

New process for Medium Works construction contracts

Contracts valued between
\$50,000-\$500,000

Author: EIS Legal and EIS Commercial Procurement

Background

- The new process for Medium Works contracts is one component of a wider review of EIS construction contracts.
- The new Medium Works contract process has been modelled off the Major Works contract process that was implemented in August 2017 but includes a new automation tool, ContractExpress.



Stakeholder engagement



During this investigation, EIS Legal engaged with key stakeholders, including:

- EIS Commercial Procurement
- EIS Portfolio and Business Assurance
- Capital Works (CW) Programme Management Office
- CW Procurement
- CW Programme Managers
- CW Delivery Managers
- CW Minor Works team

The new Medium Works process has been reviewed and approved by:

- Deputy Head of EIS, Capital Works
- Director, EIS Commercial Procurement
- Director, Portfolio and Business Assurance

Potential challenges

- Learning to use the new ContractExpress tool
- Balancing contractual risk vs process control
- Understanding the volume of low value contracts
- Internal delivery teams taking more ownership of contracts
- Resource capacity of EIS Procurement and EIS Legal
- Initially a limited number of ContractExpress licences.



Key things to note about ContractExpress



1. ContractExpress went live on 27 November 2017.
2. From 1 February 2018 all Ministry-led Medium Works Construction Contracts **must** be drafted in ContractExpress.
3. There are two types of user-licences available:
 - a) MoE business users – 20 licences have been allocated to selected DMs and Project Coordinators throughout the regions.
 - b) Guest Access (unlimited) – Guest access will be available to all other internal delivery staff and external PMs. Guest users are invited on request by licence holders (or by EIS Legal). This allows MoE business users to delegate contract preparation to other personnel (including external PMs).

NB: Guest access link provides users access to the relevant contract for 48 hrs.

ContractExpress licence holders



Licence holders:
Aideen Larkin
Albert Lee
Caroline Garcon
Carriane Brown
Elaine Rasmussen
Emma Coker
Felicity Chandler
Frikkie de Beer
Hilary Arthur
Jade Witeoka-Byford

Licence holders:
Lynda Joines
Julia Dines
Lance Florance
Louise Toohill
Mark Baylis
PC Groenewald
Priscilla Kingi
Rick Jordan
Sarah Bufton
Stephen Hawley

Total per region:	
Auckland	7
Christchurch	4
Hamilton	1
Napier	2
Tauranga	1
Wellington	5
	20

ContractExpress programme – what's next



Contract Type	Details	Estimated release
Medium Works	Approximately 400-500 contracts p/a.	November 2017
Major Works	Approximately 100-120 contracts p/a.	March 2018
CCCS		Q4 2018
Minor Works		Q1 2019
Form of Agreement		Q2 2019
Contract execution request form	For all pre-existing templates.	Q3 2019

Where to find supporting documentation



All documentation regarding Medium Works contracts is available on the Education Property Website.

Guidance Notes

Capital Works process for Medium Works contracts
Guidance Notes – Contracts valued between \$50k - \$500k

Please note this process only applies to Ministry-led Medium Works projects.

These notes provide further guidance on each of the process steps outlined in 'Capital Works process for Medium Works contracts – process diagram'.

The document is not intended to replace the business processes set out by EIS and/or Capital Works. These guidance notes only cover the process of how a Medium Works construction contract is initiated, drafted, completed and stored. Sign-off procedures and additional procurement stages have been purposely excluded from the document. Accordingly, to add any notes to the document when procuring project works, for details regarding Capital Works procurement guidelines, please refer to the [School Property Procurement Framework](#) on the Education Property Website.

If you have any queries in regards to the process, please email EIS.Contracts@education.govt.nz or in the first instance.

If you have any queries in regards to ContractExpress, please refer to following links below in the first instance. If you have further questions, please email EIS.Legal@education.govt.nz.

Note: List of acronyms, related documents and glossary can be found on page 5.

Procurement and contract initiation stage

Step 1: The external PM (or end PM) drafts the Procurement Plan and approach to market documents (RFI's, documents) and sends the two draft documents to the Delivery Manager (CM) and EIS Commercial Procurement (EIS CP) for review and endorsement, followed by the Sponsor signing off the final version.

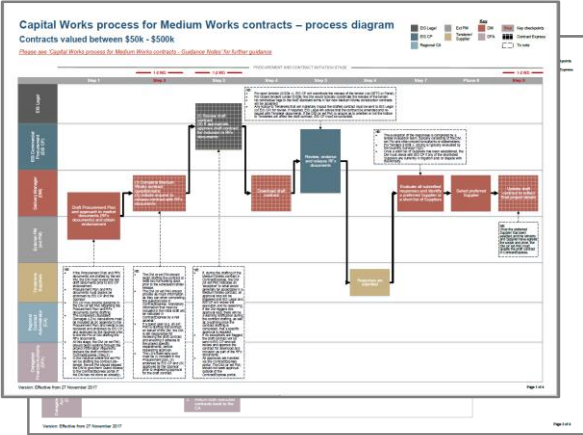
Note:

- Where there is no end PM on the project, the Procurement Plan and RFI's documents are drafted by the CM.
- If the Procurement Plan and RFI's documents are drafted by the end PM, the CM must review the two draft documents prior to EIS CP endorsement.
- Procurement Plan and RFI's documents must always be endorsed by the EIS CP and the Sponsor.
- EIS CP may provide guidance to the CM (or end PM) regarding the Procurement Plan and RFI's documents during drafting.
- The Procurement Plan and RFI's documents must be reviewed and endorsed by EIS CP as approved by the Sponsor prior to the end PM or CM drafting the RFI's documents (refer to [Liquorland Contract Guidelines](#) for details on the requirements of the RFI's).
- At this stage, the CM (or end PM) should begin working through the project information required to prepare the draft contract in ContractExpress (see [Step 2](#)).
- In the instance where the end PM will not be drafting the contract provider, the end PM should request the CM to sign their Grant Access to the ContractExpress portal if the CM has not done so already. Please refer to the Glossary on page 5 for further details on Grant Access.

Step 2: The CM (or end PM) completes the Medium Works contract questionnaire in the ContractExpress portal. Once the contract is drafted in the system available, the CM assumes approval to release the contract as part of the RFI's documents (via the ContractExpress portal – at which point an email will be sent to EIS Legal and EIS CP).

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Process Diagram



CER form

Medium Works Contract Execution Request Form

To:
 From:
 Date:
 Project:

Attached, please find two sets of contract documents for the following contract, which is in order for execution:

Contract party	Contract number	Contract value (\$)
Sponsor provided	Contract Works Insurance Ref #	
Destination	Location 2, Programme Manager (must be the applicable regional Programme Manager)	

External PM (if applicable)
 Construction Contract:

The following prerequisites for contract execution have been verified as complete:

Project reference	Prerequisite (FOR CONTRACTS)
Total Project Budget (including FPM, including contingencies)	
Contracted to date	
Contract Value	
Contract Contingency	

Supporting information:

Project approved (Approved business case, memo or otherwise)	Attached
Further contract since project approval signed (if applicable)	Attached
Award Recommendation Report	Attached
Final version of contract has been signed off by EIS Legal	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Confirmed by: <input type="text"/> (EIS Legal sign-off of completed contract)

Execution steps completed by:

Submitted by:	Date:
Reviewed by:	Date:
Approved by:	Date:

Version: 27 November 2017

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What's next



December 2017

- Survey/review of current Major Works process

January 2018

- Review of new Medium Works process & ContractExpress

February 2018

- Release of updated Minor Works process
- Release of updated Consultancy Agreements process

March – April 2018

- V2 Release of Major Works process incorporating ContractExpress

Questions



- If you have any questions regarding the new Medium Works process, please email EIS.ContractAdmin@education.govt.nz.
- If you have any questions regarding ContractExpress, please watch the following [video tutorial](#) in the first instance. If you have further questions, please email EIS.Legal@education.govt.nz.
- NB: If you are a ContractExpress guest user (non licence holder), please watch the following [video tutorial](#).

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