



Highway Maintenance Quality Plan and Contractor Assessment Program Manual

Highway Maintenance Agreements
(2018-2019)



Ministry of
Transportation
and Infrastructure

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Manual Update Record

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NOTE: The latest version of Monitoring Records, Audit Forms, Non-Conformance Reports and Log, Opportunity for Improvement Report and Log, Contractor Assessment Reports and the Stakeholder Assessment Report and other form and examples are provided within the Ministry’s Intranet Site: <http://gwww.th.gov.bc.ca/RMB/maintenance/index.aspx>

Glossary

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| Audit or Audit Report | Document outlining the attendees at the audit, the purpose of the audit, summarizing the documents reviewed and the findings; may include recommendations and/or identify non-conformances issues and Opportunities for Improvement; may also include photographs; used to support the assessment of the Contractor's performance. |
| Auditing | Systematic examination of the Contractor's records and of the infrastructure to determine whether the Contractor is meeting the contractual requirements and whether the Contractor's performance meets the CAP Authorization Certificate criteria. |
| Basic Contract Requirements | Clear, measurable requirements in the Highway Maintenance Agreement ("the Agreement"). For example, Performance Measures, response times, material requirements, reporting requirements etc. Not included are those requirements that are less tangible, e.g., addressing the needs of customers/stakeholders, continual improvement, partnering, etc. |
| CAP Authorization Certificate | A CAP Authorization Certificate will be issued annually, and will include each assessment period the Contractor is determined to be in compliance with the Basic Contract Requirements. The issuing of the CAP Authorization Certificate confirms the Contractor is eligible for CAP Payment consideration. It is compiled by the local District as a summary of the performance for a given year, with an interim report for the first assessment period. The certificate is the Contractor's invitation to provide a CAP Payment Submission, to be evaluated for a CAP Payment. |
| Compliance Question | Audit question aimed at determining whether the Contractor is meeting Basic Contractual Requirements. |
| Contractor's Annual CAP Rating | <p>The Contractor's Annual CAP Rating will be comprised of:</p> <ul style="list-style-type: none">• Local Assessment: CAP Payment components (weighted 45%)• Stakeholders Assessment: CAP Payment components (weighted 20%)• Provincial Audit Assessment: CAP Payment components (weighted 20%)• CAP Payment Submission evaluation (weighted 15%) <p>The Contractor's Annual Cap Rating will be used to determine the amount of the CAP Payment</p> |

Contractor Assessment
Program (CAP)

Method of assessing whether the Contractor's performance has:

- Generally met the Basic Contract Requirements via the Local Assessment
- Meets the requirements of the Stakeholder Assessment
- Meets the requirements of the Provincial Audit Assessment

Contractors satisfying Basic Contract Requirements will receive a CAP Authorization Certificate.

Contractor Assessment
Program Payment (CAP
Payment)

The CAP Payment is to recognize and reward Contractors who provide a level of service beyond that required by the Agreement. This can be in the areas of:

- Exceptional Service Delivery
- Ministry and Stakeholder Relations
- Community Involvement and Integration

The amount of the CAP Payment is based on an assessment of the Contractor's enhanced performance through the Contractor's Annual CAP Rating. The maximum CAP Payment is 2% of the Contractor's annual price, prorated for the timeframe of the assessment (may include seasons of two contract years) and payable once a year. Scores less than 80% will earn a lower, prorated CAP Payment.

Contractor Assessment
Program Payment
Submission (CAP Payment
Submission)

Contractors issued a CAP Authorization Certificate will be invited to provide a submission applying for the CAP Payment, for any eligible assessment periods. The CAP Submission is optional - Contractors can elect to not provide a submission. The CAP Payment Submission will be evaluated and assigned a score for the CAP Payment Submission. The score will be tallied with other CAP components to determine the Contractor's Annual CAP Rating. The Contractor's Annual CAP Rating will determine the amount of the CAP Payment.

Contractor Assessment
Program Payment Questions

An element of the Local Assessment, Stakeholder Assessment and Provincial Audit, these questions are aimed at determining whether a Contractor's performance demonstrates evidence of enhanced services (performance above and beyond contract requirements). Results of these questions are considered, with the CAP Payment Submission, in determining the Contractor's Annual CAP Ratings, and thus, the CAP Payment for the year.

Contractor CAP Payment
Submission Evaluation

The Contractor's CAP Payment Submission will be evaluated and scored based on a set of criteria. Initially these submissions will be evaluated by the District Manager, Transportation and the District Operations Manager. The evaluation will be subject to a consistency review by a provincial team. This evaluation is one of the four components of the Contractor's Annual CAP Rating.

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| Contractor Report Task Audit | Audit to assess the timeliness and completeness of the Contractor's reporting obligations as stated within the Agreement. |
| Correction | As it relates to non-conformances, how the Contractor must deal with non-conforming work, e.g., if a sign is incorrectly placed, what action must be taken to rectify the situation. |
| Corrective Action | As it relates to non-conformances, how the Contractor will ensure that the problem will not be repeated in the future, e.g., signs not incorrectly placed in the future. |
| Detailed Post Storm Audit | Audit to assess the Contractor's handling of the clean-up phase of a storm. Includes all performance measures associated with this phase, for example: sidewalk snow removal, storage area cleanout, site distance clearing, drainage appliance cleanouts. Storms may be snow, ice, wind or rain events. The audit is used to confirm whether the Contractor is following their Quality Management System. Conducted primarily in the field but may also have an office component. |
| Detailed Process Office Audit | Comprehensive audit conducted in the office; usually focuses on all aspects of a given activity (e.g., patching or bridge deck maintenance) or a given process (e.g., stakeholder consultations). A detailed process audit typically takes 3–4 hours and comprises 10–15 questions. |
| Detailed Winter Preparedness Office Audit | Comprehensive audit of the Contractor's state of readiness for providing effective and efficient winter maintenance services. Typically takes 3–4 hours and comprises 18–22 questions. |
| District Lead Auditor | The function of District Lead Auditor is typically performed by the District Operations Manager responsible for a Service Area. The District Operations Manager is responsible for ensuring the Monitoring and Auditing activities in the Service Area are conducted in accordance with the Local Audit Plan and the Highway Maintenance Quality Plan. Specifically, Monitoring and Auditing is adequate, and these activities are properly documented. The District Operations Manager is also responsible for ensuring that the Local and Stakeholder Assessments are completed, defensible and documented. The role of District Lead Auditor may be delegated to other qualified persons. |
| Emergency Response Audit | Audit to assess the Contractor's handling of an emergency event (motor vehicle incident, flood, fire, slide, etc.) The audit will collect evidence to show compliance and evidence to support the CAP Payment criteria. |

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| End Process (EP) Field Audit | Field Audit conducted to review the quality of the work on the road/structure, to determine compliance with contract requirements and to verify the effectiveness of the Quality Management System process(es). |
| Field Audit | A Short Response Time (SRT), In-Process (IP), End Process (EP), Snow and/or Ice (S&I), Detailed Post Storm Audit (DPS), and Salt Handling (SH) Audit and includes completion of a Field Audit report. The roads/sections and structures are selected by the auditor who will consider factors such as the road network, the priorities in the Service Area, the time of year, the Contractor's work accomplishments and Trends from the Monitoring. |
| Highway Maintenance Quality Plan (HMQP) | <p>Monitoring and Auditing activities conducted by Ministry staff at the local and provincial levels, the results of which are used to support the assessment of the Contractor's performance.</p> <p>The District administers the Local Audit Plan and Monitoring activities and compiles the Local Assessment and the Stakeholder Assessment. The District also performs the Contractor CAP Payment Submission Evaluation.</p> <p>Maintenance Branch oversees the Provincial Audit process and the Contractor CAP Payment Submission process.</p> |
| In-Process (IP) Audit | Field Audit to review how work is being done on the road/structure, to determine compliance with contract requirements and/or the Quality Management System (usually procedures). |
| Interim Report | The Interim Report is compiled by the District Operations Manager at the end of the first assessment period of the year. Typically, the Interim Report will be comprised of preliminary results from the Local Assessment and the Stakeholder Assessment. |
| Local Assessment | The Local Assessment is the District's input into the assessment of the Contractor's performance. It is based on the results/observations from the Monitoring and Auditing activities conducted by the District throughout the assessment period. It is also based on the ongoing communication/relationship between the District and the Contractor and the Contractor and the communities in the Service Area. This assessment is one of four components of the Contractor's Annual CAP Rating. |
| Local Audit | Audit performed by the District; can be a Field Audit or an Office Audit. |

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| Local Audit Plan | Document prepared by each District Operations Manager outlining the audits to be completed in an assessment period; helps ensure that the required number and types of audits are scheduled and that all elements required to assess the Contractor are adequately covered over the assessment period. |
| Monitoring | Ongoing visual observation by Ministry staff, primarily by Area Managers, of the condition of the highway and its associated inventory. Monitoring activities are documented. Structure inspections are also considered routine Monitoring. |
| Monitoring Record | Summarizes observations during Monitoring, both positive and negative, of the condition of the highway and/or inventory; includes photographs whenever possible; used to support the assessment of the Contractor's performance. |
| Non-Conformance Report (NCR) | Report issued by the Contractor or the Ministry outlining the Contractor's failure to comply with one of the contractual obligations. |
| Office Audit | Audit done in the Contractor's office to review documentation and discussion based on Trends identified through Field Audits and routine Monitoring, as well as compliance with the Quality Management System. Office Audits may be Task Audits or Detailed Process Audits. |
| Opportunity for Improvement (OFI) | Report issued by the Ministry outlining an imminent risk of failure to a process. Typically, something which could potentially result in a non-conformance but has not yet reached that point. |
| Provincial Assessment | The Provincial Assessment provides a broader perspective to the assessment of the Contractor's performance and is based on the results/observations from the Provincial Audit. This is one of four components of the Contractor's Annual CAP Rating. |
| Provincial Audit | Audit performed by a Ministry Provincial Audit team to provide a second, independent assessment of Contractor performance. The Provincial Audit team also reviews the Local Audit Plan and offers an outside perspective where changes to the Monitoring, Audits and records would assist with administering the Agreement or help with assessing the Contractor's performance. |

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| Provincial Lead Auditor | The function of a Provincial Lead Auditor is typically performed by a District Operations Manager from another Service Area. The Provincial Lead Auditor is responsible for ensuring the Provincial Audit is conducted in accordance with Provincial Audit package instructions, and that the assessment is completed, defensible and documented. The role of Provincial Lead Auditor may be delegated to qualified persons. |
| QC/QA | Quality Control/Quality Assurance |
| Root Cause | Underlying reason why something occurs. An effective Root Cause outlines the failure of a process or system, generally not a person or equipment failure |
| Salt Handling (SH) Audit | Field Audit to assess the Contractor's salt handling practices or compliance to their Environmental Management Plan. |
| Short Response Time (SRT) Audit | Field Audit conducted on a 20 km segment of highway or a 10 km segment of freeway to determine if the Contractor is meeting the response times on deficiencies with a response time of 7 days or less. |
| Snow and/or Ice (S&I) Audits | <p>Audits of the Contractor's management of a snow and/or ice event to confirm whether the Contractor is meeting contractual requirements and following their Quality Management System. Includes pre-storm preparations, operations during the event and actions after the snow and/or ice event.</p> <p>There are 3 types:</p> <ul style="list-style-type: none"> • Detailed Process Snow and/or Ice (S&I) Field Audit • Minor Task Snow and/or Ice (S&I) Field Audit • Major Task Snow and/or Ice (S&I) Field Audit <p>See details of each Audit in the main section of document.</p> |
| Stakeholder Assessment | Provides public input into the assessment of the Contractor's performance. The Stakeholder Assessment is based on discussions, led by the District Operations Manager, with a group of local stakeholders, around their observations and dealings with the Contractor over the assessment period. This feedback may inform the Local Assessment for compliance matters. May also include an assessment of compliance to the requirements of the Communication Specification, which will inform the Local Assessment. May also include verification of outcomes of public communications records received by the Contractor or by the Ministry. This assessment is one of four components of the Contractor's Annual CAP Rating. |

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| Task Office Audit | Short audit conducted in the office; usually focuses on QC/QA, material certification, response times or CAP Payment criteria. A task audit typically takes ½ hour to an hour and comprises 1–3 questions. |
| Trend | Tendency noted through routine Monitoring and Field Auditing of consistently meeting or not meeting Basic Contract Requirements. |

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1 Highway Maintenance Quality Plan

1.1 Overview

The Highway Maintenance Quality Plan (HMQP) and the Contractor Assessment Program (CAP) work together to ensure the Contractor is meeting or exceeding the basic requirements of the Highway Maintenance Agreement (“the Agreement”), delivering high quality services throughout the province, through effective use of their Quality Management System (Quality Management System).

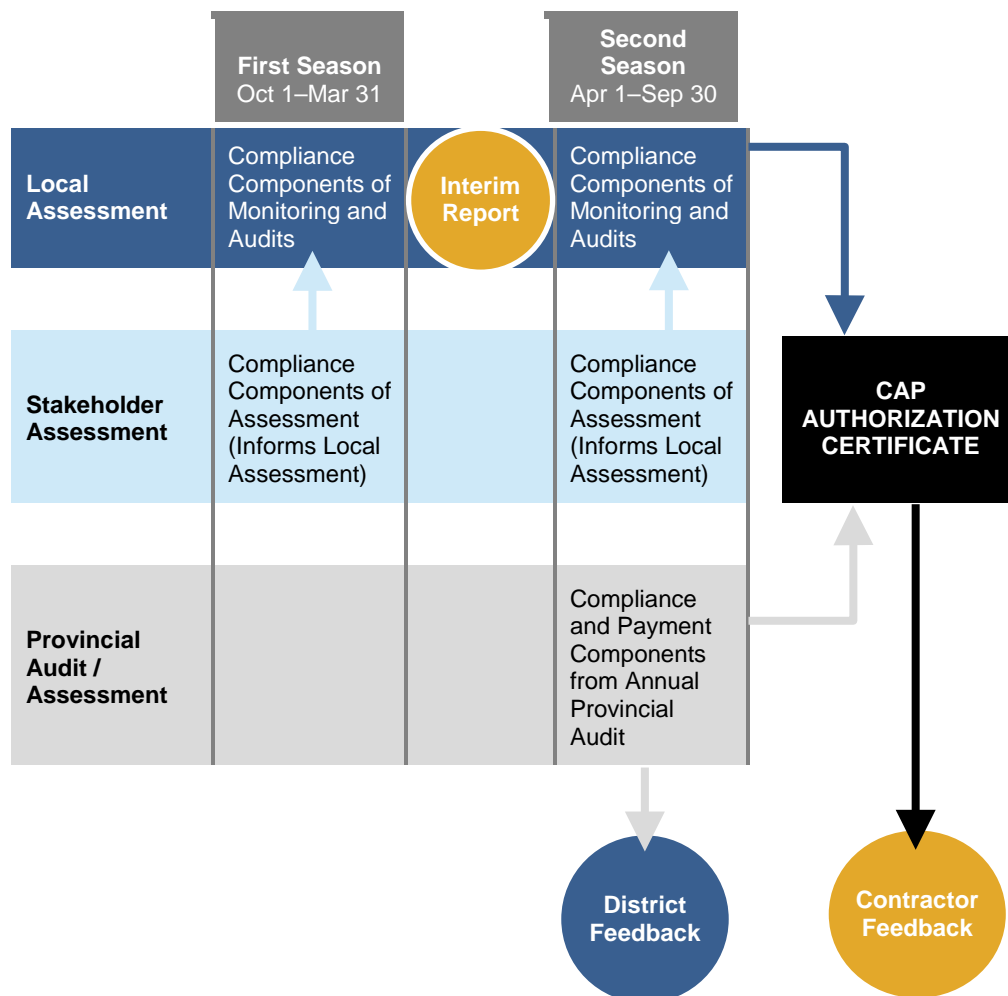
The primary purpose of the Highway Maintenance Quality Plan is to verify compliance to the specifications and contractual obligations outlined in the Agreement. The secondary purpose is to capture evidence which will support the Contractor’s Annual CAP Rating and possibly a CAP Payment.

The Local Assessment component of the Highway Maintenance Quality Plan monitors the day to day performance of the Contractor in the field, as set out in the Agreement, with a focus on Schedule 1 - Specifications and the associated Performance Measures, as well as their relationships with the Ministry and within the local communities. This includes field Monitoring of Contractor's response to on-going road conditions and auditing processes within the Contractor's Quality Management System.

The Stakeholder Assessment component of the Highway Maintenance Quality Plan captures feedback regarding local stakeholder's experience on the roads and any interactions they have with the Contractor in their local community. For the compliance component, this information is used to inform the Local Assessment process. Evidence captured regarding enhanced services is primarily used to support the Contractor's Annual CAP Rating.

The Provincial Audit and Provincial Assessment component is focused on rating the Contractor's performance, in context of the service being provided across the province.

Figure 1-1: Overview of Highway Maintenance Quality Plan



1.2 Highway Maintenance Quality Plan Components and Activities

Within the 2018-2019 Highway Maintenance Agreements, Contractors have the main responsibility for ensuring quality of services. They are required to manage the work in accordance with a Quality Management System based on the principles of the International Organization for Standardization (ISO) applicable standards. Contractors are required to maintain records to demonstrate compliance with the Agreement; they are also required to have a quality control and a quality assurance program, and to maintain records to demonstrate compliance with their program. They must continually review the effectiveness of their program and the level of satisfaction of the Ministry of Transportation and Infrastructure (may also be referred to as “the Ministry” or “MOTI”) and stakeholders. The adjustments made as a result of these revisions must also be documented.

The main objective of the Highway Maintenance Quality Plan is to confirm, through Monitoring, Auditing and communicating, that the Contractor is meeting the requirements of the Agreement on a daily basis and is within the service expectations of the Ministry.

1.2.1 Local Component of the Highway Maintenance Quality Plan

The Local Assessment component of the Highway Maintenance Quality Plan reviews the performance of the Contractor in the field, as well as their relationships with the Ministry and local communities. It is undertaken by the District Operations team, under the direction of the District Operations Manager. This utilizes the Monitoring Records from the field as well as the Audits of the field and office. These records are the foundation of the Local Assessment component of the CAP process.

The Local Assessment is ongoing however the outcomes of this assessment are split out to two assessment periods (October 1 to March 31 and April 1 to September 30). An Interim Report on the Contractor’s Performance will be issued and discussed with the Contractor at the end of the first assessment period. The Interim Report will be comprised of feedback from the Local Assessment and the Stakeholder Assessment. The District Operations Manager is responsible for compiling the records and evidence for the Interim Report and annual Local Assessment. The Interim Report must be completed by May 15 each year. The annual Local Assessment is to be completed by September 30 of each year.

The Local Assessment will provide a pass/fail recommendation for the issuing of the CAP Authorization Certificate. The evidence must support issuing the CAP Authorization Certificate, or the reasons for not issuing the Certificate.

Through daily interactions with the Contractor, documented Monitoring and Auditing, local District staff shall be able to confirm that the Contractor is generally meeting the Basic Contract Requirements. The local District team will also know if there are any forms of intervention in place during the assessment period. Basic Contract Requirements determine whether the Contractor’s performance warrants issuing the CAP Authorization Certificate.

The District Operations Manager is responsible for scheduling Monitoring and Audits in accordance with the Local Audit Plan. The District Operations team undertakes the Monitoring and Audits in accordance with the Local Audit Plan. These records are the foundation of the Local Assessment component of the CAP process, as they will verify compliance.

The Local Audit Plan also includes questions which provide evidence to support and rate the Local Assessment portion of the Contractor's Annual CAP Rating and the CAP Payment.

This manual describes in detail the types and frequencies of Monitoring (Section 1.3) and Auditing (Section 1.4) by the Ministry.

1.3 Monitoring

Monitoring is the ongoing visual observation by the District Operations team of the condition of the highway and its associated inventory. Monitoring is useful to confirm audit findings and to draw attention to potential Contractor performance issues.

A Monitoring Record is the present state observation of a specific spot or segment of road with respect to the extent of, or lack of, maintenance present, or a change to the condition of the inventory, and gives an indication of the Contractor's performance.

Monitoring Records can be:

- Present state observation for a road segment:
 - Include positive and negative observations
 - i.e., Highway 16 has hills and curves sanded within timeframe requirements between Upper Fraser Road and Smith Ski Hill
 - Observation of deficiency either in a spot or segment of road.
 - i.e., sign down at the corner of Scott Road and Buckhorn
 - Observation of rectification of a deficiency on a spot or segment of road
 - i.e., sign repaired at the corner of Scott Road and Buckhorn

All Monitoring Records need to consist of the following information as a minimum:

- Date
- Time
- Highway or road number
- Highway or road name
- Maintenance class
- Maintenance activity or activities name(s) and number(s)
- Inspection type (In-Process, End Process, Present State)
- Observed road conditions
- Observed weather conditions
- Detailed description of observed road condition, clearly stating what maintenance activities are being observed or are not present and whether the condition is within specification, not within specification or an item which needs response (i.e., an item requiring correction, but within response time.
- Author of record

If certain fields are not pertinent to the Monitoring Record, they can be marked as Not Applicable (N/A). For example, if the Monitoring Record is being used to document a sign needing repair, Observed Road Conditions and Observed Weather Conditions may not be relevant and can be marked as N/A.

In addition, depending on the assessment period and the type of activity being monitored, other data may be collected (e.g., pavement temperature, air temperature, locational information or GPS Coordinates). Photographs and other observations should also be captured as part of the Monitoring Record if required.

Data input needs to be consistent, so Provincial reporting can utilize the same data from across the province. Districts may collect the data in the manner which best suits their Service Area, however consistent data field attributes and details of capture is required for consistency across the province.

Monitoring is done primarily by Area Managers as they drive through the Service Area in the course of performing their normal duties. However, all District staff should be encouraged to report any observations to the District Operations Manager or to an Area Manager for follow up.

Monitoring activities are fully documented, positive or negative. If a deficiency with an immediate response time is detected through Monitoring, (e.g., slippery roads or a missing stop sign), the District notifies the Contractor immediately. Otherwise, Monitoring Records are filed and reviewed periodically (typically monthly) for the emergence of problems or Trends and are used as input into the audit process.

The focus of the Monitoring is determined by the road network, the priorities in the Service Area as well as the Contractor's work schedule. All Monitoring activities must be documented; both positive and negative observations are recorded.

The level of Monitoring is at the discretion of the District Operations Manager, but will necessarily be influenced by the Contractor's performance, with efforts increasing at times when Trends of non-conformance are evident and decreasing when the Contractor is performing well.

The District Operations Manager will determine an overall plan for monitoring the Contractor's work. This plan will determine the details of the monitoring (i.e., hours, frequency, subjects or topics for observations, the roads, routes and range of the inventory to be monitored per record, etc.). Other factors effecting the level of Monitoring include the time of year, status of Contractor's activities, and any special or emerging areas of concern about quality. However, at a minimum, the District Operations Manager will ensure a sufficient level of monitoring is being undertaken, with an overall minimum of 100 Monitoring Records per Service Area, per assessment period. If there are extenuating circumstances which would prevent achieving this number, such as staff vacancies, the District Operations Manager should contact Maintenance Branch to request assistance or to formally request an amended target level of monitoring records.

There is no overall maximum for Monitoring Records established. The District Operations Manager will determine if evident Trends or issues of non-compliance require more scrutiny of the Contractor's performance and will adjust the monitoring effort accordingly. If the District Operations Manager feels it is required, they can request assistance from

Maintenance Branch or another Service Area, in order to increase monitoring and auditing efforts, and/or to get an independent assessment of the Contractor's performance.

It is recommended the District Operations Manager meet on a regular basis with staff involved in Monitoring to review the records for any evidence of Trends (both positive and negative). All Trends, both positive and negative, must be discussed with the Contractor in a timely manner (i.e., at least on a monthly basis). This sharing of information assists the Contractor with their continual improvement process.

The District Operations Manager will also meet on a regular basis with the District Manager, Transportation to share information about emerging trends and potential issues concerning the Contract's operations and their ability to meet the Basic Contract Requirements.

Bridge Area Managers document many observations through annual structure inspections. This information does not need to be duplicated in the Monitoring Records but does need to be incorporated into the District's analysis of Trends.

1.3.1.1 Monitoring Records – Review for Compliance

A Contractor may still be considered as meeting the Basic Contract Requirements with documented items which are technically out of specification, but have any of the following conditions:

- Further monitoring noted the items were corrected within timeframes or as agreed to by District operations staff.
- The items are limited to an event or time and/or were not predictable in nature.
- The items are non-safety related and have minimal impact to the lifespan of Ministry Infrastructure.
- Items are addressed under quantified maintenance services up to the volume allocated within the plan. The Contractor has advised the District that the quantities for this item have been met for the given assessment period. The Contractor continues to monitor the condition of the defect and has discussed a priority approach for scheduling the required repair.
- The Contractor has issued a correction based on an internal audit and dealt with the issue effectively.
- The Contractor has been directed by the Ministry to respond on other issues, conditions or events, which would preclude meeting the Basic Contract Requirements.
- The out-of-specification condition is related to an extraordinary weather event or condition. In this instance, follow up by the District Operations team should be done to confirm the Contractor had an acceptable level of resources deployed to address the event.

1.4 Auditing

The purpose of Auditing is to determine whether the Contractor is meeting the obligations of the Agreement and how the Contractor is performing in relation to requirements of the CAP Authorization Certificate.

Auditing is the systematic examination by the Ministry of the Contractor's records and of the work on the road, to:

- 1) determine whether the end process and end process/product meets the contractual requirements, and
- 2) confirm whether the Quality Management System is effective and accurately describes the process to achieve the end process/product. Audits are performed by District Operations teams and Provincial Audit teams.

When performing audits, the focus should be on whether the Contractor's system is delivering a quality service on the road and/or meeting the needs of the Service Area. The objective is not only to determine whether the Quality Management System is being implemented as designed, but, more importantly, to determine whether the system is adequate; i.e., it is achieving the desired result. If the Quality Management System does not align with the intent and the requirements of the Agreement, it is the Contractor's responsibility to make the necessary adjustments. The In-Process Field Audit lends itself particularly well to determining whether the Quality Management System is effective.

Audits will provide evidence of whether the Contractor performs in relation to the Basic Contract Requirements and the Contractor's Annual CAP Rating criteria. Audits involve a review of the Contractor's documentation and/or interviews with the Contractor's staff to verify compliance with the contract requirements, as well as a physical inspection of the work on the road. Ministry auditors conduct two types of audits. Audits are a combination of Field Audits and Office Audits.

The Contractor is informed of the results of all audits.

Initial Audit frequency will be based on the assumption of compliance. The number of audits will be adjusted within the assessment period for contractors who are found to be non-compliant.

The onus is on the Contractor to provide evidence they have rectified identified non-compliances, through corrections and adjustments to their Quality Management System and by follow-up internal audits. If the Contractor does not resolve the non-conformance to the satisfaction of the District Operations Manager, the following strategies may be applied:

- Each non-compliant issue may warrant another audit on the same activity to be completed at a later date, within the same assessment period (audits increase at 1:1 ratio for non-compliance).
- If a Contractor gets two non-compliant audits for the same activity within the same assessment period, the Contractor may have an additional detailed process audit completed on the non-compliant activity.
- Alternatively, the District Operations Manager may issue a Non-Conformance Report and allow the Contractor to self-assess performance, determine root causes and provide correct actions. The Non-Conformance Report can be audited at a later date and checks made to determine if the non-compliance has been resolved.

1.4.1 Local Audits

1.4.1.1 Local Audit Plan

At the beginning of each assessment period, the District Operations Manager prepares a Local Audit Plan. The Local Audit Plan should reflect the needs of the Service Area and the predominant weather type for the assessment period. The Local Audit Plan should also consider the relative value of the various activities within the Quantified Maintenance Services Plan, with focus on higher value or higher volume activities. The Local Audit Plan is not shared with the Contractor.

When developing a Local Audit Plan, the District must include a good cross-section of activities and take into consideration the priorities in the Service Area and the Contractor's work plan. Ultimately, the District needs to ensure that the Local Audit Plan for the assessment period allows for an overall assessment of the Contractor's performance. The Local Audit Plan should provide evidence for determining compliance for the issuing of the CAP Authorization Certificate. It should also provide supporting evidence for the Contractor's Annual CAP Rating.

Some items may appear more than once in the plan. In fact, this is recommended for the 'top priority' activities in a Service Area. For example, grading may be a high priority in a rural Service Area, if it represents a large portion of the quantified work plan each summer. In the Lower Mainland, the priority may be traffic control/patrol or highway incident response.

A Local Audit Plan:

- reflects Service Area priorities
- ensures a good cross-section of the contract will be audited over the term of the contract
- facilitates the assessment of the Contractor
- includes a combination of Field Audits and Office Audits
- reflects the appropriate activities for the predominate weather for the assessment period
- is representative of the local inventory (roads and structures)
- meets the requirements of the Highway Maintenance Quality Plan.

1.4.1.2 Types of Local Audits

The Ministry conducts two types of Local Audits:

- Field Audits
- Office Audits

Local Audits can be undertaken in any assessment period, and the number and type of audits will reflect the dominant weather characteristics of the Service Area. Audits are performed by the District Operations team, under the direction of the District Operations Manager. Audits are performed by one to three auditors and the results reviewed by the District Operations Manager.

Before conducting a Field Audit, the auditor should refer to the Local Audit Plan and consult with the District Operations Manager to clearly identify whether the Field Audit will be focused on short response times, in-process or end process. The auditor should also discuss the selection of the site to be audited.

When selecting the topic and location of Field Audits, the District Operations Manager must consider the time of year, the activities being performed or planned by the Contractor, Service Area priorities and emerging Trends identified through Monitoring. A balance must be struck between positive and negative Trends. The District Operations Manager must also ensure a representative cross-section of the roads/structures and a representative cross-section of activities are audited over the course of the assessment period and over the course of the contract term.

The District should generally give notice to the Contractor that a Field Audit is being conducted. Advance notice is not provided when performing Short Response and some End Process field audits. The exact location of the audit is not always revealed if notice is given. When conducting an In-Process Field Audit, the auditor must provide notice to the Contractor that staff may be questioned. Care must be taken when subcontractors or new employees are performing the work. The Contractor may wish to have the Quality Manager, or another company representative attend these audits.

It is strongly recommended that at least one each of the Snow and/or Ice, Detailed Post Storm, Salt Handling, Short Response Time, In-Process and End Process Field Audits be completed jointly with the Contractor each winter activity season or when there has been staff turnover at the area manager/foreman level. This will assist both parties in understanding the process. See note under the Short Response Time Field Audit regarding audits with Contractors.

The auditor always provides a copy of the findings to the Contractor within five working days of completing the audit. This allows the Contractor to have an opportunity to discuss the findings in a timely manner.

1.4.1.3 Short Response Time Field Audits (SRT)

The purpose of the Short Response Time Field Audit is to confirm whether the Contractor is meeting the response times on deficiencies with a response time of 7 days or less.

These audits are conducted in two phases, using the form and the checklist.

The auditor selects a 20 km segment of highway, or a 10 km segment of freeway. The auditor travels the segment in one direction only, however, may pick up deficiencies on the entire road.

A segment may be:

- a contiguous stretch of highway of the same class
- a contiguous stretch of highway with different classes
- a non-contiguous stretch of highway of the same class
- or a non-contiguous segment of highway with different classes.

It is not recommended that classes of highway with vastly different patrol frequencies be combined in one segment.

Phase 1 comprises of driving slowly along the segment, sometimes getting out of the vehicle to measure or get a closer visual confirmation (e.g., stopping at a rest area or pedestrian underpass, measuring a pothole), and recording only deficiencies that have a response time of 7 days or less that the Contractor needs to address. Essentially, this is a windshield survey of road conditions. It is not intended that all inventory items along the segment will be examined in detail.

The deficiencies identified in Phase 1 are limited to those listed on the checklist. The auditor does not record deficiencies that carry a response time of greater than 7 days as part of this audit. The auditor, however, may create a Monitoring Record.

The auditor verifies the response time for each deficiency on the checklist (which are taken directly from the Maintenance Specifications and Performance Measures), taking into consideration the Contractor's last schedule patrol on the given segment. The auditor advises the Contractor immediately of all deficiencies that carry a response time of 24 hours or less (e.g., a downed regulatory sign). The Contractor is not advised of the other deficiencies (after Phase 1)

During Phase 2 of the audit, the auditor follows up on all (100%) of the deficiencies identified in Phase 1.

During Phase 2, the auditor (or another auditor) confirms if the deficiencies have been addressed. The timing of Phase 2 must take into consideration the patrol frequencies for the Class of road where the deficiencies were identified. For example, Phase 1 (on a Class 2 highway) identifies one deficiency with a 3-day response time and 2 with a 24-hr response time. The patrol frequency on Class 2 is 24 hrs. Therefore, it is reasonable to allow 24 hours + 3 days to respond to all the deficiencies. Phase 2 should be scheduled 5–6 days after Phase 1.

It may not always be necessary for the same auditor to physically drive the segment to complete Phase 2. The auditor may rely on another auditor to drive the segment, who will rely on Monitoring Records and/or other information sources to determine whether the deficiencies were addressed by the Contractor.

If Phase 2 reveals some deficiencies that are unrepaired, the auditor goes into the Contractor's office and verifies whether the work has been identified and scheduled by the Contractor. There should be a discussion and understanding of how the work is being prioritized. A comment on whether the Contractor's plan is reasonable and acceptable is recorded on the Audit Report.

Once Phase 2 is completed, the auditor summarizes the findings on the Audit Report and copies the Contractor. All findings are discussed with the Contractor.

- Note: The Contractor should attend one of these audits only. This will allow the Contractor to understand the process, but by limiting it to one audit, it will also ensure that Contractors are not informed of deficiencies greater than 24 hours before Phase 2 is complete.

1.4.1.4 End Process (EP) Field Audits

The purpose of this audit is to confirm whether the Contractor's work meets the performance measures as identified in the Agreement or other associated standards and specifications.

Before conducting an End Process Field Audit, the auditor should carefully review the specific contract requirement which is the focus of the audit. This is to have a clear understanding of the end process and end product requirements.

The auditor selects a sample of the work/activity being audited; e.g., signs installed, or shoulder swath kilometers mowed. A typical sample size is 5–10% of the annual planned quantities. The sample size may increase, as required, to confirm a finding.

The auditor(s) physically inspects the work and assesses whether it meets the end process as identified in the specification. One audit may occur over the course of several days/weeks, at several locations, and may be scheduled in concert with other duties the Area Manager is performing. However, it is recommended that the timeframe not exceed 1 month in order to allow for timely feedback to the Contractor.

The auditor(s) collects the findings and summarizes those in an End Process Field Audit Report.

1.4.1.5 In-Process (IP) Field Audits

The purpose of this audit is to confirm whether the performance measure is being met and to confirm whether the Contractor is following their Quality Management System to meet that end process.

Before conducting an In-Process Field Audit, the auditor should carefully review the specific contract requirement which is the focus of the audit to have a clear understanding of the end process and end-product requirements. The auditor must also have a copy of the process being audited (from the Contractor's Quality Management System) and have reviewed it, in order to verify if it is being followed.

The auditor selects a sample of the work/activity being audited. The typical sample size is 5–10% of the annual planned quantities. An audit may include several sites over a period of a few weeks. The sample size may increase, as required, to confirm a finding.

The auditor observes the Contractor performing the work, being careful not to direct the work.

The auditor assesses whether:

- The work meets the end process as identified in the specification, i.e., the 'assessment of compliance' part of the audit.
- The Contractor is following their Quality Management System, i.e., the 'assessment of Contractor's Annual CAP Rating' part of the audit.
- The auditor summarizes their findings in the In-Process Field Audit Report and comments on both the 'assessment of compliance' and 'assessment of Contractor's Annual CAP Rating' parts of the audit.

The In-Process Field Audit lends itself particularly well to assessing whether their Quality Management System is effective. The auditor must observe the process as well as assess the outcome. Four findings are possible:

- The Contractor followed the process described in their Quality Management System and the process and product meet specifications. In this case, the Contractor follows

the process and the process is effective (because it meets the specification). No further action is required.

- The Contractor did not follow the process, but the product meets specifications. In this case, the Contractor should amend their Quality Management System to reflect actual practice.
- The Contractor followed the process described in their Quality Management System, but the end product does not meet specifications. In this case, the Contractor must both address the non-conformance and amend their Quality Management System, once they have identified which part of the Quality Management System led to the non-conformance.
- The Contractor did not follow the process described in their Quality Management System and the end product does not meet specifications. In this case, the Contractor must address the non-conformance and review whether the non-conformance would have been avoided if they had followed their Quality Management System. As noted in the Agreement, a change to the Quality Management System may be required, if it is determined the process as described also fails to meet the end process/product specifications.

1.4.1.6 Snow and/or Ice Field Audits (S&I)

The purpose of this audit is to assess the Contractor's handling of a snow and/or ice event and to confirm whether the Contractor is meeting contractual requirements and following their Quality Management System. This audit includes pre-storm preparations, response and operations during the event and actions after the snow and/or ice event.

Before conducting a Snow and/or Ice Field Audit, the auditor should carefully review the maintenance specifications to have a clear understanding of the requirements. The auditor must also have a copy of the winter activity processes from the Contractor's Quality Management System and have reviewed them, in order to verify if they are being followed.

The auditor must decide whether they are conducting a Minor Task Snow and/or Ice Field Audit, a Major Task Snow and/or Ice Field Audit, or a Detailed Process Snow and/or Ice Field Audit. In making that determination, the auditor will consider the Contractor's performance, other Snow and/or Ice Field Audits performed during the assessment period, the severity of the event, the number of events in the assessment period, etc.

When performing a Detailed Process Snow and/or Ice Field Audit, the auditor must cover all aspects/phases of the event.

If the event is forecast, the auditor calls or visits the Contractor to confirm the Contractor's plan for handling the event.

The auditor then goes out and drives a cross section of roads to observe first-hand how the Contractor is handling the event. Typically, the auditor drives for approximately 2–4 hours, over a variety of road classifications.

After the event, the auditor goes into the Contractor's office to follow up on the field observations and/or to collect additional information.

The auditor assesses whether:

- The work meets the requirements and Performance Measures as stated in the Maintenance Specifications. This is the 'assessment of compliance' part of the audit.
- The Contractor is providing any enhanced services which would support the Contractor's Annual CAP Rating and the CAP Payment.

The auditor summarizes the findings on the Snow and/or Ice Field Audit Report and copies the Contractor. All findings are discussed with the Contractor.

When performing a Minor or Major Snow and/or Ice Field Audit, the auditor covers only certain aspects/phases of the event:

- A Minor Task Snow and/or Ice Field Audit covers one aspect/phase of the event by asking 2–4 questions in addition to the field portion; for example, the focus may be on proactivity, or on snow removal, or on highway condition reporting. A Minor Task Snow and/or Ice Field Audit will count as 1 audit.
- A Major Task Snow and/or Ice Field Audit covers more than one aspect/phase of the event by asking 5–9 questions in addition to the field portion; for example, the focus may be on preparedness, and snow and ice control. A Major Task Snow and/or Ice Field Audit will count as 2 audits.
- A Detailed Process Snow and/or Ice Audit will count as 4 audits. Note: All questions on the Detailed Process Snow and/or Ice Audit form must be asked (if they are applicable) in order to count as 4 audits.

1.4.1.7 Detailed Post Storm Field Audits (DPS)

The purpose of this audit is to assess the Contractor's compliance with the maintenance specifications during a weather event. Storms may be snow, ice, wind or rain events. The audit assesses the handling of the clean-up phase of a storm. Includes all performance measures associated with this phase, for example: sidewalk snow removal, storage area cleanout, site distance clearing, drainage appliance cleanouts. Storms may be snow, ice, wind or rain events. The audit is used to confirm whether the Contractor is following their Quality Management System. Conducted primarily in the field but may also have an office component. This audit is conducted primarily in the field but may also have an office component.

Before conducting a Detailed Post Storm Field Audit, the auditor should carefully review the maintenance specifications for any maintenance activities associated with a rain, wind, snow/ice winter event. The auditor is to have a clear understanding of the requirements. The auditor must also have a copy of the relevant portion from the Contractor's Quality Management System and have reviewed it, in order to verify if it is being followed.

The auditor goes out and drives a cross section of roads to observe first-hand how the Contractor is performing. Typically, the auditor drives for approximately 2 hours, over a variety of roads, observing a variety of activities.

The auditor may go into the Contractor's office to follow up on the field observations and/or to collect additional information with regards to the planning a preparation phases of the storm response. This may not be required if the auditor is satisfied with the Contractor's performance.

The auditor assesses whether:

- The work meets the requirements and Performance Measures as stated in the Maintenance Specifications and the Performance Measures. This is the 'assessment of compliance' part of the audit.
- The Contractor is providing any enhanced services which would support the Contractor's Annual CAP Rating and the CAP Payment.

The auditor summarizes the findings on the Detailed Post Storm Audit Report and copies the Contractor. All findings are discussed with the Contractor.

Regardless of whether there is an office follow-up, the Detailed Post Storm audit will count as 1 audit.

1.4.1.8 Salt Handling Field Audits (SH)

The main purpose of the Salt Handling audits is to assess the Contractor's Salt Containment Infrastructure Maintenance and to observe the Contractor's compliance with salt handling best practices and/or the Contractor's Salt Management Plan and/or Environmental Management Plan. These audits will count towards the winter activities assessment, regardless of when the audit is conducted, e.g. an audit observing the Contractor mixing salt and sand may be conducted in August but will count towards the winter activities assessment.

Each winter the District will perform one Salt Handling Field Audits for each Salt Containment Infrastructure within the Service Area, up to a maximum of three, for any Ministry owned Salt Containment Infrastructure being utilized by the Contractor. If no Ministry owned Salt Containment Infrastructure is being used, Salt Handling Field Audits are optional. At least one audit should include observing the Contractor handling salt (work in-process). The other audits may focus only on observations of the facilities and general surroundings.

When selecting sites, the auditor should focus primarily on sites where the Contractor stores salt on Ministry property. Each Ministry owned site where salt is handled by the Contractor must be audited over the term of the contract.

The auditor uses the Salt Handling Field Audit form, answers each question and summarizes their findings.

The auditor provides a copy of the report to the Contractor and discusses the findings of the report with the Contractor.

1.4.1.9 Office Audits

Office Audits consist primarily of a review of the Contractor's documentation.

Office Audits may focus on determining the Contractor is meeting the Basic Contract Requirements or whether the Contractor is providing any enhanced service levels, beyond those required by the Agreement and the Contractor's Quality Management System. Both types of questions (Compliance and Contractor's Annual CAP Rating) may be combined in one audit.

The topics of Office Audits are at the District's discretion. Most Office Audits will be relatively short Task Audits, which typically focus on quality control, quality assurance, material certification, response times or Contractor's Annual CAP Rating criteria.

Some Office Audits will be longer, more comprehensive audits which focus on all aspects of a given activity and/or process. These are called Detailed Process Office Audits.

There will be at least one Detailed Process Audit per assessment period, as follows:

- One Detailed Process Office Audit on a summer activity (e.g., patching, sweeping, or bridge deck maintenance). This audit should focus on all aspects of the selected activity including work identification, procedures, quality control, quality assurance. It should include both compliance-based questions and Contractor's Annual CAP Rating questions. The Detailed Process Office Audit for summer activities must be completed annually by September 30.
- One Detailed Winter Preparedness Office Audit for each Service Area. This audit must focus on all aspects of winter preparedness including equipment, materials, training, route prioritization, etc. The Detailed Winter Preparedness Audit should be performed by November 1st in all areas except SA01, 02, 03, 04, 05, 06 and 27. The audit in those areas should be performed by November 15. It is expected that subsequent follow-up will occur to ensure the Contractor is in fact well prepared to provide winter maintenance services.

Before conducting an Office Audit, the auditor should consult with the District Operations Manager to clearly identify the purpose of the audit. The auditor then develops clear questions aimed at determining compliance and to support the Contractor's Annual CAP Rating. If, for example, the intent of a question is to determine compliance, the auditor should carefully review the specific contract requirements which are the focus of the question, as well as the information available from previous similar audits and/or associated Monitoring Records. If the intent of a question is to support the Contractor's Annual CAP Rating, the auditor should review the assessment criterion in question. One audit can include both Compliance and Contractor's Annual CAP Rating questions.

For the first few years of the contract, questions may be provided to the Contractor in advance of the audit. Eventually, only the topic of the audit is shared with the Contractor in advance of the audit. If the auditor anticipates needing access to certain facilities and/or staff, or, if records need to be brought in from another location, prior notice is always provided to the Contractor.

At the start of the audit, the auditor will discuss the purpose of the audit. The auditor relies on the Contractor's documentation and/or interviews with staff to determine whether the Contractor is in compliance and/or whether the Contractor provides evidence in support of the Contractor's Annual CAP Rating.

In Year 1, it is acceptable for the Contractor to pull the records for the auditors ahead of time. In subsequent years, however, the auditors select the records they want to review at the time of the audit.

Before leaving the audit, the auditor verbally informs the Contractor of all significant audit findings. The auditor follows up within five working days with a written report to the Contractor describing all the findings.

1.4.2 Frequency of Local Audits

The following table provides the minimum audit requirements for the semi-annual assessment periods. Although audits can be undertaken throughout the year, the Local Audit Plan should reflect the seasonal activities and weather characteristics of the Service Area.

Table 1-1: First Assessment Period – October 1 to March 31

| Field Audits | Baseline | |
|---|-------------|---|
| Snow and/or Ice *, Short Response Time **, End Process, In-Process Field Audits | 25 | *a Snow and/or Ice audit counts as 1, 2 or 4 audits **the Short Response Time counts as 1 audit although the segments are driven twice |
| Salt Handling (Optional) | As Required | At least 1 Salt Handling audit will be In-Process |
| Detailed Post Storm Audit | 1 | |
| Total Field Audits | 26 | |
| Office Audits | | |
| Detailed Winter Preparedness Office Audit | 1 | Focus on all aspects including equipment, materials, training, route prioritization |
| Emergency Response Audit | 1 | |
| Contractor Report Task Audit | 1 | |
| Task Office Audits based on compliance to Basic Contract Requirements, and/or Annual CAP Rating | 5 | Focus on QC/QA or materials or response times; include comparison to Contractor's Quality Management System |
| Total Office Audits | 8 | |
| Total Local Audits (First Assessment Period) | 34 | |

Table 1-2: Second Assessment Period April 1 to September 30

| Field Audits | Baseline | |
|---|----------|--|
| Short Response Time* Field Audits – on 20 km highway segment, 10 km freeway segment; | 5 | *2 phase audits; i.e., the segments are driven twice although counts as 1 audit |
| In-Process / End Process Field Audits | 20 | Number of structure audits (out of 20) based on value of structure work in the Quantified Maintenance Services Plan (Schedule 5) |
| Total Field Audits | 25 | |
| Office Audits | | |
| Detailed Process Office Audit of activity/process | 1 | Focus on 1 activity/process (e.g., patching from work ID, planning, execution, QC/QA, incl. comparison to Quality Management System) |
| Emergency Response Audit | 1 | |
| Contractor Report Task Audit | 1 | |
| Task Office Audits based on compliance to Basic Contract Requirements, and/or Annual CAP Rating | 5 | Focus on QC/QA or materials or response times; includes comparison to Contractor's Quality Management System |
| Total Office Audits | 8 | |
| Total Local Audits (Second Assessment Period) | 33 | |

The District may perform additional audits if the Contractor's performance cannot be assessed with the minimum number of audits. In consultation with the District Manager, Transportation, the District Operation Manager may request additional audits to be performed to follow-up on any emerging Trends noted during routine Monitoring and/or Audits. The District Operations Manager will determine if evident Trends or issues of non-compliance require more scrutiny of the Contractor's performance and will adjust the monitoring effort accordingly.

If the District Operations Manager determines it is required, they can request assistance from Maintenance Branch or another Service Area for additional or independent resources to develop an independent assessment of the Contractor's performance.

If there are extenuating circumstances, such as staff vacancies, which would prevent achieving the baseline number of Audits in an assessment period, the District Operations Manager, after consultation with the District Manager, Transportation, should contact Maintenance Branch to request assistance or to formally request an amended target level of audits.

Up to three Office Audits may be conducted concurrently, to limit the number of visits to the Contractor's office.

Local Audits should never be performed the same week the Provincial Audit is being performed. The District Operations Manager and the Provincial Lead Auditor must coordinate their audit schedules.

It is recommended the District Operations Manager and the Contractor agree on a set day for Office Audits, e.g., Wednesday morning is set aside for Office Audits. This makes it easier for everyone involved to plan around the audits but does not prevent an auditor from performing occasional audits at other times.

1.5 Stakeholder Component of the Highway Maintenance Quality Plan

The Stakeholder component of the Highway Maintenance Quality Plan is also administered by the District.

As part of day to day communications, the District Operations team will meet with a variety of stakeholders on a regular basis. Any feedback regarding their experience on the roads and any interactions they have with the Contractor in their local community can be used to inform the Local Assessment or the Stakeholder Assessment.

The formal Stakeholder Assessment is primarily based on the results of interviews with a focus group of key stakeholders in each Service Area, assessing how well the contractual obligations are being delivered by the Contractor.

The District Operations Manager is responsible for the Stakeholder component of the Contractor Assessment Program. The District Operations Manager will select a group of 5-6 key stakeholders in each Service Area. Typical members might include the RCMP, emergency response providers, major trucking firms, major bus lines, school districts, local industry representatives, local politicians, etc. Care must be taken in the selection process to ensure a representative cross-section of stakeholders as well as a broad geographic representation. Stakeholders should be year-round users of the highway system in the Service Area and should be able to draw on input from constituents, employees, or associates. They should not have a bias for or against the Contractor. The selected stakeholder must be willing to take the time to participate and become engaged in the process and be readily available for contact during the end of assessment period.

It is recommended, over the term of the contract, there be some rotation of stakeholders to give wider representation of the area to the assessment process. This also provides an opportunity to reflect changing priorities/conditions in a Service Area. Rotation and selection of new Stakeholders is at the District's discretion. The District Operations Manager will consider balancing greater input with retaining experience, trained participants.

At the beginning of the assessment period the District Operations Manager meets with the stakeholders to provide an overview of the purpose and use of the Stakeholder Assessments. At this meeting, the District Operations Manager should review the Contractor's obligations and responsibilities under the contract. They ensure the stakeholders understand the difference between Ministry and Contractor responsibilities, what roads are being maintained by the Contractor, the road classification system, obligations and expectations associated with various activities such as snow removal and anti-icing activities, etc. The District Operations Manager explains the assessment process, discusses and provides a Stakeholder Assessment Guide. The District Operations Manager should give the stakeholders an understanding of the limits of the maintenance contract and ensure the stakeholder will not be assessing issues outside the obligations stated in the Agreement, other Ministry programs or other government related issues.

The assessment is an ongoing evaluation of the Contractor's performance. The District Operations Manager should be available and communicate with the stakeholders throughout the assessment period as required. Any outstanding issue(s) should be communicated with the Contractor.

The Stakeholder Assessment is split into semi-annual periods. By March 31 and September 30 of each year, the District Operations Manager arranges individual meetings with each stakeholder. The first year, it is recommended there be a face-to-face assessment period meeting with each of the stakeholders. In subsequent years a telephone interview is acceptable. The District Operations Manager may delegate stakeholder meetings to an Area Manager for the appropriate area.

Using the Stakeholder Assessment Questions & Summary and the Stakeholder Assessment Guide, the District Operations Manager leads each stakeholder through a conversation ending with an assessment of the Contractor for the assessment period just ended.

The documents are meant to focus the discussion on the maintenance Contractor's performance. The District Operations Manager uses the Questions & Summary sheet to document the answers to the questions asked and record any comments relating to the assessment. The questions are designed to determine if the Contractor is in compliance with the Basic Contract Requirement, and/or whether there have been any enhanced services, communications and interactions with the stakeholders which would support the Contractor's Annual CAP Rating and a possible CAP Payment.

The Compliance discussion and comments are used to inform the Local Assessment recommendation for the CAP Authorization Certificate. If there are issues raised by the stakeholders which could lead to a non-compliance action, the District will assess and manage these issues as part of their ongoing administration of the contract.

At the end of the interview the stakeholders decide which rating best describes the Contractor's performance for the last assessment period using the Stakeholder Assessment Guide. The stakeholders then decide where within the chosen rating they believe the Contractor should be rated, with 10 as the highest and 0 as the lowest. This rating is used as an input to the Local Assessment for the CAP Authorization Certificate.

Stakeholder feedback is also used to capture or verify any examples of enhanced maintenance services, provided by the Contractor, or examples of excellent stakeholder or community relationships. This information will be used to score support the Contractor's Annual CAP Rating, and possibly a CAP Payment. See Section 2 Contractor Assessment Program for details.

Questions should be framed to ascertain both compliance and enhanced services aspects of the Contractor's operations. The questions in the Stakeholder Assessment Questions & Summary are meant to form the basis for a full discussion of the Contractor's performance. The use of common questions ensures some consistency across the province. However, it is recognized that stakeholder priorities are different across the province and need to be recognized. The District Operations Manager should add questions during the interview, as necessary, to provide better focus for the Service Area. The same questions must be asked of all the stakeholders in the Service Area. The Stakeholder Assessment Questions & Summary should have a minimum of four questions.

Specification 7.05 - Communications outlines the formal reporting requirements to the Ministry for road conditions and weather events. It also outlines the requirements for communications between the public and the Contractor. It also includes requirements for the use of social media for public communications, which can be audited for compliance or evidence of enhanced services. The effective use of these social media platforms may be assessed under the Stakeholder Assessment. The Stakeholder Assessment may also include an audit of responses to Public Communication Records, either the Contractor's or the Ministry's. These reviews are done as Audits and provides evidence to determine compliance or enhanced services.

1.6 Provincial Component of the Highway Maintenance Quality Plan

1.6.1 Provincial Audits

The Provincial Audit Assessment is based on the results of the audit performed by the Provincial Audit team. The frequency of Provincial Audits is one per year, per Service Area, timed to cover activities from both semi-annual assessment periods.

Maintenance Branch is responsible to ensure all Provincial Audits and assessments are performed within the province, with support from the District Operations Managers throughout the province.

Maintenance Branch will oversee the following:

- determining the Provincial Lead Auditors and the Audit Teams
- topics of the Audit
- Field Audit locations and scope
- Office Audit questions
- audit questions to confirm compliance and to support the CAP Authorization Certificate
- audit questions to determine any enhanced services for the Contractor's Annual CAP Rating
- preparing the Provincial Audit Package for Lead Auditors.

The Provincial Audit's primary purpose is to gather compliance evidence to support the Provincial Assessment portion of the CAP Authorization Certificate. The Provincial Audit will also capture and document supporting evidence for the Contractor's Annual CAP Rating and possible CAP Payment.

The Provincial Audit provides a province wide consistency check, focused on rating the Contractor's performance, in context of the service being provided across the province. This second level, quasi-independent, assessment of the Contractor's performance helps ensure the travelling public can expect a similar level of service, regardless of the Service Area. The Provincial Audit may also detect emerging issues with the Contractor's performance, so they can be shared with the District.

If the District notes a significant negative Trend or critical issues of non-compliance, the District Operations Manager can request, in consultation with the District Manager, Transportation, the assistance of operations staff from other Service Areas, through Maintenance Branch. This assistance may undertake some of the planned audits or perform supplemental audits.

In extenuating circumstances, the District Operations Manager, or the District Manager, Transportation, also has the option to request an additional Provincial Audit, especially in a situation of Contractor non-compliance. The purpose of the supplemental audits is to acquire additional evidence regarding an issue, as a means of corroborating district observations.

The Provincial Audit team also reviews the Local Audit Plan and offers an outside perspective where changes to Monitoring and Audits and records would assist with administering the Agreement or help with assessing the Contractor's performance.

The District Operations Managers play a key role in delivering Provincial Audits across the province, in the role of Provincial Lead Auditor. As such, the District feedback session is peer to peer guidance, involving the District Operations Manager from the Service Area and the Lead Auditor, who is typically the Operations Manager from another District.

There will be a team of Provincial Lead Auditors established each year, to ensure timely audits are completed across the province. Each Provincial Lead Auditor, and their team, may perform the audits for more than one Service Area.

The Provincial Lead Auditor must be a qualified lead auditor. The role of a Provincial Lead Auditor may be delegated to other qualified persons.

Provincial Lead Auditors are accompanied by at least one other auditor. As the audit team must be from outside the Service Area being audited, the audit also provides an opportunity for cross-training, having staff observe other auditing styles or techniques and to see how other Contractors are performing.

1.6.1.1 Structure of Provincial Audits

Provincial Audits include a field portion and an office portion. Auditors look for evidence the Contractor's Quality Management System is effective and look for evidence the Contractor is meeting the Basic Contract Requirements.

Maintenance Branch will ensure the topics and questions will be designed to provide sufficient information for confirming the Compliance aspects of the Contractors operations and determining the Contractor's Annual CAP Rating.

The Provincial Audit Assessment will provide a pass/further evaluation required recommendation for the issuing of the CAP Authorization Certificate. The evidence must support issuing the CAP Authorization Certificate or document the reasons for not supporting issuing the Certificate.

Each Provincial Audit typically takes approximately 3 days; usually 1–1.5 days for the field portion of the audit; 1 day in the Contractor's office; and a half day for debriefing. This does not include preparation, Audit Report writing and travel time.

1.6.1.2 Frequency of Provincial Audits

One Provincial Audit is performed each year, in each Service Area. While the timing of the audit may be scheduled to best observe one season or the other, generally they will be scheduled in the summer of each year and cover both assessment periods.

No Local Audits should be performed the week of the Provincial Audit. The Provincial Lead Auditors and District Operations Managers need to coordinate their schedules. Sufficient notice is given to the Contractor of all Provincial Audits. As these audits are more extensive than the Local Audits, mutually agreed upon audit timing is scheduled well in advance. The list of audit questions is normally provided to the Contractor approximately one week prior to the audit.

The Annual Provincial Audit Assessment must be completed by September 30 of each year.

1.6.1.3 Provincial Audit Process

As with the Local Audits, Provincial Audits include a review of the Contractor's documentation and/or interviews with the Contractor's staff to verify compliance with the Basic Contract Requirements and/or to verify the effectiveness of the Contractor's Quality Management System. Provincial Audits also include a field portion where the auditors drive selected roads in the Service Area and rate the Contractor, in part, based on their findings.

The topics covered in the Provincial Audits are provided to the Contractors ahead of time.

Every audit includes an 'opening' and a 'close-out' meeting. At a minimum, the Provincial Lead Auditor and one Contractor representative should be present at both meetings.

Upon arriving at the Contractor's office, the Provincial Lead Auditor may meet with the Contractor to discuss the details of the audit. This meeting is also an appropriate time to let the Contractor know if the auditors anticipate needing access to certain facilities and/or staff.

At the debrief meeting, the Provincial Lead Auditor verbally informs the Contractor of any significant audit findings, including any possible non-conformances issues to be followed up on. The Provincial Lead Auditor follows up within one week with a written preliminary report to the Contractor but does not provide the Contractor with the Provincial Audit Assessment rating. The report must clearly indicate the audit findings as well as any areas where the Contractor earned points and where the Contractor lost (or did not earn) points.

It is the Provincial Lead Auditor's responsibility to contact the District Operations Manager and discuss any issues warranting Non-Conformance Reports. Issuing the Non-Conformance Report to the Contractor, and the required follow-up, is the responsibility of the District. If there are issues raised by the Provincial Audit Team which could lead to a non-compliance action, the District will assess and manage these issues.

The preliminary results of the Provincial Audit are shared with the District at the time of the audit. The Provincial Audit report will be distributed to the District and to Maintenance Branch. If required, meetings should be coordinated to discuss any matters of inconsistency between District and Provincial ratings. The Contractor does not get the result of the assessment until all consistency reviews are completed.

The Provincial Audit Assessment rating is used as a pass/further evaluation required recommendation for the CAP Authorization Certificate.

The Provincial Audit is also used to capture or verify any examples of enhanced maintenance services provided by the Contractor or examples of excellent stakeholder or community relationships. This information will be used to support the Contractor's Annual CAP Rating and possibly a CAP Payment.

The Provincial Lead Auditor provides the final written report to the Contractor after the consistency meeting. The Provincial Lead Auditor provides a copy of the report and the Provincial Audit portion of the CAP Annual Rating to the District, and to Maintenance Branch.

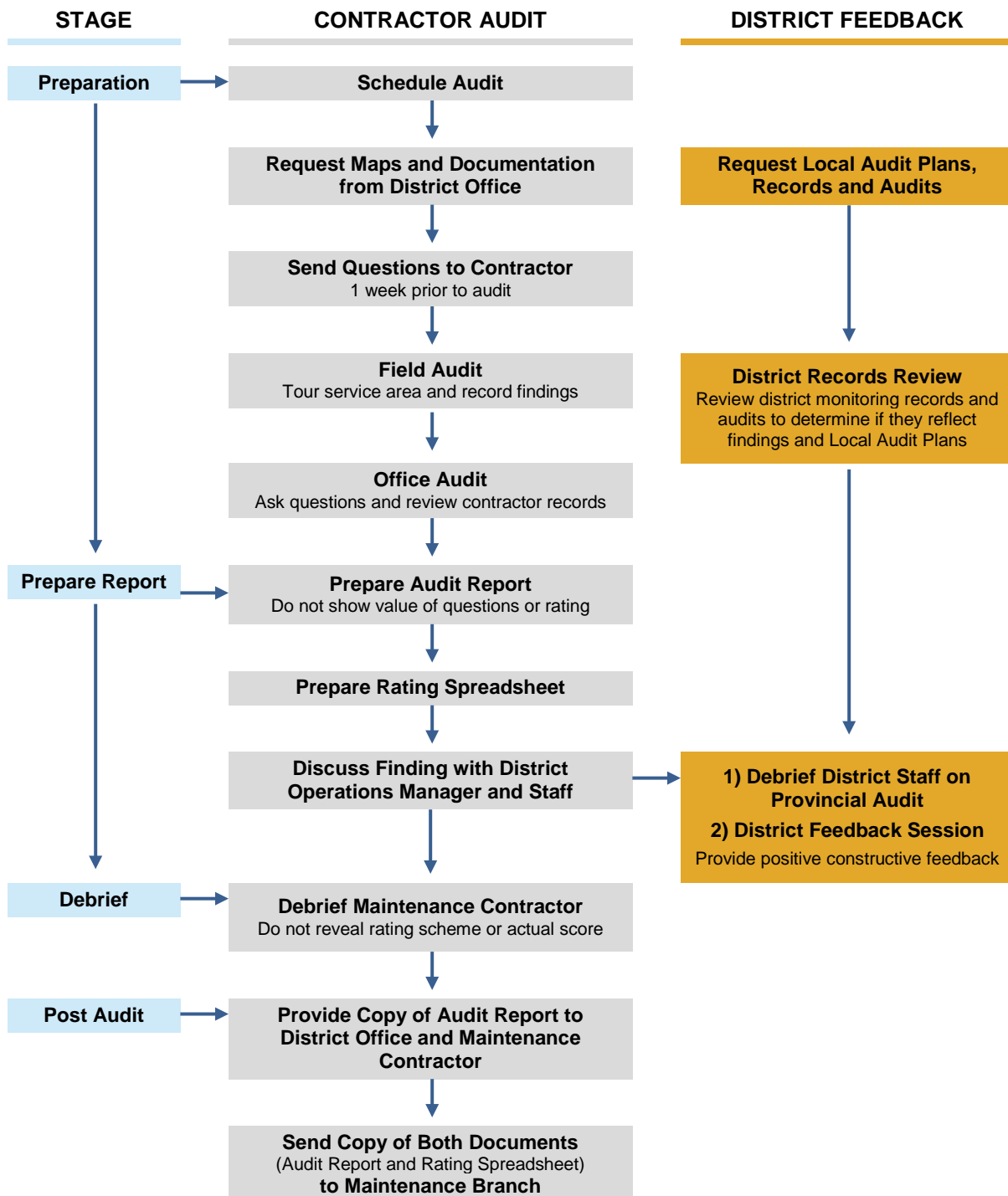
1.6.1.4 Provincial Audit – District Feedback Session

The Provincial Audit also provides an opportunity to increase consistency in contract administration and provide a feedback session with the District. The Provincial Audit team also reviews the Local Audit Plan and offers an outside perspective where changes to the Monitoring, Audits and records would assist with administering the Agreement or help with assessing the Contractor's performance. The Provincial Lead Auditor will make arrangements with the District Operations Manager, prior to visiting the area, to obtain the Local Audit Plan, sample monitoring and audit records. The District Operations Manager should also indicate whether there are any specific issues or points of clarification the District Operations team requests assistance on.

The intent of the session is to answer questions and concerns of the District Operations team, review the Local Audit Plan and resulting records to ensure they are reasonably consistent throughout the province. It is also an opportunity for providing positive feedback (what is going well), lessons learned (any challenging issues or points of clarity) and the sharing of innovative contract administration practices, throughout the province.

As this session will involve the Operations Manager from the Service Area and the Provincial Lead Auditor (typically an Operations Manager from another District) the session is peer to peer guidance and an opportunity for mutual discussion and feedback.

Figure 1-2: Provincial Audit Process



1.7 Outcomes of Monitoring and Audits

1.7.1 Opportunities for Improvement and Non-Conformances

1.7.1.1 Opportunities for Improvement (OFIs)

Opportunities for Improvement arise where the Contractor or the Ministry identifies an imminent risk of failure to a procedure. This is an issue which could potentially result in a non-conformance but has not yet reached that point.

The Ministry may issue Opportunities for Improvements as a result of audits (Local or Provincial). The Opportunities for Improvement process is as follows:

- Ministry representative completes Sections 1 and 2 of the OFI form, clearly describing the Opportunities for Improvement.
- If the Contractor makes changes to the Quality Management System as a result of the Opportunities for Improvement, a copy of the revision is to be provided to the Ministry for review.
- The Ministry considers the Contractor's handling of Opportunities for Improvements as part of the Local Assessment.
- Any Opportunities for Improvements identified in a Provincial Audit are referenced to the District to manage.

1.7.1.2 Non-Conformance Reports (NCR)

The Maintenance Agreement describes a Non-Conformance Report as: 'reports issued in writing by either the Ministry or the Contractor which document the Contractor's failure to comply with the Contractor's obligations in this Agreement.'

A distinction must be made between a non-conformance and a 'defective' condition. In the case of response-time driven activities, the Contractor must be aware of the defective condition (through notification or required patrols), and the applicable response time must have elapsed before the condition is contractually a non-conformance, regardless of its severity. In the case of frequency driven activities, the specified interval must have elapsed, and in the case of condition-driven activities, the condition limits must have been exceeded.

Non-conformances will be identified primarily by the Contractor, along with their analysis of root causes and proposed action for resolution. Contractor-identified non-conformances are to be managed by the Contractor and reported to the District on a monthly basis in accordance with Article 15 of the Agreement, i.e., the Contractor must submit a 'Summary of Contractor's Non-Conformance Reports' on the tenth day of each month.

The Ministry will review the Summary of Contractor's Non-Conformance Reports and will work with the Contractor to identify trends and implement actions to prevent re-occurrence. Ministry will also issue Non-Conformance Reports if, through their Monitoring and/or Auditing processes, the Ministry determines the Contractor is failing to meet Basic Contract Requirements and the Contractor is not identifying these non-conformances and/or dealing with them effectively. Ministry issued Non-Conformance Reports are tracked using the Non-Conformance Log.

1.7.1.3 Issuing and Tracking of Non-Conformance Reports

The District may issue a Non-Conformance Report as part of their Monitoring activities, or as a result of audits (Local and Provincial). The process is as follows:

- The Ministry representative completes Sections 1 (NCR Tracking) and 2 (Description of the Non-Conformance) of the Non-Conformance Report form clearly describing the non-conformance and referencing the relevant contractual requirement, maintenance specification or performance measure.
- The Ministry representative completes the first part of Section 3 (Required Correction) and indicates whether a Correction is required, i.e., whether the work needs to be re-done. In some cases, a Correction may not be possible, for example, the snow has already melted so it can't be removed. The dates for action by the Contractor, (i.e., a date for the Correction and a date for the Corrective Action) are agreed to between the two parties. If they cannot agree on a date, the Ministry representative determines a reasonable time. The deadline for Corrective Action must allow enough time for the Contractor to gather enough data to make an informed determination of the cause of the non-conformance and to determine the appropriate Corrective Action. The deadline for Correction will likely be much shorter.
- The Ministry representative records the Non-Conformance Report on the Non-Conformance Log.
- The Contractor completes Section 4 (Root Cause analysis and Corrective Action plan). If the Contractor makes any changes to the Quality Management System as a result of the Non-Conformance Report, a copy of the revision is provided to the Ministry.
- The Ministry representative follows up with the Contractor on the designated dates (deadline for the Correction and deadline for the Corrective Action plan).
- Both parties sign in Section 3 once the Correction is completed.
- Both parties sign in Section 6 (the Contractor commits to implementing the Corrective Action plan and the Ministry representative accepts the plan). The Ministry may agree to the proposed Corrective Action or accept the Contractor's assessment that the situation was an exception and no changes are required to their Quality Management System (e.g. missing some response times during an extreme storm may be acceptable).
- The Ministry representative updates the Non-Conformance Log.
- The District considers the Contractor's handling of Non-Conformance Reports as part of the Local Assessment.

1.7.1.4 Non-Conformance Reports – Review for Compliance

A Contractor may still be considered as meeting the Basic Contract Requirements, with documented items which are technically out of specification, but have any of the following conditions:

- A Contractor ideally is issuing internal Non-Conformance Reports and resolving instances of non-compliance with minimal to no involvement from Ministry staff.

Those effectively resolved will not affect the Contractor's eligibility for consideration of compliance.

- Where Ministry staff has issued a Non-Conformance Report as a result of trends found during monitoring, or items determined non-compliant in an audit assessment, a contractor can still be considered eligible if:
 - the Non-Conformance Report is isolated in nature and resolved to the District satisfaction, or
 - Non-Conformance Reports are unable to be effectively resolved within a given season, however the Contractor has a plan in place to address this issue, which is acceptable to the District, or
 - Non-Conformance Reports unresolved are non-safety related and have minimal long-term effect on Ministry Infrastructure. For example, failure to remove litter prior to snow falling and staying for the winter.

1.7.1.5 Note on Notice To Comply (or other forms of Intervention)

A Contractor who has been issued a Notice To Comply will not be eligible for a CAP Authorization Certificate nor a CAP Payment for the time period of the Notice (e.g. The Contractor's Annual CAP Rating will be zero).

A Contractor found to have issues of non-compliance may prevent them from receiving a CAP Authorization Certificate. This does not initiate a Notice To Comply. However, a Contractor should be aware a Notice To Comply is possible in the future based on the severity and duration of issues of non-compliance.

1.8 Issuing of the CAP Authorization Certificate

The last step of the Highway Maintenance Quality Plan is assessment of compliance and the issuing of the CAP Authorization Certificate. The CAP Authorization Certificate is earned by Contractors who are meeting the Basic Contract Requirements and are not in any form of Contract intervention or default.

Compliance is primarily confirmed through the Local Assessment portion of the Highway Maintenance Quality Plan. This confirms each Contractor is meeting their Basic Contract Requirements with the Agreement, prior to being considered for any additional payment.

The District Operations Manager should review all the available performance information, such as:

- Monitoring Records
- Local Audit results
- Ministry issued Opportunities for Improvement and/or Non-Conformance Reports
- Contractor issued Opportunities for Improvement and/or Non-Conformance Reports
- Provincial Audit results (if applicable for assessment period)
- Maintenance Services Reporting records
- Reporting Deliverables from Agreement

- Stakeholder Feedback and public communications records
- notes, meeting minutes or emails which document performance issues and any associated resolutions.

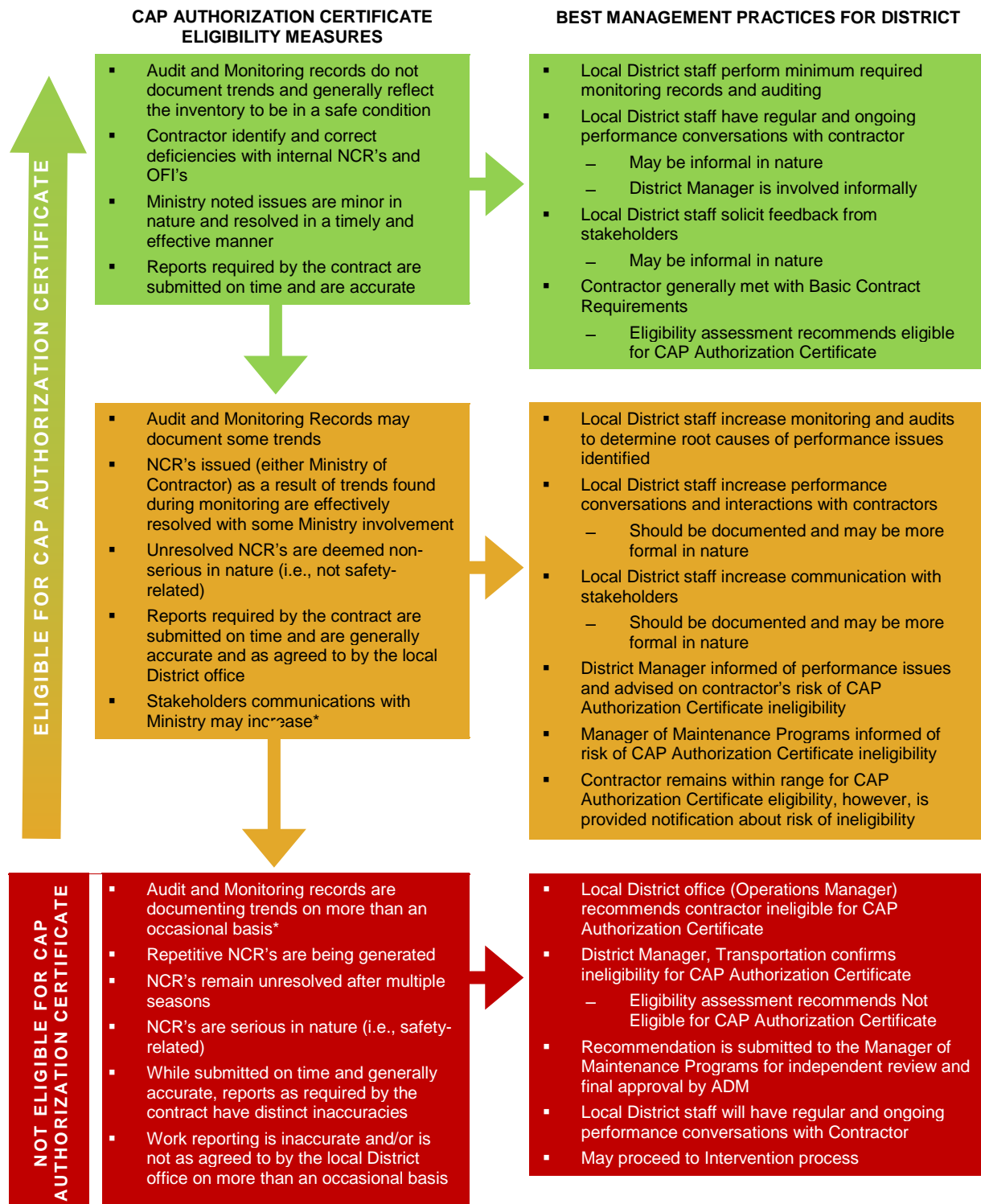
The Provincial Audit results should confirm or support the findings of the Local Assessment. Any issues of non-conformance discovered during the Provincial Audit should be brought to the attention of the District Operations Manager. The District Operations Manager will work to resolve the issues through local contract administration and/or incorporate the feedback on their compliance assessment.

The Stakeholder Assessment may inform the Local Assessment component but is not directly included in the compliance assessment.

Figure 1-3 provides guidance in assessing compliance with the various inputs and monitoring and audit results.


At the end of the second assessment period the District Operations Manager will review all inputs for the Local Assessment to determine if, overall, the contractor is in compliance with the Basic Contract Requirements. This is documented by completing the CAP Authorization Certificate (see Figure 1-4).

Figure 1-3: Guidelines to Determine Eligibility for CAP Authorization Certificate



*issue may not indicate non-eligibility if stand alone or isolated in nature. District should consider severity and impact to overall service level

Figure 1-4: CAP Authorization Certificate



Year/Season

CAP Authorization

Contractor Name:

Date:

Service Area:

District:

Operations Manager:

District Manager:

Items reviewed

☐ District Monitoring Records

☐ District Audits

☐ Work reports and deliverables

☐ MOTI/MC NCR's/OFI's

☐ Stakeholder Feedback & PCRs

☐ Provincial Assessment

☐ Other: _____

Details

Monitoring Records Completed:

Local Audits Completed:

Location of information: (i.e., file path)

Summary of Ministry or Contractor NCR's and OFIs: (list if applicable or attach)

- 1.
- 2.
- 3.

Summary of Stakeholder Feedback and PCRs: (list if applicable or attach):

- 1.
- 2.
- 3.

Contractor's Response to Rectify Issues: (list if applicable or attach)

- 1.
- 2.
- 3.

Impact to overall service level or infrastructure: (list if applicable):

- 1.
- 2.
- 3.

Resolved to District Satisfaction: (Y/N)

Recommendations

☐ Eligible to proceed to Bonus Assessment

☐ Not Eligible to Proceed to Bonus Assessment

Operations Manager Signature

Date

District Manager Signature

Date

At the end of the second assessment period the District Operations Manager will review all inputs for the Local Assessment to determine if, overall, the Contractor is in compliance with the Basic Contract Requirements for either or both assessment periods. This is documented by completing the CAP Authorization Certificate, as follows.

In the Details Section, the District Operations Manager should highlight any issues from the assessment period, the Contractor's response to the issues and if the issue had an overall positive or negative effect on the area. As an example, a Non-Conformance Report written for over allowable accumulations in a given area or class (PM 3.01.2-1) resolved to the District Operations Manager's satisfaction could lead to improved service levels for that area. Alternatively, an unresolved Non-Conformance Report for bridge washing could have a negative long-term effect on the lifespan of Ministry infrastructure.

The CAP Authorization Certificate is to be completed by the District Operations Manager, or delegate, at the completion of the assessment cycle, once the recommendations from the Local, Stakeholder and Provincial Audit Assessments are completed.

The District Operations Manager will complete the CAP Authorization Certificate and attach any necessary documentation. The District Operations Manager will then review the information with the District Manager, Transportation. Once they are satisfied with the assessment and documentation, both the District Operations Manager and District Manager, Transportation will sign off on the Certificate. They will then register the decision with Maintenance Branch.

Contractors who are compliant for either assessment period will be issued a CAP Authorization Certificate at the end of the year. The Contractor may be eligible for either or both assessment periods. The District Operations Manager should notify the Contractor they have been issued the CAP Authorization Certificate for the appropriate assessment period(s).

Contractors who are issued the Certificate are also invited to provide a CAP Payment Submission, highlighting areas of enhanced services. Contractors can elect to not provide a submission. For details, see the Contractor Assessment Program.

Documentation is imperative; all files should be kept digitally in a central location accessible by all District operations staff and backed up to the Highway Maintenance Intranet each assessment period.

Early identification and communication of issues with Contractor performance, or any instances of not meeting Basic Contract Requirements, are key to resolving these issues on an ongoing basis. Districts will provide feedback as required to inform the Contractor of any gaps in performance or expectations. The District will work with the Contractor to resolve any outstanding issues, prior to the completion of the Local Assessment. The Contractor (and appropriate Ministry personnel) will be verbally advised of issues, prior to formal notification occurring. Any instances of Contractors not being eligible for a CAP Authorization Certificate will trigger notification of the Executive Director and Maintenance Branch, prior to feedback to the Contractor. Documentation and records to support non-compliance will likely need to be compiled for review and discussion.



2 Contractor Assessment Program (CAP) and CAP Payment

2.1 Overview

The Highway Maintenance Quality Plan and the Contractor Assessment Program work together to ensure the Contractor is meeting or exceeding the Basic Contract Requirements of the Highway Maintenance Agreement, delivering high quality services throughout the province, through effective use of their Quality Management System.

The Contractor's compliance is assessed through the Highway Maintenance Quality Plan. Once compliance is confirmed, any services delivered above and beyond the expectations of the Ministry, are assessed and scored through the Contractor Assessment Program. This

program utilizes the evidence and data collected through the Highway Maintenance Quality Plan, specifically the enhanced services or payment components, to translate Contractor performance into the Contractor's Annual CAP Rating and a possible CAP Payment.

These ratings are used to determine the amount of possible Contractor Assessment Program Payment earned.

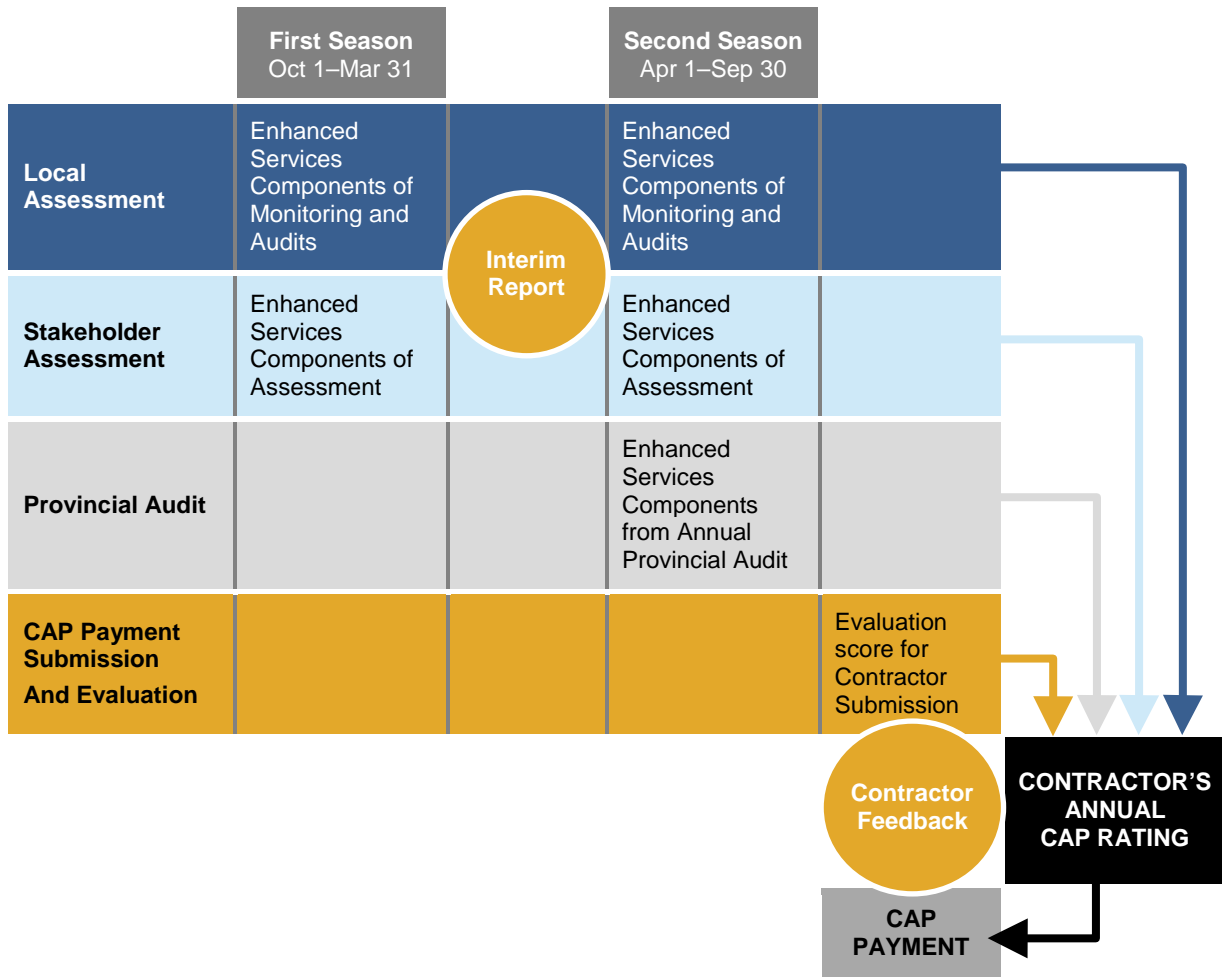
Detailed information from the Highway Maintenance Quality Plan is used to support the following assessments, ratings and payments.

The Contractor Assessment Program has three distinct steps:

1. Reviewing the Local Assessment, Stakeholder Assessment and Provincial Audit results for enhanced services or CAP Payment Questions.
2. Evaluating and scoring the CAP Payment Submission: Contractors who are issued a CAP Authorization Certificate are also invited to provide a CAP Payment Submission, highlighting areas of enhanced services for either or both assessment periods. The CAP Payment Submission evaluation process is administered by Maintenance Branch. The District Operations Manager and District Manager, Transportation evaluate the CAP Payment Submissions and score them as part of the CAP process. The CAP Payment Submission evaluations are reviewed by a provincial team to ensure consistency in evaluation and scoring.
3. Determining the Contractor's Annual CAP Rating and CAP Payment: the four components noted above (Local, Stakeholder and Provincial Assessment and Contractor's CAP Payment Submission) are used to score the Contractor's Annual Cap Rating. Annual CAP ratings are shared with the Contractor. The CAP Payment is calculated from the Contractor's Annual CAP Ratings (See Section 2.2.6).

This section of the manual provides more detailed information on the Contractor Assessment Program.

Figure 2-1: Overview of Contractor's Annual CAP Rating and CAP Payment



2.2 Scoring the Local, Stakeholder and Provincial Audit Assessments for the Contractor's Annual CAP Rating

Figure 2-2: Contractor's Annual CAP Rating Matrix

Key Performance Areas Reviewed and Scored to Award the Contractor's Annual CAP Rating

EXCEPTIONAL SERVICE DELIVERY

Exceeds Contract Specifications

Exceeds contract time and quality performance measures to the benefit of the travelling public

Works Proactively

Effectively plans and delivers services in a proactive manner to the benefit of the travelling public

Reacts Promptly to Emergencies

Exceeds expectations when responding to emergencies

Quality Management

The contractor's operations are current with trends and reflect the intent of their Quality Management System

MINISTRY & STAKEHOLDER RELATIONS

Positive Relationship with the Ministry

Works effectively with the Ministry to achieve and exceed levels of service, safety, and reliability

Positive Relationship with the Community

Seeks key partnerships and maintains open, honest, and mutually respectful relationships with all stakeholders to advance mutual goals

Trusted First Point of Contact

Proactively engages with the public to improve knowledge and understand highway issues while ensuring communication and messaging is consistent with the Ministry

COMMUNITY INVOLVEMENT & INTEGRATION

Productive Relationship with Indigenous Communities

Creates and maintains a positive and mutually beneficial relationship with indigenous communities within the Service Area

Stewards of Local Communities

Contributes to local communities by providing support to local governments, groups and associations

Hires Locally

Thoughtfully integrates locally sourced resources where available including sub-contractors, hired labour and equipment into operations

2.2.1 Local Assessment

The Local Assessment is based primarily on the results of the Monitoring and Auditing done by the Districts. The District also considers the day-to-day dealings with the Contractor. Assessment is based on meeting the set criteria outline below.

The Local Assessment Monitoring Records and Audit Reports will capture examples of enhanced services or other evidence to support the Contractor's Annual CAP Rating. This will be notations regarding service above and beyond the requirements of the contract. For

example, consistently managing snow accumulations below the maximum accumulations outlined in the Specification's Performance Measures is an enhanced service benefitting the travelling public.

At the end of the assessment period, the District Operations Manager should review all of the available performance information, such as:

- Monitoring Records
- Local Audit Reports
- Ministry issued Opportunities for Improvement and/or Non-Conformance Reports
- Contractor issued Opportunities for Improvement and/or Non-Conformance Reports
- notes, meeting minutes or emails which document performance issues and any associated resolutions.

The District Operations Manager reviews this information to ascertain the scope of any enhanced services provided by the Contractor. Verification through discussions with District staff, the Contractor or stakeholders may be required.

The District Operations Manager scores the Local Assessment performance of the Contractor by use of the CAP Annual Rating matrix, which highlights the key performance areas valued by the Ministry.

2.2.2 Local Assessment Rating Matrix

Evidence from the Local Assessment portion of the CAP program will be reviewed and scored based on the following rating scale and questions:

Table 2-1: Contractor's Annual CAP Rating Matrix**Rating Questions**

| Exceptional Service Delivery | Notes or Reference for Evidence | Ratings |
|--|---------------------------------|---------|
| Exceeds Contract Specifications | | |
| Does the Contractor perform maintenance in a manner exceeding the specifications to the benefit of the travelling public? | | |
| Works Proactively | | |
| Does the contractor perform their work in a proactive manner that benefits the travelling public? | | |
| Reacts Promptly to Emergencies | | |
| Does the Contractor respond to emergency events in a manner that exceeds contractual expectations and provides a benefit to the Ministry and travelling public? | | |
| Quality Management | | |
| Does the Contractor regularly monitor their adherence to the Maintenance Specifications and their internal Quality Management System? Does the Quality Management System accurately reflect how they do business and meet the intent of a Quality Management System? | | |
| Ministry and Stakeholder Relations | | |
| Positive Relationship with the Ministry | | |
| Does the Contractor work effectively and communicate with the Ministry to maintain a relationship that fosters open proactive communication, honesty and mutual respect? | | |
| Positive Relationship with the Community | | |
| Does the Contractor deal proactively with public and key stakeholders? Does the communication demonstrate that the Contractor owns and values stakeholder concerns? | | |
| Trusted First Contact | | |
| Do the Contractor's communications with stakeholders and the public exceed expectations, provide education and reinforce the Contractor as the trusted first contact for both internal and external clientele? | | |

Table 2-1: Contractor's Annual CAP Rating Matrix

| Rating Questions | | |
|---|---------------------------------|---------|
| Exceptional Service Delivery | Notes or Reference for Evidence | Ratings |
| Community Involvement and Integration | | |
| Productive Relationship with Indigenous Communities | | |
| Does the Contractor create and maintain a positive and mutually beneficial relationship with indigenous communities? | | |
| Local Community Stewardship | | |
| Does the Contractor integrate into the local community by creating and maintaining a positive and mutually beneficial relationship with local communities within their Service Area | | |
| Hires Locally | | |
| Does the Contractor conduct business with the direct intent of providing benefits to the local community by sourcing resources locally? Does the Contractor provide employment opportunities to strengthen the labour pool? | | |
| Total Points | | |
| Rating Scale | | |
| 10 Excellent Performance – Almost Always performs at this level, in this category, "self-imposed part of culture", "integral to their business" | | |
| 8 Good Performance – Almost Always performs at this level, in this category | | |
| 6 Satisfactory Performance – Regularly performs at this level, in this category | | |
| 4 Fair Performance – Sometimes performs at this level, in this category | | |
| 2 Marginal Performance – Seldom performs at this level, in this category | | |
| 0 No Performance – Never performs at this level, in this category | | |
| If required, use incremental ratings. For example: rate as "9" if between Good and Excellent or "5" if between Fair and Satisfactory. | | |

The Local Assessment will provide one of the four components used in the CAP Annual Rating. The Local Assessment is weighted at 45% of the total Contractor's Annual CAP Rating. The evidence must support the value of the rating.

2.2.3 Stakeholder Assessment

The Stakeholder Assessment is primarily used to capture or verify any examples of enhanced maintenance services provided by the Contractor or examples of excellent stakeholder or community relationships. This information will be used to support the Contractor's Annual CAP Rating, and possibly a CAP Payment.

The Stakeholder Assessment is primarily based on the results of interviews with 5–6 key stakeholders in each Service Area, assessing how well the contractual obligations are being delivered by the Contractor. General stakeholder feedback may also inform the enhanced services part of the Stakeholder Assessment.

At the beginning of the assessment period the District Operations Manager meets with the stakeholders to provide an overview of the purpose and use of the Stakeholder Assessments, including the expectation to note and record any enhanced services provided by the Contractor. At this meeting, the District Operations Manager should differentiate between enhanced services and the Contractor's obligations and responsibilities under the contract.

During the Stakeholder Assessment process, stakeholder feedback which supports exceptional service is captured and documented.

This can be from:

- stakeholder's driving experiences on the road
- resolution of concerns addressed by the Contractor
- evidence of exceeding the Specifications and Performance Measures with regard to operations on the road
- increased use of social media for public communications
- positive results from Public Communication Records
- positive relationships with stakeholders or communities in the Service Area

This portion of the assessment is used to document enhanced services as evidence to support the Contractor's Annual CAP Rating

The District Operations Manager reviews this information to ascertain the scope of any enhanced services provided by the Contractor, as noted by the stakeholders. Verification through discussions with District staff, the Contractor or stakeholders may be required.

The District Operations Manager scores the Stakeholder Assessment performance of the Contractor.

The Stakeholder Assessment will provide one of the four components used in the Contractor's Annual CAP Rating. The Stakeholder Assessment is weighted at 20% of the total Contractor's Annual CAP Rating. The evidence must support the value of the rating.

2.2.3.1 Seasonal Interim Report

The Local and Stakeholder Assessments are ongoing, however the outcomes of these assessments are split out to two assessment periods, generally covering winter and summer work activities. An Interim Report on the Contractor's Performance will be issued and discussed with the Contractor at the end of the first assessment period. The Interim Report will be comprised of feedback from the Local Assessment and the Stakeholder Assessment. It will not include a CAP Rating for the Interim Period.

2.2.4 Provincial Audit Assessment

The Provincial Audit Assessment is based on the results of the annual audit performed by the Provincial Audit team. The frequency of the Provincial Audit is one per year, for each Service Area, timed to cover activities from both assessment periods. The Provincial Audit has both Compliance and CAP Payment Questions.

Maintenance Branch will ensure the audit topics and questions will provide sufficient information for rating the enhanced services aspects of the Contractor's operations. This will provide supporting evidence for the Contractor's Annual CAP Rating.

Field audits should document any evidence of enhanced services being provided by the Contractor. If required, a pre-audit discussion with the District, to identify possible areas of enhanced services, may be required to ensure inclusion in the field audit.

Office Audit Interview questions should be framed to ascertain both compliance and enhanced services aspects of the Contractor's operations. The questions should form the basis for a full discussion of the Contractor's performance, and capture any examples enhanced services and/or positive relationships with the District, stakeholders or communities within the Service Area.

The Provincial Lead Auditor reviews this information to ascertain the scope of any enhanced services provided by the Contractor. Verification through discussions with District staff, the Contractor or stakeholders may be required.

The Provincial Lead Auditor scores the Contractor's Provincial Audit Assessment performance based on the rating criteria developed with the CAP Payment Questions portion of the audit.

The Provincial Audit Assessment will provide one of the four components used in the CAP Annual Rating. The Provincial Audit Assessment is weighted at 20% of the total Contractor's Annual CAP Rating.

The Provincial Audit Assessment is to be completed by September 30 of each year.

The Provincial Audit results will be distributed to the District and Maintenance Branch. If required, meetings should be coordinated to discuss any matters of inconsistency between District and Provincial ratings.

2.2.5 CAP Payment Submission Process

The CAP Authorization Certificate will be issued annually, verifying compliance in either or both assessment periods. The CAP Authorization Certificate invites the Contractor to provide a CAP Payment Submission, to add input into the Contractor's Annual CAP Rating and possible CAP Payment. This provides the Contractor the opportunity to highlight examples of

exceptional services and strong stakeholder and community relationships, which have occurred during the previous assessment period(s), as noted in the CAP Authorization Certificate. It also allows the Contractor to present their planning process to improve services in the upcoming assessment period(s). Contractors can elect to not provide a submission if they choose not to.

Contractors who are not in compliance with the Basic Contract Requirements will not be issued the CAP Authorization Certificate. A CAP Payment Submission will not be requested, as the Contractor's Annual CAP Rating will be zero. This can be for either one or both assessment periods.

The request for the CAP Payment Submissions will be overseen by Maintenance Branch. Maintenance Branch will oversee the following:

- ensure Contractors receive the CAP Authorization Certificate to trigger the invite to submit. CAP Authorization Certificates are generally issued in mid September of each year. The CAP Authorization Certificate will indicate which assessment periods for which the CAP Payment Submission can be submitted
- receive the CAP Payment Submissions
- the initial evaluation of the CAP Payment Submission, which will be undertaken at the District, by the District Manager, Transportation and the District Operations Manager
- ensure consistency of evaluation and scoring across the province through a consistency review process
- determine the weighting of each topic and the scoring criteria for the CAP Payment Submission
- from time to time, amend the focus or weighting of the questions to reflect current issues or concerns with regard to delivery of services
- compile the results of the evaluation and apply the score to the Contractor's Annual CAP Rating
- put into place any measures required to ensure confidentiality and consistent application for all Contractors
- provide feedback to the Contractor on their CAP Payment Submission, as required or requested.

The CAP Payment Submission evaluation is 15% of the Contractor's Annual CAP Rating.

The CAP Payment Submission will be electronically submitted in a .doc, or .pdf format, 1,000 words or less per section, 3 MB or less per section. The format, content and style of presentation is determined the Contractor. Any information submitted will be confidential. Any information provided may be subject to verification with the District, stakeholders, local governments or community leaders.

2.2.6 Contractor's Annual CAP Rating

The Contractor's Annual CAP Rating is determined as follows:

The separate scores from each of the Local, Stakeholder and Provincial Audit Assessments are weighted as follows:

- Local Assessment (45% weighting)
- Stakeholder Assessment (20% weighting)
- Provincial Audit Assessment (20% weighting)
- CAP Payment Submission evaluation (15% weighting)

There are Winter and Summer ratings for both the Local Assessment and the Stakeholder Assessment. Both seasons are weighted equally. The seasonal scores are averaged for the annual rating. See sample Contractor's Annual CAP Rating calculation below in Section 2.2.7.1. The four components are combined to generate one rating for the year.

Before finalizing the Contractor's Annual CAP Rating results, all District Operations Managers across the province convene (either in person or by conference call) to discuss the proposed assessments and ensure consistency in the application of the assessment criteria.

The District Manager, Transportation is ultimately responsible to defend the Contractor rating and must agree with the overall rating. The District Manager, Transportation and the District Operations Manager review the ratings for the four components of CAP and address any concerns before finalizing the results. Should there be some concern with respect to the ratings, the District may choose to ask the Maintenance Branch for another audit and/or assessment of the Contractor.

Once the District Manager, Transportation has agreed with the rating, the results are shared with Maintenance Branch.

The methodology presented is for a standard year of operation. Adjustments to the methodology may be appropriate to reflect a non-365-day assessment period (during the first and last years of the contract). Where appropriate, adjustments to weightings may be made by Maintenance Branch, in consultation with the District Managers, Transportation and the District Operations Managers. For contracts with less than 100 days before the end of the first assessment period, the rating will be based on the Contractors Annual CAP Rating for the following full assessment period for that season. For contracts with less than 100 days before the end of the last assessment period, the rating will be based on the results of the local audits and monitoring records only.

Finally, the Contractor is given the results of the Contractor's Annual CAP Rating. It is imperative that the District Operations Manager communicate clearly to the Contractor the rationale for the assessment. This includes feedback on the Local Assessment and Stakeholder Assessment. The Contractor is also provided with some general feedback from the stakeholders, taking care not to release any personal information.

When available, a recap of the Provincial Audit Assessment should be provided (only once per year). The result of the CAP Payment Submission evaluation is shared with the Contractor and a debrief offered if there are any questions or concerns. The ratings are generally released to the contractor by the end of December of each year.

2.2.7 CAP Payment Calculation

The CAP Payment is to recognize and reward Contractors who provide a level of service beyond that required by the Agreement. This can be in the areas of:

- Exceptional Service Delivery
- Ministry and Stakeholder Relations
- Community Involvement and Integration

The amount of the CAP Payment is based on an assessment of the Contractor's enhanced performance through the Contractor's Annual CAP Rating. The Contractor's Annual CAP Rating and CAP Payment are calculated and paid once each year. The payment includes both semi-annual assessment periods.

The maximum CAP Payment is 2% of the Contractor's adjusted annual price, prorated for the timeframe of the assessment, which may include seasons of two contract years or span a price adjustment. Maintenance Branch will determine the adjusted annual price for each Service Area.

The Contractor's Annual CAP Rating, as determined above, is used to calculate the annual CAP Payment as follows:

- Contractors earning a Contractor's Annual CAP Rating of 80.0%, or higher, will receive the full 2.00% CAP Payment for the previous annual assessment period.
- Contractors earning less than a Contractor's Annual CAP Rating of 80.0% will receive a prorated amount according to the following formula:
 - $\text{Annual CAP Payment} = (\text{Adjusted annual price} \times 2.00\%) \times (\text{CAP Rating as a Percent} \div 80.0\%)$

The Ministry reserves the right to adjust the 80% threshold. Any adjustment will be applied to all Contractor's calculations for the adjustment period.

An annual payment is made on or about December 31 of each year and covers the annual period having ended on September 30 of that year.

Where the time period covered is less or more than one year, (i.e., at the beginning or end of a contract), CAP Payments are prorated accordingly.

See Section 2.2.7.1 for an example of detailed payment calculations.

The CAP Payment process will be overseen by Maintenance Branch, who oversee the following:

- collect the CAP component ratings from the District Operations Managers and the Provincial Lead Auditors
- determine the adjusted annual price for each Service Area
- calculate the CAP Payment by applying the Contractor's Annual CAP Rating against the adjusted annual price, based on the above calculation
- notify the Districts of the results and the CAP Payment amounts
- prepare any reports for Ministry Executive to apprise of the Contractor's Annual CAP Ratings and CAP Payments

Contractor Assessment Program (CAP) and CAP Payment

- manage any Contractor requests for clarification with regards to ratings and/or payment
- disperse the funds to the Contractors on an annual basis
- provide feedback to the Contractor on the rating or payment process, as required or requested.

2.2.7.1 Sample CAP Payment Calculation

CAP Payment Calculation Examples

| | Service Area A | Service Area B | Service Area C | Service Area D |
|--|---------------------|---------------------|---------------------|---------------------|
| A. Adjusted Annual Price | \$15,000,000 | \$15,000,000 | \$15,000,000 | \$15,000,000 |
| B. CAP Assessment Scores | | | | |
| Component 1 - Local Assessment | | | | |
| CAP Points Rating on Component 1 - Winter | 97.0 | 76.0 | 75.0 | 0.0 |
| CAP Points Rating on Component 1 - Summer | 93.0 | 84.0 | 73.0 | 72.0 |
| Average CAP Points Rating on Component 1 | 95.0 | 80.0 | 75.0 | 36.0 |
| (weighting of Component 1 results) | 45% | 45% | 45% | 45% |
| Component 2 – Stakeholder Assessment | | | | |
| CAP Points Rating on Component 2 - Winter | 95.0 | 85.0 | 74.0 | 0.0 |
| CAP Points Rating on Component 2 - Summer | 91.0 | 85.0 | 70.0 | 72.0 |
| Average CAP Points Rating on Component 2 | 93.0 | 85.0 | 72.0 | 36.0 |
| (weighting of Component 2 results) | 20% | 20% | 20% | 20% |
| Component 3 - Provincial Audit Assessment | | | | |
| CAP points Rating on Component 3 | 95.0 | 75.0 | 73.0 | 65.0 |
| (weighting of Component 3 results) | 20% | 20% | 20% | 20% |
| Component 4 – CAP Payment Submission | | | | |
| Evaluation Score on Component 4 | 90.0 | 80.0 | 75.0 | 60.0 |
| (weighting of Component 4 results) | 15% | 15% | 15% | 15% |
| C. Contractor's Annual CAP Rating | 93.85% | 80.00% | 74.00% | 34.40% |
| Maximum CAP Payment | \$300,000 | \$300,000 | \$300,000 | \$300,000 |
| Calculated CAP Payment | \$281,550 | \$240,000 | \$222,000 | \$103,200 |
| Adjusted rating for less than 80% (/80) | | | 92.5% | 43.0% |
| Recalculated CAP Payment | | | \$277,500 | \$129,000 |
| D. CAP Payment for year | \$300,000.00 | \$300,000.00 | \$277,500.00 | \$129,000.00 |



3 Documentation

The importance of accurate and complete documentation cannot be overstated. The Ministry must be able to show due diligence in the administration of the highway maintenance contracts; and be able to demonstrate, not only that the CAP Payments are justified, but that the terms of the contract are being met.

3.1 District Responsibilities

The District needs to document:

- Monitoring Records and related/supporting photographs
- Audit Reports / supporting Field Audit photographs
- minutes of meetings with the Contractor
- Non-Conformance Reports and related/supporting photographs
- Non-Conformance Logs
- all records submitted by the Contractor in accordance with the requirements of the contract, e.g., Quantified Maintenance Services Plan, monthly reports on quantified accomplishments, Non-Conformance Report status reports, etc.
- details of the Local Assessment for each assessment period
- details of the Stakeholder Assessments for each assessment period
- overall Contractor's Annual CAP rating.

It is recommended these documents be stored on the Ministry's Intranet site:

<http://gww.th.gov.bc.ca/RMB/maintenance/index.aspx>.

Access to this site may be obtained by contacting the Maintenance Branch in Victoria.

3.2 Maintenance Branch Responsibilities

The Maintenance Branch needs to document:

- Provincial Audit teams and packages
- outcomes of Provincial Audits
- results of the Provincial Audit Assessments
- Contractor's Annual CAP Rating and CAP Payment calculations for each Service Area.

3.3 Confidentiality of Documents

The Contractor's Quality Management System (electronic and/or hard copies) is a proprietary document; as are all records related to the Quality Management System. They must be kept confidential. They are not to be used or disclosed for any purpose other than to administer the contract and perform audits, nor are they to be copied or reproduced in whole or in part. Copies of the Quality Management System or of the Contractor's records are not to be attached to Audit Reports.

The only time we would release the Quality Management System (in whole or in part) is when there is litigation. We have an obligation to release to the Ministry lawyers any documents in our possession or under our control which are deemed relevant in the litigation.

If the Quality Management System or any part of it is the subject of a Freedom of Information request, the District must forward the request to Maintenance Branch for response.

3.4 Consistency

The Ministry attempts to achieve fair and reasonable consistency in the application of the Highways Maintenance Quality Plan and the Contractor Assessment Program in a number of ways. Specifically:

- Maintenance Branch develops and maintains the Highways Maintenance Quality Plan and the Contractor Assessment Program Manual for all Districts to follow.
- Maintenance Branch will manage any discussions on topics which require clarification. They will issue interim instructions to the Districts to ensure equitable application of the Highways Maintenance Quality Plan and the Contractor Assessment Program.
- The Manual is reviewed annually. It is anticipated it will be revised over the 10-year term.