

Acknowledgement of Country

Transport for NSW acknowledges the traditional custodians of the land on which we work and live.

We pay our respects to Elders past and present and celebrate the diversity of Aboriginal people and their ongoing cultures and connections to the lands and waters of NSW.

Many of the transport routes we use today – from rail lines, to roads, to water crossings – follow the traditional Songlines, trade routes and ceremonial paths in Country that our nation's First Peoples followed for tens of thousands of years.

Transport for NSW is committed to honouring Aboriginal peoples' cultural and spiritual connections to the lands, waters and seas and their rich contribution to society.

Document control

Author	Manager Supplier Framework
Document owner	Senior Manager Authorisation
Approved by	Director, Supplier Assurance and Engagement
Document number	A43308733
Branch	Asset Management
Division	Safety, Environment and Regulation
Review date	May 2024
Superseded documents	N/A

Versions

Version	Amendment notes
1.0	29/11/2021 – First issue.
2.0	20/12/2021 – Second issue. Update following industry briefing.
3.0	25/05/2022 – Third issue. Update to new brand factsheet template.

1. What is the change?

Transport for NSW (TfNSW) has launched a new Technical Supplier Assurance Framework and assurance scheme under which technical work on rail assets will be governed.

The new framework outlines the arrangements for the development, implementation, and management of technical outcomes for transport assets. This framework covers:

- Technical assurance arrangements across the asset life cycle,
- Supplier scheme requirements across assets and services, and
- Technical review processes within the Cluster.

The existing Authorised Engineering Organisation (AEO) model has been reviewed, improved, and updated and will be transitioned to a new scheme which will recognise an entity as a Technically Assured Organisation (TAO).

2. What are the transition arrangements?

The release of the Technical Supplier Assurance Framework and the launch of the Technically Assured Organisation Scheme occurred on 30 November 2021. There will be no immediate impact on the AEO authorisation process and AEO model deployment on Transport projects.

There is a formal transition period between 30 November 2021 and 30 March 2022 during which the AEO model will continue to be deployed across Transport for NSW and the supply chain.

From 30 March 2022, the new Technical Supplier Assurance Framework and TAO Scheme will come into effect. From that point the framework and scheme will govern technical work for rail and will be used in procurement. Existing AEOs will automatically be recognised as TAOs.

3. What has changed in the documents?

As part of this project, the following existing standards have been updated and a new standard has been created to compliment the Engineering Services Matrix.

The following standards were published on 30 November 2021, but will not take effect until 30 March 2022.

- **EXISTING STANDARD - T MU MD 00009 SP AEO Authorisation Model** superseded by TS 06197.2:1.0 TAO Authorisation Scheme. Changes include:
 - Updates to the maturity rating system to provide further clarity and specificity
 - Removal of two engineering capability areas
 - Updates to process steps to reflect new business operations which are now online.
- **EXISTING STANDARD - T MU MD 00009 ST AEO Authorisation Requirements** superseded by TS 06197.1:1.0 TAO Authorisation Requirements. Changes include:
 - streamlining of the competency management requirements
 - updates to guidance for requirements to enhance clarity

- updates to the structure of the document to clearly align to EMCAs.
- **EXISTING STANDARD - T MU MD 00009 F1 Engineering Services Matrix** superseded by TS 06197.4:1:0 TAO Engineering Services Matrix. Changes include:
 - Change in the instructions for completing the matrix
 - Shift from an authority focus to an assurance focus
 - Moving the front-end asset life cycle to below the line
 - Updating wording
 - Consolidating some sub-disciplines.
- **NEW STANDARD - TS 06197.3:1.0 TAO Engineering Services**
 - New Standard
 - Defines the engineering services recognised as part of the TAO Scheme
 - This content was previously part of T MU MD 00009 SP AEO Authorisation Model.

4. We are already an AEO. How will this impact us?

We aim to minimise any impact to AEOs and will map all current AEO matrices into the new TAO template and publish by the end of March 2022 when it will be used by TfNSW Procurement. All existing AEOs will automatically be transitioned to the TAO Scheme, no re-assessment is required, and current certificates and matrices will be re-issued.

The next stage will be the re-calibration of your matrices, to revise the existing “assure only” (X*) scope and to make sure that the matrix is clearly and accurately reflecting your organisation’s capability. We will work with you on this over the next few months, aiming to complete all TAOs matrices reviews by mid-2022. We will also communicate to the various procurement groups to ensure that changes in matrices are reflected in project scoping matrices where applicable.

The team will work with you on the review and update of your current maturity rating in accordance with the TAO Scheme in preparation for maturity rating publication. Please note, the TAO Scheme maturity rating takes into account open actions.

Re-mapping of matrices:

- ‘Certification’ -remains empty. We will accept applicants from 30 November 2021, but record it in the ‘Other Professional Services’ with the Note –and will publish new matrices on 30 March 2022
- ‘Security’ (below the line). We will accept the new applicant but will record it in the ‘Other Professional Services’ with the Note –and will publish new matrices on 30 March 2022
- Early stages of the life cycle. We will accept as usual; we will map and republish on 30 March 2022.

5. What is the impact on companies currently going through AEO assessment?

Companies currently being assessed will continue under the rules and requirements in effect at the time of application. Current AEO applications will be assessed against the AEO requirements and will be recognised as TAOs upon successful completion of assessment. This will include matrix conversion into TAO matrix and issuing of a TAO certificate.

6. If I am interested to become a TAO, should I wait for the new framework deployment?

You do not need to wait. New applications will be processed according to the AEO model or the TAO arrangements in effect at the time of application. Successful AEO applicants will be recognised as TAOs.

7. We are already delivering work as an AEO, what will this mean to our contract?

You should continue to deliver work using your authorised AEO management system and in line with the assurance arrangement already agreed in the contract. There will be no retrospective application of the new framework and scheme into existing contracts.

8. What will the impact be on tendering for work?

The new framework and scheme will be used in the procurement process from 30 March 2022. You can expect to see the new TAO Engineering Services Matrix being used in procurement activities from this date forward. All existing AEOs will have been transferred into the new scheme by this date. The contracting scenarios and requirements for supply chain coverage included in the framework document will also come into effect on 30 March 2022.

9. What does it mean for scheduled surveillance audits?

Surveillance audits are a condition of authorisation and scheduling for surveillance will continue as normal. If you are notified that a surveillance audit will be conducted, the audit will follow our standard auditing procedures. Please follow the instructions provided by your allocated Systems Auditor. Up to 30 March 2022, surveillance audits will be conducted against the current AEO Requirements and issued AEO Engineering Services Matrix. Post 30 March 2022, surveillance audits will be conducted against the TAO Requirements and re-issued TAO Engineering Services Matrix. If you are scheduled for a surveillance audit, we will liaise with you regarding the scope to be included in the audit, to ensure there is no confusion.

10. After transition, do you expect there to be more or fewer TAOs than existing AEOs?

It is estimated that the number of TAOs will increase. It is anticipated that others from road and maritime areas will move into the TAO Scheme - over the past eighteen months the market has been moving in this direction.

In readiness for the go-live, and in preparation of the end of March 2022, work is underway internally within TfNSW, across the different procurement areas, engineering areas and internal assurance areas to ensure we can properly service industry.

11. Will there be an arbitration function provided by Asset Management Branch to ensure we all 'stay in our respective lanes' i.e., TAO vs governance?

There is no formal arbitration role for Asset Management Branch included in the new framework. However, the surveillance audit remains as a condition of authorisation.

TfNSW (Asset Management Branch) will actively monitor how the framework is being implemented, and there will be an independent assurance audit that specifically looks at how the framework is being implemented across Transport and industry.

12. In reference to the supporting documentation to support the applications - is there going to be a forum for feedback on the existing documentation, and if there are errors in inconsistency found?

Yes - please send any feedback to: AuthorisationAudit@transport.nsw.gov.au

TfNSW will be capturing comments/suggestions for the next round of changes to the TAO Scheme for consideration as part of our annual reviews of the framework and scheme.

13. We are in the process of submitting a scope expansion application. Will there be any impact? Is there a different process for submission?

No - there will not be any impact and the submission process remain the same. Current applications will continue to be processed under the current AEO processes and will be transitioned to TAO upon completion of a successful assessment.

14. Please expand the distinction between Asset Owners, Custodians and Stewards, perhaps with examples?

NSW Government is the Asset Owner for a lot of the Transport assets.

Within TfNSW, there is Greater Sydney and Regional and Outer Metropolitan (i.e., client divisions or customer divisions) – they are the Custodians of the assets within their geographic area; they have the whole of life decision making, whether it is to build something, operate, maintain it, renew it, or dispose of it. They have the full end to end accountability - so that there is not this handover process that no one takes the accountability for the total life cycle.

The Steward takes on the role of managing the asset for the Custodian and can be taken on across the life cycle phases by different parties. It is particularly prevalent when an asset transitions into the operate and maintain phase. The Stewards take that accountability for managing the asset to get the best outcome for the remainder of the asset life. Examples include Transports three road contracts – in Sydney, the Country Regional Network which is transitioning from John Holland to UGL. Stewardship contracts are accountable for the outcomes during their tenure as the Steward, and their role is to look at it from an asset management operations and maintenance perspective and take decisions that are in the best interest of the asset through its full life and not just the term of their contracts.

15. Is there an alignment of this transition with the other states across Australia to provide a consistent national platform?

Victoria, Queensland, and New Zealand are considering it.

TfNSW have been working with Victoria, Queensland, and New Zealand across common functions such as standards development, Type Approval, and recognition of technical capability. We will continue to work with other jurisdictions, investigating cross recognition or broader use of the TAO Scheme.

16. How will you assess competencies for global providers if their key resources and experience are based overseas and not Australian based?

Under the TAO authorisation all applications must demonstrate the capability to access and understand the local operating environment including relevant legislation, regulations, and standards. This is demonstrated in an entities approach to requirements management.

TfNSW have been working with New Zealand across common functions such as standards development, Type Approval, and recognition of technical capability. We will continue to work with other countries, investigating cross recognition or broader use of the TAO Scheme.

17. Previously AEO has generally only applied to rail projects, will this TAO apply to a broader range of projects?

The intent is, and as part of the feedback TfNSW received, is to transition this across all modes of transport - to have one scheme that is mode agnostic.

In reference to tailoring for other modes of transport, TfNSW are currently in the development phase. As TfNSW progress through the next twelve months, TfNSW will be trialling a couple of projects that are in other modes.

There are a large portion of AEO authorisations within the market that currently have a strong roads component (i.e., for civil bridges and other components of roads), therefore the intention is to look at this and continue to transition it.

The intent is to continue to move into all modes of transport, some faster than others, ensuring that there are no negative impacts in that flow through.

18. With the adoption of TAO, has the "assure only" rating been removed?

No - not at this stage. The assure only has not been removed, it still is in existence, and it usually refers to the notes section of the matrix (that is how it currently operates, and that will continue).

19. Will this process tie into the Registering of Professional Engineers as is the process in Queensland and Victoria, and I believe is on its way to NSW? And will this run parallel to Chartered Engineers? Will they both be equally accepted in this process?

No - there is not a requirement in New South Wales at this time for Transport Assets. The NSW regulation is being applied to Type 2 buildings only at this stage. If it does become a requirement in the future, and how it relates to Chartered Engineers, will be reflected within a company's competency management system.

20. Does this mean that the ASA will be progressively dissolved? Does this process include the revision and updating of engineering standards - for Sydney Trains signalling in particular?

The Asset Management Branch stood up nearly two years ago, and since that time the ASA brand has been progressively dissolved instead taking a 'Transport for New South Wales' focus.

The standards framework for all of Transport assets sits under TfNSW Asset Management Branch accountability - and within that framework all technical standards are determined and produced. Technical standards have been updated by way of - value we can create, looking at innovative solutions, and ways to deliver outcomes across the life cycle of the assets that has a positive outcome on the community and customers.

In reference to the changes to the former AEO model, and to the whole asset management interdependency work that Transport has been doing, the key component of that is to encourage the market to innovate and make change.

21. In reference to Asset Custodian and Asset Stewardship, where there could be overlapping accountability and responsibility – what technical assurance should Sydney Trains be looking at in the future?

There will be no change for Sydney Trains. Sydney Trains will transition from AEO to TAO, with all of the same requirements and competencies they have today.

22. Under the Rail Safety National Law (RSNL), decisions impacting the safety of railway operations are required to be made by the authorised Rail Transport Operator (RTO) and these decisions cannot be delegated. What is the expected decision-making authority in respect of Rail Safety Work under the TAO Scheme?

The same level of assurance and authority sits within the new framework and scheme as that currently present in the AEO model. There is no more delegation included in this iteration than is currently invested in the AEO model where AEOs are accountable and responsible for the technical aspects of their work.

23. How will the systems integration role be performed within Transport?

Systems integration can be performed within Transport depending on how the project is delivered. In that scenario, it is our expectation that the part of Transport conducting those activities has the relevant authorisation.

The Systems Integrator role is called out in the framework in response to industry feedback. We have not made any changes to the systems integration authorisation; it already exists under systems engineering and assurance services (systems integration

AS3). What we have called out is that to perform these services the entity needs to be authorised for this capability.

We have also sought to distinguish systems integration from engineering management services which enables delivery of project engineering management and includes managing design/construction/delivery resources, directing people and organisations in delivering to the engineering processes.

System integration brings together component elements into one system, ensuring that the elements function together as a complete system, and ensuring that the new system integrates within the existing system of systems. Verification, validation, and integration are three distinct (but interrelated) SE technical processes defined in the ISO 15288 Systems Engineering standard.

We intend to provide further clarification and build further understanding throughout 2022.

24. What are the impacts to companies working across Transport that need to become a TAO?

These companies will need to apply for recognition under the new TAO Scheme in order to participate in the supply chain once the TSA Framework comes into effect.

25. What are the impacts to companies involved in procurement activities?

There will be no change to arrangements until 30 March 2022. From that time forward, the new TSA Framework and TAO Scheme will apply.

26. What are the impacts to companies currently working for Transport?

The arrangements under your current contract will remain in place. Future contracts for procurement commencing after 30 March 2022 will fall under the new TAO Scheme and TSA Framework.

27. There are new capability areas entered into the TAO Engineering Services Matrix. Will there be a transition period for these activities?

There are three capability areas that are newly recognised in the TAO Engineering Services Matrix as follows:

- Certification
- Protective security – physical security
- Protective security – information and cybersecurity.

The details of what falls within these new capability areas is included in the published TfNSW Standard TS 06197.3 – ‘TAO Engineering Services.’

TfNSW has implemented a transition period of an additional 12 months for the capability areas outlined above. This is to allow entities that will need to become authorised time to complete the authorisation process. The application process is not expected to take a long time for the applicants, but TfNSW want to allow enough time for multiple suppliers to gain authorisation.

For this transition period, procurement activity will not specify the new capability areas defined in the matrix and current suppliers will be able to continue to deliver services until 30 March 2023.

From 30 March 2023, it is expected that those new capability areas will be selected where appropriate and suppliers wishing to work for Transport will have obtained authorisation.

28. What if I have questions?

Please send any queries to the following email address:

AuthorisationAudit@transport.nsw.gov.au