



ACROSS THE CONTRACT BOUNDARY

Applying the governance model in contracted delivery

Companion to From Built to Run by It

Prepared by

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Prepared for

Senior leaders of asset-owning organisations using contracted delivery

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Status

Illustrative companion; not a representation of any organisation's deployment

ABOUT**Why this companion note**

The main briefing, From Built to Run by It, describes an owner-operator: the organisation that owns the assets also employs the field staff who plan and execute the work, and who complete the workflows that generate the governance data. Many asset-owning organisations operate differently. They own the network and they retain accountability for it, but they construct and maintain it through contracting partners. The people at the point of work are largely contractor field staff.

That difference does not break the five-levels-of-governance model set out in the main briefing. It does change where each level sits and what the asset owner has to do to keep the chain intact. The central question becomes: when the workflow at the point of work is completed by a contractor, how does the asset owner retain the work-as-done evidence, the control assurance, and the due-diligence chain the model is designed to produce? This companion note works that question.

It is written for any asset-owning organisation that uses contracted delivery, whether the assets are electricity networks, gas networks, other utility infrastructure, or a combination.

PRINCIPLE**The model travels. The work to apply it changes.**

The five levels of governance, and the leadership roles that operate across them, are unchanged in a contracted delivery model. The same primary data set still needs to support the same five levels of governance, and the same leadership roles still need to act on it.

What changes is that the asset owner has to secure across the contract boundary what an owner-operator gets for free. In an owner-operator, the chain from frontline workflow to board report runs through one organisation. In a contracted model, the chain runs across organisations: a contractor's field staff complete the workflow, the contractor's supervisors verify it, and the asset owner needs the data to flow back and the assurance to extend across. This is achievable, but it is a deliberate design choice, not an automatic outcome.

Two implications worth stating up front. First, the asset owner cannot contract out its own duties. The duty an asset owner holds for safe operation of its network sits with the asset owner regardless of who performs the work. The governance model has to evidence the owner's own due diligence over contracted work, not the contractor's alone. Second, where an asset owner's portfolio spans more than one network or sector (for example electricity and gas), each network carries its own critical-risk and regulatory profile. The model accommodates this by configuration: workflows and their linked requirements are set per network, so a gas task draws on gas standards and gas controls, and an electricity task draws on its own. The governance levels above are identical; only the underlying requirements and controls differ.

INSIGHT

Nothing in the model is lost. The asset owner has to actively secure across the contract boundary what an owner-operator gets for free.

GOVERNANCE LEVELS

How each governance level applies

The five governance levels described in the main briefing apply unchanged. The table below sets out, level by level, what changes between an owner-operator deployment and a contracted delivery model, and what the asset owner has to secure for the chain to remain intact.

Table 1. Governance levels in owner-operator and contracted delivery models

Level	In an owner-operator deployment	In a contracted delivery model	What the asset owner must secure
Level 1: embedded in the workflow	Own field staff complete workflows linked to company requirements at the point of work.	Contractor field staff complete the workflows. Work-as-done happens inside the delivery partner.	Agreement that contractors use workflows linked to the asset owner's standards and controls, and that the resulting data returns to the asset owner.
Level 2: superuser monitoring	Internal superusers monitor data quality and coach field users on workflow application.	Monitoring spans the contract boundary. Superuser capability may sit with the asset owner, the contractor, or both by agreement.	Defined responsibility for data-quality monitoring and coaching, and the access rights that make it possible across organisations.
Level 3: supervisors	Internal supervisors verify in the field and use dashboards to oversee distributed crew work.	Contractor supervisors run day-to-day field verification. The asset owner needs visibility of that work, not a substitute for it.	Contractor supervisor verification data surfaced to the asset owner, complemented by the asset owner's own assurance verifications at the interface.
Level 4: managers and senior leaders	Manage by exception across own crews through the GPR platform.	Manage by exception across a contracted portfolio. Performance of both the work and the contracting partners is in scope.	Portfolio-level dashboards spanning contractors, with contract performance and critical-risk control both visible to managers and senior leaders.
Level 5: the board	Quarterly critical-risk framework analysis on own operations.	Quarterly analysis reflects that delivery is contracted. Duty cannot be assumed discharged by the contractor.	Board reporting that evidences the asset owner's own due diligence over contracted work, consistent with overlapping-duty obligations.

LEADERSHIP ROLES

How each leadership role develops

The leadership roles set out in the main briefing apply across the same five governance levels. Their focus develops to reflect contracted delivery: directors test that due diligence

extends to contracted work; senior leaders engage with contracting partners as well as their own teams; managers integrate contract management with critical-risk oversight; supervision at the interface complements the contractor's own supervision; and frontline professionalism is expected of contractor field staff on equal terms.

Table 2. Leadership roles in owner-operator and contracted delivery models

Leadership role	Owner-operator focus	Contracted-delivery development	Indicative activity
Directors	Confirm the leadership team is engaged; assurance via board reporting.	Confirm due diligence extends over contracted delivery, not just retained functions.	Board reporting that tests how contracted critical-risk work is overseen. Director field presence at contractor-delivered sites.
Senior leadership team	Ask supervisors how they are using their dashboards and what they are finding.	Ask the same of both internal leaders and contracting partners. Set the data-return expectations.	Periodic joint reviews with contracting partners. Confirming work-as-done data is flowing and being acted on.
Managers	Manage by exception across own crews.	Manage by exception across contractors. Integrate contract management with critical-risk oversight.	Dashboards combining contractor field activity with contract performance. Action ownership for any flagged item.
Supervisors / contract representatives	Field verification and crew dashboards.	Asset-owner verification at the interface, alongside the contractor's own supervision.	Interface verifications. Pattern review across contractors. Consistency checks of controls between partners.
Frontline employees (including contractor field staff)	Self-monitor and record work to standard; feed back improvements.	Same professionalism expected of contractor field staff. Feedback routed to both employers.	Workflow completion to standard. Competency and contractor prequalification confirmation. Improvement feedback to planners and supervisors.

APPLYING IT

Practical entry points

Three entry points usually carry the most leverage when an asset owner first applies the model to contracted delivery.

Securing the data return. The single most important step is to agree, in the contracting arrangement itself, that field workflows used by contractor staff link to the asset owner's standards and controls, and that the resulting data returns to the asset owner as a routine output. Without this, every other level is working from a partial picture.

Defining what good looks like across the boundary. The main briefing emphasises that benchmarks are what unlock the data. In a contracted model, those expectations have to be set jointly: completion expectations, syncing cadence, verification frequency, action-tracking

response times. Joint definition turns the data into a shared management tool rather than an audit instrument used by one party against the other.

Interface verification, not duplicate verification. The asset owner's Level 3 presence is most valuable at the interface: confirming that the contractor's own supervision is operating, sampling the consistency of controls across contracting partners, and engaging with patterns rather than individual jobs. Duplicating the contractor's verification crew by crew is neither necessary nor effective. Verifying at the interface, and asking the contractor what their own data is showing them, is.

INSIGHT

The loop closes the same way in a contracted model as in an owner-operator one: leaders use the data the field is already generating, set clear expectations, and ask the people doing the work what they see. The route runs across a contract boundary, but the principle does not change.

ABOUT RISK MENTOR

Working with Risk Mentor

Risk Mentor New Zealand designs and deploys field, data and governance platforms that embed critical-risk management into operational work. The five-levels model set out in the main briefing has been applied in owner-operator deployments and is extensible, by design, to contracted delivery.

We would welcome a conversation with any asset-owning organisation considering how the model could apply to its operating arrangements.

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This companion note is illustrative. It accompanies the briefing From Built to Run by It and does not represent any specific organisation's deployment.

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