tactile Profiled Road Marking

These are provisional items only.

#### 6.13.3.1 Remove existing Audio Tactile Profiled Road Marking

Payment will be made for each metre of audio tactile profiled marking removed from the road surface as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity, including material disposal offsite.

#### 6.13.3.2 150mm Edgeline

Payment will be made for each metre of audio tactile profiled marking completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity.

#### 6.13.3.3 150mm Centreline

Payment will be made for each metre of audio tactile profiled marking completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity.

#### 6.13.3.4 150mm Continuous Centreline

Payment will be made for each metre of audio tactile profiled marking completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity.

#### **6.13.3.5 200mm Centreline**

Payment will be made for each metre of audio tactile profiled marking completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity.

#### **6.13.3.6 200mm Continuous Centreline**

Payment will be made for each metre of audio tactile profiled marking completed as approved by the Principal and in accordance with Maintenance Specification, Section 6.

The tendered unit rates must fully compensate for all the Contractor's costs associated with undertaking this activity.

#### **6.13.4 Replace or Repair Electronic Warning Signs**

This is a provisional sum item.

Refer to Preamble, xii.

#### **6.13.5 Renewal of Street Lights**

This is a provisional sum item.

Refer to Preamble, xii.

### **6.14 OPERATIONAL ACTIVITIES**

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is maintained according to the Contract Documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 6.

# 7 Network Specific Information and Requirements

## 7.1 AGGREGATE QUALITY SPECIFICATION: REPEATED LOAD TRI-AXIAL TEST

Payment will be made and included in Basis of Payment Schedule Item 6.2 Pavement Rehabilitation, for the provision of Repeated Load Triaxial testing in accordance with Maintenance Specification, Section 7.2.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.2

## 7.2 MOBILE VARIABLE MESSAGE SIGNS

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is maintained according to the contract documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.3.

## 7.3 UNSEALED PAVEMENTS

### 7.3.1 Routine Unsealed Pavement Maintenance

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is maintained according to the contract documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.4, excluding any other Section 7.3 items below.

### 7.3.2 Unsealed Basecourse Renewal

Payment will be made for each loose cubic metre of basecourse aggregate supplied and constructed in accordance with Maintenance Specification, Section 7.4.2

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity.

The quantity claimed must be supported by weigh bridge docketts and site measurements to verify the volume claimed.

### 7.3.3 Wearing Course Renewals

Payment will be made for each loose cubic metre of wearing course aggregate supplied and constructed in accordance with Maintenance Specification, Section 7.4.3.

The tendered unit rate must fully compensate for all the Contractor's costs associated with undertaking this activity.

The quantity claimed must be supported by weigh bridge docketts and site measurements to verify the volume claimed.



## 7.4 NO2 SAMPLE COLLECTION SERVICES

Payment will be made for each month the NO2 samples are collected, replaced and delivered in accordance with Maintenance Specification, Section 7.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.4

## 7.5 SLURRY RUT FILLING

Payment will be made and included in Basis of Payment Schedule Item 2.4.10 Principals Risk Non-Routine Maintenance Treatments, for all sites maintained in accordance with Maintenance Specification, Section 7.

The tendered rate must fully compensate for all the Contractor's costs associated with the undertaking the design, construction activity and reporting in accordance with Maintenance Specification, Section 7.10.

## 7.6 OFFICE ACCOMODATION

Payment will be a 1/12th of the tendered rate for each month of the Contract Period the Contractor makes available appropriate office space, power supply and telephone and internet landline.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services,, Maintenance Specification, Section 7.2.

## 7.7 TUNNELS

Payment will be a 1/12<sup>th</sup> of the tendered rate for each month of the Contract Period the network is maintained according to the contract documents.

The tendered rate must include all the Contractor's costs associated with delivering the scope of services, Maintenance Specification, Section 7.5.

## 7.8 OTHER

## 8 Local Roads

<<This section to be completed on a network by network basis pending inclusion of local roads>>

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## 9 Unscheduled Works

Schedule Section 9 are Provisional Items only.

In general, payment will be made on a lump sum basis for all Unscheduled Work completed in accordance with Maintenance Specification. The tendered plant and labour rates must include all costs associated with supplying traffic management, including hardware, required to complete the work.

If the work is completed on a day works basis, a priced Daily Job Record (DJR) must be completed to support each claim. The DJRs must accurately reflect the work completed:

- i) Include a description of the work completed, including date(s) completed, location and extent
- ii) State the type of equipment, total hours, rate and total value of payment claimed for each type of equipment
- iii) State the total labour hours, rate and total value of payment claimed.

In addition, all invoices for materials used must be available for the Principal's inspection within one month of the time of the incident.

### 9.1 PLANT AND EQUIPMENT

The tendered hourly rates for plant and equipment, including the normal number of operators (plant), will be paid for the number of hours each item of plant is used. If the plant is not used efficiently, the Principal may reduce the hours paid.

The total hours worked is defined as being when plant is used cost-effectively:

- a) Working with other resources, if appropriate, so the operation is completed with maximum efficiency
- b) Established or disestablished under its own power to or from the nearest depot, or its previous work site, or the Network's boundary, whichever is closer (unless it is cheaper to establish or disestablish the plant by other means)
- c) Plant is being loaded on to trucks and transporters, whether the operator is assisting or not
- d) In any one hour plant has idle time of less than 10 minutes.

The total hours worked must not include unproductive time:

- The plant operator has breaks or is unavailable
- The plant is not working, including periods when the plant is broken down, being serviced, fuelled etc., or transported other than under its own power
- The plant operator is returning to depots at the end of each day without the plant
- In any one hour there is idle time in excess of 10 minutes.

The tendered hourly rate must fully compensate for the plant operator's wages, the Contractor's profit, on-cost, superintendence, all insurances, levies and holidays with

pay and penal allowances, accommodation and travelling costs, all clerical, office, and all other overhead and incidental costs.

## 9.2 MATERIALS

### 9.2.1 Materials

The provisional sum for materials provides for paying the net invoiced cost of all materials delivered to the site and used for constructing the permanent works by day works, as authorised by the Principal.

### 9.2.2 Contractor's On-cost to Materials

The percentage on-cost to Schedule Item 9.2.1 applies to the cost of materials and must cover all overhead charges and profits.

## 9.3 LABOUR

The tendered hourly rate for labour will be paid for the total hours worked. If the labour is not used efficiently, the Principal may reduce the hours paid in direct proportion to the efficiency with which the labour is used.

The total hours worked is defined as the hours when the labour is working with other resources, if appropriate, so the operation is completed with maximum efficiency.

The tendered hourly rate must fully compensate for:

- a) The Contractor's profit, on-cost, superintendence, all insurances, levies and holidays with pay and penal allowances
- b) Accommodation and travelling expenses, all clerical, office, and all other overhead and incidental costs.

The rate does not allow for vehicle costs.

## 9.4 COST FLUCTUATIONS

The provisional sum allows for the payment of cost fluctuations. Payment will be made according to First Schedule, Clause 12.8.2.