

Contestable Works (Option 2) Contractor Rating Program

With two new incentive schemes

June 2021



Our commitment | We are committed to continuous improvement and exceeding customer expectations

- During the previous 18 months we have engaged with industry and our stakeholders
- We have listened to the feedback provided and sought guidance on how we can meet our customer expectations
- Through our consultative process we have identified improvement opportunities that can make a real difference
- We have designed a new process that can ensure quality and safety whilst achieving customer outcomes more swiftly
- The new Contractor Rating program will result in a faster turnaround at final audit, fewer excavations and minimal on-site disruption; leading earlier consent to SoC

Overview | Improvements & changes have been made to the Contractor Rating Program

■ Following on from the successful implementation of the new Worksite Inspection Report we can now advise the changes and improvements that have been made to the Contractor Rating program, including two incentive schemes

- The new Contractor Rating Program includes two contractor types being the **PM1/2 and the VEDN Audit Company**
- Electrical Constructors and Civil Contractors are no longer required to participate in the scheme as the new Worksite Inspection Report has additional accountability with the VEDN Audit Company and PM1/2
- The VEDN Audit company will now be allocated non-compliances associated with the electrical and civil components of the project ('as built' detailing and design non-compliances will remain allocated to those areas)
- **Two Separate incentive schemes** will apply to both contracting companies
- The program will be introduced on the **1st July 2021** allowing for a three month implementation period to gather audit result information
- All Contractors will commence with an **"Acceptable" (rating B) on 1st July 2021**
- The Contractor Rating Program will then re-assess ratings and will **Go Live on 1st October 2021**
- The first rating certificate under the new scheme is expected to be issued mid October 2021 and subsequent ratings will be issued each quarter thereafter

Contractor Rating Program | Enabling a quicker final audit result with reduced on-site disruption

What has changed?

- Civil and Electrical Contractors are no longer required to participate in the program
- PM1 & PM2's will remain in the program
- Simplified the Audit Score & criteria
- Auditing regime improvements e.g. reduced excavations
- Two separate incentive schemes apply however in order for a PM1/2 to be eligible for their incentive scheme they must be working with an A or B rated VEDN Audit Company

What is new?

- VEDN Electrical Audit companies are now included in the Contractor Rating program
- All civil & electrical NCs will be allocated to the VEDN electrical audit company
- New audit regime based on performance
- "A" rated PM1/2's are eligible for early consent to SOC scheme
- Under-performing contractors will be subject to an enhanced audit regime

What are the benefits?

- A & B rating VEDN Electrical audit companies will be eligible for a reduced audit regime & no excavations
- Greater flexibility as auditing appointments not required for "reduced" audit regime
- No requirement for an Approved Final Audit as a pre-condition to consent to SOC
- New process is aligned to Council Engineering issuing of Practical Completion
- Reduced re-audits and non-conformances resulting in a quicker approved final audit being issued

Overview | Improvements & changes have been made to the Contractor Rating Program

- The rating program will incentivise high performing contractors, resulting in a flexible final audit regime including no excavations and removing the requirement for an “Approved” final audit as pre-condition to consent to SoC

Incentive Scheme 1 – Electrical Project Manager

Proficient – A Rating

- Application for early SoC can be made once a Network Final Audit has been scheduled as long as all other terms and condition for applying for early SoC must be met
- No requirement for an Approved Final Audit report as a pre-condition to applying for SoC
- Electrical PM1/2 must be working in conjunction with an A or B rated VEDN Audit Company for that specific project

Acceptable – B Rating

- Subject to an annual Recognised Contractor List (RCL) Review

Deficient – C Rating

- Subject to bi-annual RCL review including Performance Strategy

Substandard – D Rating

- Subject to a quarterly RCL review & must use an independent VEDN Audit Company

Incentive Scheme 2 – VEDN Audit Company

Proficient – A Rating

- 70% - Reduced Audit Regime
- 30% Normal Audit Regime

Acceptable – B Rating:

- 40% Reduced Audit Regime
- 60% Normal Audit Regime

Deficient – C Rating:

- 90% Normal Audit Regime
- 10% Enhanced Audit Regime

Substandard – D Rating:

- 100% Enhanced Audit Regime (with additional inspections and site excavations)

Electrical VEDN Auditor Service Provider | Final Audit Inspection Regime

Audit Regime	Audit Booking Required	Audit Process
Reduced	* No	<ul style="list-style-type: none"> ➤ Desktop & reduced audit ➤ Above ground inspection ➤ No mechanical excavations
Normal	Yes	<ul style="list-style-type: none"> ➤ No change ➤ As per current practice
Enhanced	Yes	<ul style="list-style-type: none"> ➤ Increased sample size ➤ Additional excavations

* Audit booking will still be made when where traffic management or other access considerations may be required

Electrical Project Manager 1/2 | Rating System Overview

Rating	Audit Score	Performance Incentive	Final Audit Inspection Regime Requirements
Proficient A	> 92	No requirement for an Approved Final Audit as a pre-condition to consent to SoC	Removal of this pre-condition relies on working in conjunction with an A or B rated VEDN audit service provider
Acceptable B	86 - 91	Subject to annual Recognised Contractor List review	Must use a VEDN approved service provider
Deficient C	80 - 85	Subject to biannual Recognised Contractor List Review. Performance Improvement strategy to be provided	Consideration should be given to using independent VEDN audit service provider
Substandard D	< 80	Subject to quarterly Recognised Contractor List Review for suitability to provide services within CP/PAL	Must use an independent VEDN audit service provider

Electrical VEDN Audit Service Provider | Rating System Overview

Rating	Audit Score	Audit Allocation	Performance Incentive Audit Regime
Proficient A	>92	70% 30%	Reduced Normal
Acceptable B	86 – 91	40% 60%	Reduced Normal
Deficient C	80 – 85	90% 10%	Normal Enhanced
Substandard D	< 80	100%	Enhanced

Final Audit Inspection Regime

Audit Regime	Audit Booking Required	Audit Process
Reduced	* No	<ul style="list-style-type: none"> ➤ Desktop & reduced audit ➤ Above ground inspection ➤ No mechanical excavations
Normal	Yes	<ul style="list-style-type: none"> ➤ No change ➤ As per current practice
Enhanced	Yes	<ul style="list-style-type: none"> ➤ Increased sample size ➤ Additional excavations

Summary:

1. Allows flexibility when scheduling audits as appointments for A Rating VEDN Auditor Service Providers will no longer be required as no excavations
2. Review inspection regime after 6 months
3. * Audit booking will still be made when traffic management or other access considerations are required