



Awareness Session

Option 2 Improved Audit Process

15th 16th & 18th August 2017

Topics to cover

1. Overview
2. Option 2 Timeline & Audit Results
3. Continuous Improvement Review
4. Enhanced Open Trench Audit Process
5. Option 2 Contractor Rating Program
6. Final Audit Inspection Regime
7. System Changes & Salesforce
8. Questions

Overview

Summary

- The Option 2 Final Network Audit Process was brought in house at the end of 2013
- Whilst improvements have been made we have seen a significant increase to the number of audits resulting in an increase in non-compliances leading to follow up activities and re-audits
- Feedback solicited from the industry suggested the following:
 - The number of site excavations at final audit were unnecessary
 - The open trench process could be improved
 - Quicker turn-a-round time for the Final Audit was important enabling Consent to Statement of Compliance
- To drive improvement in the Option 2 process a Continuous Improvement Review was carried out during Q1 2017 that identified a number of opportunities which are being implemented over two phases

Phase 1

Introduced 1st July 2017

- Final Audit Process - changes to excavations (based on the complexity of the site as opposed to lot size)
- Walk Away Policy –to verify QA processes have been conducted
- Increase to the re-audit fee - \$1004.64 per audit

Phase 2

To be introduced 18th September 2017

- Enhanced Open Trench Audit Process
- Option 2 Contractor Rating Program (feeding in to the final audit inspection regime)

Option 2 Timeline

Nov 2013

Final Network Audit brought in-house

2015

Auditing continues with an increase in developments resulting in an increase in audits

Q1 2017

- Increase in re-audits
- Continuous Improvement review conducted on root causes in the Option 2 process

Q3 2017
(18/9/17)

- Enhanced Open Trench Audit
- Contractor Rating System Pilot

2013 - 2017

2014

CitiPower and Powercor commence auditing with the expectation of improving construction quality

2016

- Introduction of Cable Hauling Requirements
- Increase in audits and increase in non-conformances
- Introduction of Salesforce to capture and identify trends & non-conformances

Q2 2017

- Walk Away Policy
- Changes to excavations

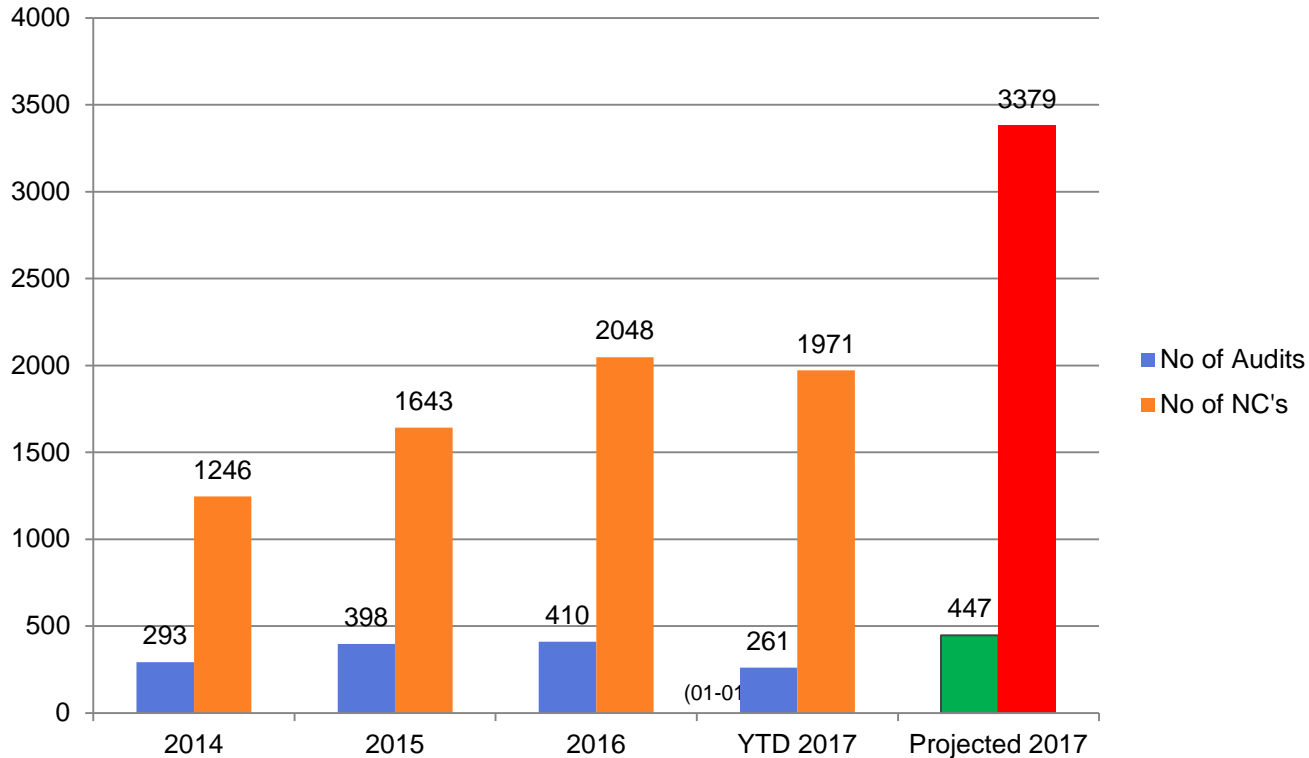
1 January 2018

Go Live with Contractor Rating Program

Option 2 Audit Results

Increase in the number of audits and non-compliances resulting in re-audits and follow up actions

Total Number of Option 2 Audits & Non-Compliances



Average number of NC's per audit

2014 = 4

2015 = 4

2016 = 5

2017 = 8

Topics covered during the Continuous Improvement review



HSE

- Manual handling risks due to digging
- Potential injury resulting from jumping in/out of excavations (especially in wet weather)



Developer & Industry Feedback

- Currently excavating once the site has been constructed – seen as too many excavations
- Audit process is seen as taking too long and holding up Consent to Statement of Compliance



Open Trench Audit

- The Open Trench (OT) Audit process does not stipulate the requirement to inspect all assets
- An increase in non-compliances most of which should have been identified during the Open Trench Audit



Final Audit

- Increase in non-compliances per audit resulting in follow up and re-audits
92% of projects fail the final audit leading to an increase in re-audits and non-compliance follow up
- Excavations at final audit lead to assets being exposed or susceptible to vandalism and/or inclement weather

Recognised Contractors List



- Current Recognised Contractor List does not capture/monitor the performance of contractors or reward good performance
- There is currently no feedback process for contractors

Summary of Improvements

Enhanced Open Trench Process

- The Open Trench Audit process provides assurance that assets are installed correctly as is the best time during construction to audit
- We rely heavily on this process as this is the only time it can be visually viewed
- As such we are requesting further information at the Open Trench Audit Stage which includes the following:
 - Mandatory Report Items
 - Additional Audit Inspection Milestones
- The new process becomes effective from 18th September 2017
 - Applies to all Open Trench Audits that commence post this date.
 - Any Open Trench Audit prior to the 18th September 2017 will be subject to the old regime
- The Open Trench Audit Form has been updated to reflect these changes

Option 2 Contractor Rating Program

- The Contractor Rating Program will reward good performance by reducing the number of projects requiring excavation during the Final Audit Inspection regime
- It applies to the following contractors:
 - Civil Contractor
 - Electrical Constructor
 - Project Manager 1 & 2
- A three month pilot program will commence on the 18th September
- Feedback on performance will be provided at the conclusion of the program
- All Contractors will commence on Rating C – Acceptable and will remain on this rating during the pilot program
- The Option 2 Contractor Rating Program will Go Live on 1st January 2018
- Consistently under performing contractors or where misleading information has been knowingly provided may result in the Contractor being removed from the program

Enhanced Open Trench Requirements

Summary

- All Open Trench Audits post 18th September will be subject to the new process
- A VEDN accredited auditor shall certify that ALL civil and electrical assets comply with the Technical Standards and the approved construction drawing plus any approved variations
- All civil and electrical assets (including road-crossing conduits etc.) shall be inspected by a VEDN accredited auditor



Mandatory Report Items

- Mains cable/conduit crossings above or below any other asset at all locations not accessible for excavation at the final audit unless evidence can be provided that the crossing clearance exceeds 0.6m. This includes:
 - Under roads surfaces
 - Other hard reinstatement areas including footpaths
- Mains cable/conduit under crossings of any other asset exceeding 1.5m depth
- HV cable or HV conduit bends of 45 degrees or more including radius measurement

The above items are to be supported with photo evidence, a tabulation of locations and depth/clearance measurements

The PM1/2 is to verify all locations identified

Additional Audit Inspection Milestones

- Road crossing conduit installation during initial road construction earthworks
- Trench and conduit inspection by WE auditor prior to electrical installation (to verify suitability)

Option 2 Contractor Rating Program

- The Rating System will apply to:
 - Civil Contractor
 - Electrical Constructor
 - PM 1 & 2
- All Contractors during the pilot will commence and remain on Rating C = Acceptable regardless of performance.
- Performance will be monitored during the pilot and feedback will be provided at the end of the pilot
- The Contractor Rating program will commence on 1st January 2018. and will remain on rating C until the end of Q1 at which time a new rating certificate will be issued. This will contain audit results during this period and if no audits are conducted then contractors will remain on rating C – Acceptable.
- Contractor ratings will be updated based on the previous rolling 12 month audit results and will be produced quarterly
- Project ratings will be based on the weighted average of the combined ratings (electrical constructor and civil contractor)
- Contractor Rating Certificate and Reports will be produced for each Contractor on a quarterly basis
- The Contractor Rating result will feed in to the annual review for the Recognised Contractor List and will be managed via this process
- Contractor Ratings **will not** be made public or published externally (Contractors will receive their individual result only)

Option 2 Contractor Rating Scale

The contractor audit score will be categorised in to a scaled rating band that will determine the level of the final audit inspection regime

Contractor Rating Program applies to:	Rating	Rating Scale	Inspection Regime <i>Determined solely by the Civil Contractor & Electrical Constructor Ratings</i>	Minimum Audit Inspection Regime
Civil Contractor Electrical Constructor PM 1 & 2	Superior A	99 – 100 points	Desktop & Reduced Excavations	1 in 3 projects require excavations
	Good B	96 – 98 points	Reduced	1 in 2 projects require excavations
	Acceptable C	91 – 95 points	Normal	All projects require excavation
	Under Performing D	< 90 points	Enhanced	All projects require Excavation plus

Rating Scale Calculation Example

Civil Contractor:

2 audits (over last 12 months) results of 98 + 97 = 195 / 2 = 97.5

Electrical Constructor:

3 audits (over last 12 months) result of 99 + 95 + 94 = 288 / 3 = 96

Sum of (195 + 288) / (2 + 3) = **96.6 Good**

Final Audit Inspection Regime

Introduced 1st July 2017

- The number of excavation points for a Final Audit are determined based on the complexity of the project rather than size
- All excavations (if required) will be undertaken on the day of the Final Audit

Parameters for Excavations

Excavations Required

Parameters (1 per selection)	No of parameters	Minimum Excavations Required
Kiosk/HV switch cabinet	5	5
HV assets (includes future conduits)	4	4
LV mains cable related assets	3	3
Cable Head Poles (HV/LV)	2	2
Project > 30 lots	1	1
Public Lighting Projects Only		
Public Lighting project only		
Public Lighting project > 12 poles		

To be introduced on 18th September 2017

- All projects will require a site visit however dependant upon the inspection regime may not require excavations
- The number of project requiring excavations will be determined by the Civil Contractor and Electrical Constructor Ratings as follows:

$$\text{Sum of } (195 + 288) / (2 = 3) = 96.6$$

Minimum Projects Requiring Excavation

Rating	Minimum No of Projects Excavations Required
A – Superior	1 in 3 projects
B – Good	1 in 2 projects
C – Acceptable	All projects
D – Under Performing	All projects plus additional excavations

Salesforce enhancements

Changes to the system include:

- Changes to the Network Final Audit Request form that includes:
 - New and updated fields
 - New *Declaration* section
 - New *Hazards* section (including Permit to Work)
 - Additional Mandatory fields
- The ability to reject incomplete audits:
 - Update existing audit, rather than recreate
 - *Resubmit Rejected Audit* button
- Additional information on Audit Meeting Request email notification includes:
 - Auditor name
 - Mobile number
- New Re-audit process:
 - One *audit* = one audit report (no longer: one *project* = one audit report)
 - New Network Final Re-Audit Request submission functionality
 - *Create Re-Audit* button
 - Increased automation

Salesforce – Network Final Audit Request



Network Final Audit Request



Items marked with a red asterisk (*) are mandatory.

Declaration

I completed a Quality Assurance review of the project and conducted a site visit to verify the project is complete, compliant and ready for Final Audit, with all relevant documentation supplied and complete.

Yes, I have done what is required. *

Network order number *

The network order number in SAP

Customer project advisor

Please select an option

Project name *

Name of the project

Project Manager Contact Number*

Contact number of the Project Manager

Developer *

Developer of the project

Requested audit completion date * (dd/MM/yyyy format)

18/08/2017

In Field Contact Name *

Name of the site contact

In Field Contact Number *

Phone number of the site contact

In Field Contact's Company *

Company of the site contact

Hazards

Hazard Details *

Record specific details of live electrical assets in the vicinity, roads open to public, traffic etc.

Are there any live electrical assets in the vicinity of the new work (excluding tie-in cable overlaps or where new cables have been fully installed in existing conduits)?

- Yes, (a current and valid Permit to Work is required to be uploaded with this application).
 No

Permit to work number *

Permit to work number

Valid From *

The date and time the permit was valid from

[9/08/2017 1:04 PM]

Valid To *

The date and time the permit was valid to

[9/08/2017 1:04 PM]

Salesforce – Network Final Audit Request cont..

Audit type

* One, or both, of underground and overhead must be selected.

- Underground
- Overhead

Project scope

Number of lots *

Number of public lights *

Number of kiosks *

Number of service pits *

Length of any HV cables (in metres) *

Length of any LV cables (in metres) *

Location

Latitude *

Longitude *

Street address *

Suburb *

Postcode *

Salesforce – Network Final Audit Request cont.

Project & Contractor Information

VEDN Registration numbers are available from the Victorian Electrical Distribution Networks website.

Civil contractor VEDN number *

Civil auditor VEDN number *

Electrical auditor VEDN number *

Cable hauling auditor VEDN number *

Electrical constructor *

Please select overhead or underground under Audit type

Electrical Subcontractor

Please select overhead or underground under Audit type

Cable detailer *

Please select an option

Cable detailer name *

The individual who did the detailing work

Designer *

Please select overhead or underground under Audit type

Project Manager *

Please select an option

Attachments

The following files need to be supplied to facilitate this audit:

- Plans/site drawings
- A VESI Permit to Work document (if applicable)
- Open trench report (if applicable)

Attachment options

- As one .zip file (10MB max)
- Multiple attachments can be added by selecting the add attachments button for each file before selecting the files.

Add attachment

Create Option 2 audit

Salesforce – Scheduled Audit meeting request email

Meeting Request

Subject Opt 2 Quality Audit A-03464 for Westside Estate Stage 211

When 27/07/2017 11:51 AM - 3:51 PM Australian Eastern Standard Time (New South Wales)

Where 29 Lakeview Road, Truganina

Opt 2 Quality Audit A-03464 for Westside Estate Stage 211 at Lakeview Road, Truganina with Auditor Tennille Pownceby - PL (mobile: 0400000000).

Please arrange for an excavator to be on site when the audit commences, as excavations will be requested on the day - unless otherwise advised by the Auditor.

Respond to This Request



Or click https://citipowercor-UAT.cs5.my.salesforce.com/m/eventResponse.apexp?oid=00DC00000005326S&aid=vfDb3wQCX26gpnn0B0I2tTq_QImzFWt.wNftsGzp0wQ%3D

Do not reply to this email.

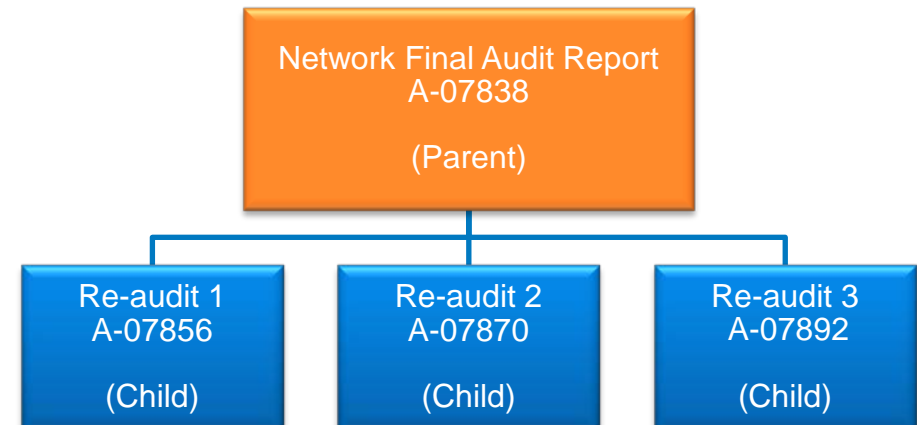
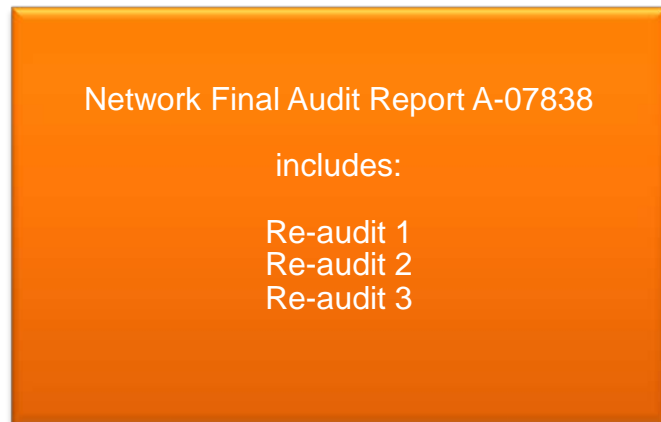
Salesforce – Re-Audit Process

Old process

- One *Project* = One audit report
- One audit report included all non-compliances associated with the project, including non-compliances identified on subsequent re-audit(s).
- One audit report identified the total project audit score

New Re-audit process

- One *audit* = One audit report (parent / child structure).
- Potential for multiple audit reports on one project
- Re-audit(s) are created by PM1 or PM2, from the parent audit
- An Approved report is issued once all project non-compliances have been rectified (including re-audits)
- The total project audit score is based on all audit reports



Salesforce – Network Final Re-Audit Request



Re-audit request for [REDACTED]



Items marked with a red asterisk (*) are mandatory.

Declaration

I completed a Quality Assurance review of the project and conducted a site visit to verify the project is complete, compliant and ready for re-audit, with all relevant documentation supplied and complete.

Yes, I have done what is required. *

Fee acceptance

As the nominated Project Manager (PM1/PM2)/Company, by submitting this re-audit request, I hereby accept and agree to arrange to pay the re-audit fee of \$1004.64 to conduct a re-audit on the above mentioned project

Yes, I agree to the re-audit fee. *

Are there any live electrical assets in the vicinity of the new work (excluding tie-in cable overlaps or where new cables have been fully installed in existing conduits)?

- Yes, (a current and valid Permit to Work is required to be uploaded with this application).
- No

Permit to work number *

Valid From *

[9/08/2017 3:10 PM]

Valid To *

[9/08/2017 3:10 PM]

Invoice to *

Position *

Company *

Address *

Requested Re-audit completion date * (dd/MM/yyyy format)

23/08/2017



Example of the Rating Certificate

Certificate Option 2 Contractor Rating Program

Derived from the CitiPower and Powercor Field Audit & Quality auditing program, the rating(s) awarded reflect the company nominated below in relation to managing and/or constructing contestable Customer Initiated Augmentation Works (Option2).

CitiPower and Powercor hereby declares that:

ABC Services Pty Ltd

Company Name

Is awarded the following performance rating(s) based on project audits completed during the qualifying 12-month period 01/07/2016 – 30/06/2017:

Recognised Contractor	Category	Performance	Score
Civil Contractor	D	Underperforming	80.0
Electrical Constructor	B	Good	97.6
Project Manager	C	Acceptable	93.7

Rating

Declared on:

31 March 2017

Date of Issue

This certificate is valid for 3 months from the Date of Issue.

Previous Performance Rating for the period 01/04/2016 – 31/03/2017:

Recognised Contractor	Category	Performance	Score
Civil Contractor	B	Underperforming	96.2
Electrical Constructor	A	Superior	99.4
Project Manager	B	Good	97.1

Example of the Quarterly Report

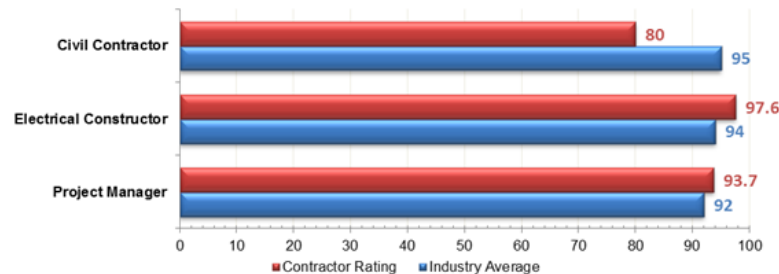
Supplementary Data Option 2 Contractor Rating Program

Derived from the CitiPower and Powercor Field Audit & Quality auditing program, the rating(s) awarded reflect the company nominated below in relation to managing and/or constructing contestable Customer Initiated Augmentation Works (Option2).

ABC Services Pty Ltd is awarded the following performance rating(s) based on project audits completed during the qualifying 12-month period 01/07/2016 – 30/06/2017:

Recognised Contractor	Category	Performance	Score
Civil Contractor	D	Underperforming	80.0
Electrical Constructor	B	Good	97.6
Project Manager	C	Acceptable	93.7

Comparable Scores



The rating is inclusive of the following project audits:

Audit Number	Network Number	Project Name	Score	Re-audit
A-04611	5078421	Pennyroyal Development - Stage 4B	99	
A-04627	5104416	Riverwood Park Estate Stg 6 - <u>Kjalla</u>	68	
A-04125	5084152	<u>Derrimut</u> Road at <u>Leakes</u> Road - Public Lighting	92	
A-04128	5412567	Winter Wonderland Stage 5, Margaret River	76	
A-04612	5078421	Pennyroyal Development - Stage 4B	100	✓
A-04628	5104416	Riverwood Park Estate Stg 6 - <u>Kjalla</u>	92	✓
A-04126	5084152	<u>Derrimut</u> Road at <u>Leakes</u> Road - Public Lighting	98	✓
A-04129	5412567	Winter Wonderland Stage 5, Margaret River	100	✓
A-04613	5078421	Pennyroyal Development - Stage 4B	100	✓

Questions & Answers

