

OPTION 2 IMPROVED AUDIT PROCESS

FREQUENTLY ASKED QUESTIONS

Option 2 Contractor Rating Program

Q. Why are we introducing a Rating System?

A. We currently do not monitor contractor performance and do not have a mechanism for rewarding good performance. By upgrading our auditing tool (Salesforce) this has enabled us to have more flexibility and monitor performance and reward good performing contractors.

Q. When will the Contractor Rating Program be implemented?

A. A three month pilot program will commence on the 18th September 2017 that will give everyone the opportunity to become familiar with the program and will Go Live on the 1st January 2018. During the pilot period all contractors will remain on rating C – Acceptable.

Q. How are ratings calculated?

A. The rating scale calculation is the sum of audits conducted over the last twelve months divided by the total number of audits. Refer Example:

Civil Contractor: 6 audits (over last 3 months) with results of: 98, 97, 96, 95, 89, 99 = $574 / 6 = 96.6$
The rating for this Civil contractor would be “B” = Good Performance

Q. How will performance be measured?

A. On a quarterly basis rating scores will be produced and calculated based on a 12 month rolling average

Q. How will good performance be rewarded?

A. Contractors will be rewarded good performance by reducing the number of projects requiring excavation during the Final Audit Inspection regime.

Q. What will happen if I am a rating D – Under Performing Contractor?

A. Contractor rating results will feed in to the annual review for Recognised Contractors and will be managed via this process and could potentially be “de-listed” from the list.

Q. When will Contractor Ratings/Certificates be sent?

A. Certificates and supporting reports will be sent on a quarterly basis.

Q. How long will the pilot system for the Contractor Rating System run for?

A. The pilot system will run for three months and will commence on the 18th September 2017.

Q. Will ratings be made public?

A. No. Ratings will not be made public or published externally. Each contractor will receive their individual result only benchmarked against the industry average.

Q. What rating will contractors commence on?

A. The rating system will go live on 1 January 2018 and will commence on rating C – Acceptable. Contractors will remain on this rating until the end of Q1 at which time a new rating certificate will be issued that will contain any audit results during this period. If no audits are conducted then contractors will remain on rating C – Acceptable.

Q. How will Developers know what my rating is?

A. The rating results will not be made public. It is expected that the Developer may ask to see a copy of the contractors rating certificate when tendering for projects.

Q. What information will be on the reports I receive?

A. You will receive two PDFs via email attachment. The PDF Rating Certificate is valid for 3 months and communicates your company’s ratings for the Civil Contractor, Electrical Constructor and Project Managers if applicable, for the current quarter’s 12-month rolling period. It will also communicate your rating from the previous quarter’s 12-month rolling period. The Supplementary Data PDF provides your current rating(s) and also compares them to the industry average as well as providing a list of projects that make up your ratings.

Final Audit Inspection Regime

Q. What ratings make up the final audit inspection regime? E.g. which contractors contribute to the regime?

A. The Civil Contractor and Electrical Constructor ratings will determine the level of the final audit inspection regime.

Q. How does the final audit inspection regime work?

A. The combined average rating of the civil contractor and electrical constructor will determine the final audit inspection regime.

Example: If the combined average rating equates to 97 points a “reduced” inspection regime will apply. See below table.

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

Q. What are the excavation parameters and how many excavations would there be on a typical audit?

A. See below table for excavation parameters and the minimum number of excavations required.

Example: If a project has a Kiosk, LV mains cable and HV assets this would be determined as having 3 parameters which would require a minimum of 3 excavations.

Parameter
Kiosk/HV switch cabinet
HV assets (includes future conduits)
LV mains cable related assets
Cable Head Poles (HV/LV)
Project > 30 lots
Public Lighting Projects Only
Public Lighting project only
Public Lighting project > 12 poles

No of parameters	Minimum Excavations Required
5	5
4	4
3	3
2	2
1	1

Q. When are excavations expected to be undertaken?

A. Excavations will be undertaken on the day of the audit. The auditor will advise the excavation points at the commencement of the audit.

Q. Will all audits undergo excavations?

A. Not all audits will be subject to excavations. This will be determined by the Final Audit Inspection Regime calculation.

Q. Will there be a site visit on every audit?

A. Yes. Every audit will receive a site visit however it may not be subject to excavations (dependent upon the Final Audit Inspection Regime).

Q. What do I select if a Permit to Work is not required?

A. When submitting the request, select "NO" in the Permit to Work Section. This will indicate that a permit is not required.

Q. How much notice will I receive if projects do not require excavations (and excavation equipment is not needed on the day of the audit)?

A. When the audit is scheduled you will be advised whether excavations are required.

Q. Am I able to delegate other people to conduct a remote site visit and carry out a Quality Assurance review of the documentation with regard to the PM1/2 declaration?

A. Yes, but overall responsibility remains with the PM1/2

Enhanced Open Trench Audit Process

Q. When will the new process become effective?

A. The new open trench audit process will be effective from the 18th September 2017

Q. What happens to Open Trench Audits that were conducted prior to the 18th September 2017?

A. Any Open Trench Audits that commenced prior to the 18th September 2017 will be subject to the old regime.

Q. What are the additional open trench audit inspection milestones?

A. The additional open trench audit milestones are:

- Road crossing conduit installation during initial road construction earthworks
- Trench and conduit inspection by WE auditor prior to electrical installation (to verify suitability). Previously this was inspected by a WC auditor.

Q. Who should be inspecting the additional audit inspection milestones?

A. A VEDN accredited auditor certifies that ALL civil and electrical assets comply with the Technical Standards and the approved construction drawing plus any approved variations (including all civil and electrical assets).

Q. Who is responsible for co-ordinating and providing the mandatory report items to Powercor?

A. The PM1/2 is responsible for providing all information on the Final Audit Request.

Q. What will happen if the additional information is not supplied?

A. If the required information is not supplied, the audit will be rejected.

Q. How do I turn on GPS locations on my Smart Phone or Android?

A. GPS locations can be enabled on both Smart Phone and Android. To enable follow these instructions:

Smart Phone:

1. Launch the Settings App from either your iPhone or iPad
2. Tap on Privacy
3. Tap on Location Services
4. Tap on Camera
5. Choose While using the app

Android:

1. On most android phones open the camera app and tap on **Settings** then scroll down until you see the option **Geo Tags** (or similar) and enable it.

General Questions**Q. Do these changes apply to Option 1?**

A. Yes. All changes to the Open Trench Audit and Network Final Audit processes will also apply to Option 1.

Q. Will CitiPower/Powercor extend the Contractor Rating System to Open Trench Auditors?

A. At this stage the rating system will only the Civil Contractor, Electrical Constructor and PM1/2 however we will continue to monitor and identify areas for improvement as we go forward.

Q. Will there be any changes to the Design process?

A. The Design team are currently reviewing their processes and are considering whether to introduce a similar contractor rating system for accredited designers and/or cable detailers

Q. Will designers or cable detailers be included in the rating system?

A. At this stage the rating system only applies Civil Contractors, Electrical Constructors and PM1/2 however we are always reviewing our process to determine if improvements can be made.

Q. What will happen if misleading information e.g. fraudulent photographs are knowingly uploaded with a Final Network Audit Request?

A. If it is found that misleading information has been knowingly supplied then the contractor will automatically be “de-listed” from the program and the recognised contractor list for a period of 6 months. Assurance Reviews will also be instigated on current and previous projects. At the end of this period they can choose to re-apply as a Recognised Contractor however they will need to provide evidence of changes to their Quality Assurance process to ensure no repeat performance.

Q. Why has a Walk Away Policy been introduced?

A. The Walk Away policy is not new and has been in place since 2013 when CitiPower/Powercor commenced the Network Final Audit inspection regime however it has not been fully implemented. The expectation is that all QA processes have been undertaken prior to conducting the final audit and the Walk Away Policy has been tightened to confirm that this has occurred. This approach provides clarity to the Option 2 Final Audit process and ensures a consistent approach throughout the industry.

Q. How does the Walk Away Policy work?

A. When the on-site final audit accumulates 10 non-compliance points at any time during the audit it will be ceased and a re-audit will be required. Once this limit has been reached no further inspections will be carried out. The non-compliance points can either be a -10 (major nc) or a combination of medium and/or minor NC's totalling 10 points. An Unapproved audit Report will be issued detailing the non-compliances and a full re-audit will be required.

Q. What is the cost of the re-audit fee?

A. The re-audit fee is \$1004.64 (per re-audit)

Q. Can the list of the non-compliances be shared?

A. The non-compliance listing and relevant scoring is wide-ranging as it not only relates to Option 2 audits but the numerous other audit types that we are involved with. We believe that by circulating

this information will only confuse the industry however we have always been transparent with our NC information and score on all of our Option 2 Final Audit reports.

Q. What is the process for managing disputes?

A. We have always had a challenge process available for any non-compliance raised. If a challenge is submitted by the PM2 with supporting documentation it is reviewed by the auditor and receded if approved. If a challenge is denied and the PM2 feels they still have a case this can be escalated to the Field Audit Team Leader or Field Audit and Quality Manager for review.