BUILDING PERFORMANCE

BuiltReady

BuiltReady Scheme Rules 2024-1

JUNE 2024

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Te Kāwanatanga o Aotearoa
New Zealand Government

MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Ministry of Business, Innovation and Employment (MBIE)
Hīkina Whakatutuki – Lifting to make successful

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MORE INFORMATION

Information, examples and answers to your questions about the topics covered here can be found on our website: **www.building.govt.nz** or by calling us free on: **0800 24 22 43.**

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JUNE 2024

BuiltReady Scheme Rules 2024-1

These modular component manufacturer scheme rules are made by the Chief Executive of the Ministry of Business, Innovation and Employment under section 272ZG of the Building Act 2004.

27 May 2024

Date

Signed by Paul Stocks acting under delegated authority of the Chief Executive

Preface

This document contains the rules for the BuiltReady scheme, which is a voluntary modular component manufacturer certification scheme established by the *Building Act 2004* (the Building Act) and the *Building (Modular Component Manufacturer Scheme) Regulations 2022* (the Regulations).

The BuiltReady scheme provides an easily understood and robust framework to show that a modular component manufacturer meets stringent third-party certification requirements. The BuiltReady scheme is intended to lift the efficiency and quality of building work in Aotearoa/New Zealand by providing streamlined and more consistent building consent pathways for manufacturers that can meet quality assurance and performance standards.

These manufacturers will also have a demonstrated ability to produce modular components that comply with the Building Code, and the scheme will also support the increased use of innovative manufacturing approaches in the building sector.

Building consent authorities must accept a manufacturer's certificate issued by a registered modular component manufacturer as evidence of compliance with the Building Code, provided the certificate is current and valid and the modular component is used in accordance with any limitations or conditions defined on the certificate.

The BuiltReady scheme also provides marketing advantages to certified and registered manufacturers as they can use the BuiltReady brand in advertising, and all registered manufacturers will be listed on a publicly accessible register maintained by the Ministry of Business, Innovation and Employment (MBIE).

The scheme rules in this document have been made by the Chief Executive of MBIE and take effect from 10 June 2024.

Document status

Document history		
Status	**Commencement date**	**Alterations**
Version 2022-1	7 September 2022	–
Version 2024-1	10 June 2024	Addition of Schedule 1: Use of the BuiltReady brand; addition of new requirement for MCMs to use MBIE's manufacturer's certificate template; addition of design processes including a process for minor and variations that are not minor.

Please check for any updates to the scheme rules on MBIE's website at www.building.govt.nz

Contact us

For further information about the BuiltReady scheme, including details of registered certification bodies and registered manufacturers, visit MBIE's website at www.building.govt.nz or contact us at the address below. Please note that any complaints from certified manufacturers about certification will be directed to the responsible certification body in the first instance.

Contact email:

BuiltReady@mbie.govt.nz

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Introduction

Objective and scope

The objective of the BuiltReady scheme in Aotearoa/New Zealand is to provide confidence to regulatory authorities and the market regarding the conformity of registered manufacturers with the certification requirements of the scheme, and that registered manufacturers design (where applicable) and manufacture modular components that meet the requirements of the Building Code.

The BuiltReady scheme is open to modular building manufacturers who supply modular components for installation within Aotearoa/New Zealand.

The BuiltReady scheme rules (the scheme rules) apply to the scheme parties, as identified in section 272ZG of the Building Act:

(a) the certification accreditation body (the accreditation body), which is appointed by MBIE under section 272I of the Building Act. The accreditation body is responsible for accrediting modular component manufacturer certification bodies (MCMCBs) to the BuiltReady scheme

(b) all accredited and/or registered MCMCBs, which are third-party organisations that evaluate modular component manufacturers for certification (on application from the manufacturer); and

(c) all modular component manufacturers (MCMs) that have current BuiltReady certification, whether or not these manufacturers are registered.

There are two ways a manufacturer can apply for certification (as per section 272U of the Building Act):

(i) only manufacture modular components; or

(ii) design and manufacture modular components.

The Regulations identify three types of modular component that are covered by the BuiltReady scheme:

(I) **Prefabricated frames and panels.** These include:

- open frames or trusses
- enclosed frames or panels (which may or may not include one or more mechanical, electrical, or other systems) that are intended for use as, or contribute to the structural performance of, (i) the roof or floor of a building; or (ii) a wall of a building; and (c) a prefabricated product

(II) **Prefabricated volumetric structures** (a volumetric structure that comprises one or more of the products above) that are intended for use as, or contribute to the structural performance of, (i) the roof, floor, floors or walls of a building; and (c) a prefabricated product

(III) **Prefabricated whole buildings** (a whole building excluding site work, such as foundations and connections to services)

The scheme rules will also be of interest to manufacturers interested in achieving certification as well as to building consent authorities, designers, builders, and other users of modular components.

The scheme rules are secondary legislation

The scheme rules are secondary legislation for the purposes of the *Legislation Act 2019*. They form part of a broader system for managing modular component manufacturer certification in New Zealand (refer to Figure 1 and Appendix 1) which has specific requirements contained in:

(a) the Building Act

(b) Building (Modular Component Manufacturer Scheme) Regulations 2022 (the Regulations)

(c) any other regulations and other statutory instruments (including any notice required to be published in the New Zealand *Gazette*) made under the Building Act, as amended from time to time

(d) the scheme rules; and

(e) any national/international Standards or other documents included by reference in the Regulations or the scheme rules.

MBIE is responsible for the management and oversight of the BuiltReady scheme. MBIE's responsibilities include publishing and maintaining the scheme rules, registering MCMCBs and MCMs, and providing public registers of:

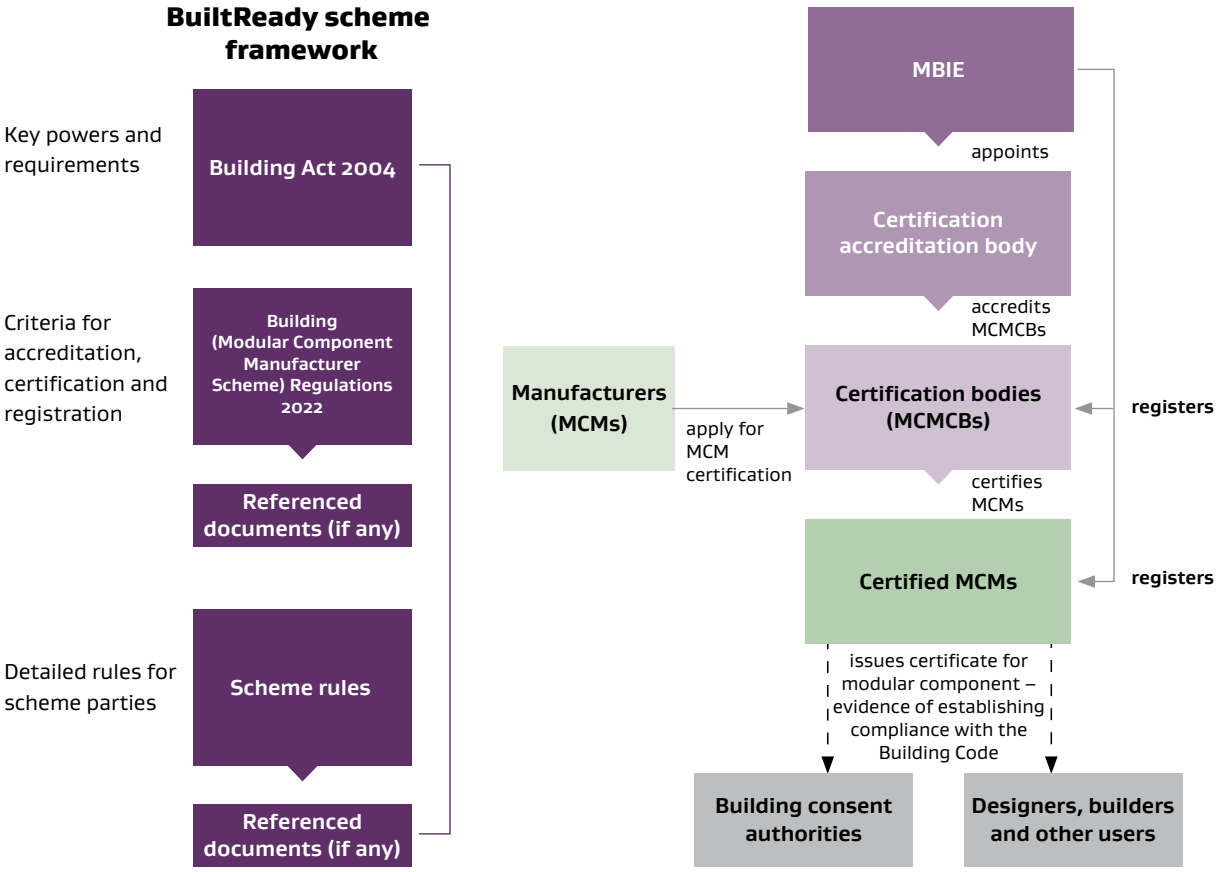
(a) all registered MCMCBs, plus details of anyone whose registration as an MCMCB has been suspended

(b) all registered MCMs; and

(c) all details of persons/organisations whose registration as an MCM has been suspended under section 272ZA(5)(b) of the Building Act.

Both registers can be found at www.building.govt.nz

Figure 1: The system for managing modular component manufacturer certification



Part 1: Preliminary provisions

1.0 Commencement

1.0.1 These modular component manufacturer scheme rules come into force on 10 June 2024.

1.1 Referenced documents

1.1.1 The international Standards and any other documents referred to in the scheme rules are the editions, along with their specific amendments (if any), listed below.

Referenced document

International Standards

ISO/IEC 17065:2013 Conformity assessment – requirements for bodies certifying products, processes and services

New Zealand legislation

Building Act 2004

Building (Modular Component Manufacturer Scheme) Regulations 2022

Schedule 1 The Building Code, *Building Regulations 1992*

1.2 Interpretation

1.2.1 Schedule 1 is operative and forms part of the scheme rules, while Appendix 1 is provided for information and guidance only.

1.2.2 Any text in shaded boxes at the start of a Part, and any text in shaded boxes under a rule and headed 'Guidance', does not form part of the scheme rules but is provided for information only.

1.2.3 Unless otherwise noted, references to sections are to sections of the *Building Act 2004* and references to the Regulations are to *the Building (Modular Component Manufacturer Scheme) Regulations 2022.*

1.2.4 Terms used in the scheme rules have the meanings ascribed to them below unless the context requires otherwise.

Definitions and abbreviations	Meaning
Acceptable solution	Has the meaning given to it in section 7 of the Building Act: ***acceptable solution*** *means an acceptable solution issued under section 22(1)* **GUIDANCE:** Acceptable solutions and verification methods are produced by MBIE and, if followed, must be accepted by a building consent authority as evidence of compliance with the Building Code.
Accreditation body	See MCMCAB.

Accredited MCMCB	Has the meaning given to it in section 7 of the Building Act: ***accredited MCMCB*** *means a person who has been accredited as an MCM certification body under section 272J and whose accreditation is not suspended and has not been revoked.*
Building Act	The *Building Act 2004* as amended by the *Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021.*
Alternative solution	All or part of a building design that demonstrates compliance with the Building Code, but is not an acceptable solution or a verification method.
Audit	Means an audit for the purposes of section 272K or section 272V of the Building Act, whichever is relevant.
BIM	Building Information Modelling.
Building Code	The New Zealand Building Code, which is Schedule 1 of the *Building Regulations 1992*, made under section 400 of the Building Act.
Building consent authority	Has the meaning given to it in section 7 of the Building Act.
BuiltReady scheme	The BuiltReady scheme in New Zealand for registered modular component manufacturers to issue manufacturer's certificates for modular components.
BuiltReady scheme rules	Rules made under section 272ZG of the Building Act.
CAR	Corrective Action Request.
Certified MCM	Means a person who has been certified as a modular component manufacturer under section 272U of the Building Act and whose certification is not suspended and has not been revoked.
Chief Executive	The Chief Executive of the Ministry of Business, Innovation and Employment.
Component	A product used within the overall modular component assembly.
Conformity assessment profile	A risk profile of the type of modular component being manufactured by an MCM in relation to how it performs against the Building Code.
Critical component	Any component used within the modular component that an MCM considers is critical to the modular component's Building Code compliance; ie likely to present a greater risk to the modular component's compliance if it failed and requires further controls within the quality plan.
Critical nonconformity	See nonconformity.

Current MCM certification	A certificate issued by an MCMCB as evidence of MCM certification that has not been suspended or revoked by the responsible MCMCB, nor has certification been relinquished by the certificate holder.
DfMA	Design for manufacture and assembly: a design methodology where consideration is given to minimising the complexity of manufacturing operations whilst ensuring modular component ease of assembly.
Employee	Means a person who is either directly employed by an MCM or is an internal contractor (undertakes work within an MCM's polices, procedure and systems).
Evaluation plan	In relation to a certification of a MCM, means a plan that sets out: (a) scope of certification and limitations of use; and (b) the means by which it will be demonstrated that the manufacturer meets the certification criteria; and (c) the timing and method of the audits and surveillance to be carried out to ensure that the manufacturer continues to meet the certification criteria.
IEC	International Electrotechnical Commission.
Inspection	A site or remote visit to confirm installation processes have been applied.
Intended use	The intended use could include the type of building the modular component is designed to be used in (ie within residential and / or commercial buildings).
ISO	International Organization for Standardization.
Key people	As identified within section 22(2) of the Regulations.
Major nonconformity	See nonconformity.
Manufacturer's certificate	A certificate issued for a modular component by a registered MCM under section 272ZF of the Building Act. The certificate issued relates to the modular component's compliance with the Building Code or relevant building consent. **GUIDANCE:** The manufacturer's certificate issued by an MCM is a first party declaration of conformity, not evidence of third-party certification.
MBIE	Ministry of Business, Innovation and Employment.
MCM	Modular component manufacturer.

MCMCAB	Modular component manufacturer certification accreditation body. A person appointed by the Chief Executive of MBIE under section 272I of the Building Act to assess and accredit modular component manufacturer certification bodies for the BuiltReady scheme.
MCMCB	Modular component manufacturer certification body. A person who issues modular component manufacturer certification under the BuiltReady scheme. Also see: accredited MCMCB, registered MCMCB. **GUIDANCE:** An MCMCB must be accredited (by an MCM accreditation body) and registered with MBIE to issue certification under the BuiltReady scheme.
Minor nonconformity	See nonconformity.
Modular component	In these scheme rules means a modular building product as defined Regulations 7-10 of the Regulations.
Modular component specification sheet	A document that provides technical information in relation to the modular component being manufactured and how it complies with the Building Code. The document should contain details around the design, manufacture and installation of the modular component including any limitations of use.
NCAS	National Competency Assessment System that identifies the types of building complexities across categories residential R1 to R3 and commercial C1 to C3.
Nonconformity	Finding that demonstrates an instance of non-fulfilment of specified requirements. Nonconformities can be minor, major or critical: Minor nonconformity: the potential impact is not likely to compromise Building Code compliance (eg aspects of the quality plan are not being followed but because of other factors compliance is not compromised); Major nonconformity: the potential impact is likely to compromise Building Code compliance if no remedial action is taken to correct it within a specified period; Critical nonconformity: the potential impact is considered to compromise Building Code compliance.

Person	Has the meaning given to it in section 7 of the Building Act: ***person*** *includes:* *(a) the Crown; and* *(b) a corporation sole; and* *(c) a body of persons (whether corporate or unincorporate).*
Prefabricated product	Has the meaning given to it in regulation 5 of the Regulations.
Prototyping	A methodology used to test the design of a modular component in terms of how it will perform under conditions related to both the assembly of the modular component and the construction site. Prototyping activities can range from sketches through to computer aided modelling.
Quality management system	A system that supports quality and continuous improvement in its management and operation.
Quality plan	A quality plan is a document, or several documents, that together specify quality standards, practices, resources, specifications, and the sequence of activities relevant to the modular component being manufactured and installed.
Register of certified MCMs	A central register maintained by MBIE (at www.building.govt.nz) of certified and registered MCMs, including those whose registration has been suspended.
Register of MCM certification bodies	A central register maintained by MBIE (available at www.building.govt.nz) of the names and contact details of registered MCMCBs and persons whose registration as an MCMCB is suspended.
Registered MCM	Has the meaning given to it in section 7 of the Building Act: ***registered modular component manufacturer*** *means a person that has been registered under section 272Y and the registration for which is not suspended and has not been revoked.*
Registered MCMCB	Has the meaning given to it in section 7 of the Building Act: ***registered MCMCB*** *means a person who has been registered as an MCM certification body under section 272N and whose registration is not suspended and has not been revoked.*
Regulations	Building (Modular Component Manufacturer Scheme) Regulations 2022.
Remote audit	An audit of a facility conducted using information and communications technology by an auditor who is not located at the site where the audited processes are performed.
Scheme	See BuiltReady scheme.

Scheme parties	Has the meaning given to it under section 272ZG of the Building Act for scheme rules: *In this section, **scheme party** means any of the following:* *(a) an MCM certification accreditation body* *(b) an accredited MCMCB* *(c) a registered MCMCB* *(d) a certified MCM* *(e) a registered MCM*
Scheme rules	See BuiltReady scheme rules.
Scope of certification	The scope that an MCM is applying to be certified for (ie design and manufacture or manufacture only), which may include pre-fabricated modular component type.
Standard	Capitalised (ie Standard): refers to a published national or international Standard. Not capitalised (ie standard): where this word appears in AS/NZS ISO/IEC 17065 or any other document associated with, related to, or required to be read with the scheme, means the criteria and standards for MCM certification prescribed in the Regulations and the scheme rules.
Substitute component	An alternative product identified by an MCM for use within its modular component where it is unable to source the original identified product.
Sub type	A detailed description of a subordinate type of a modular component that exists within the overall type (eg prefabricated frames and panels) and can include service options (eg mechanical, electrical or other systems), or building complexity level as defined by the NCAS for whole buildings.
Surveillance	Following certification, periodic monitoring of activities undertaken by an MCMCB in relation to an MCM's design and/or manufacturing operations to confirm certification requirements continue to be met. Surveillance includes both on-site and remote monitoring and other surveillance activities, such as the following: (a) enquiries on aspects concerning certification (b) requests to provide documents and records (eg internal audit reports, results of internal quality controls, complaints records) (c) monitoring the performance of a certified MCM.

Verification method	Has the meaning given to it in section 7 of the Building Act: ***verification method*** *means a verification method issued under section 22(1)* **GUIDANCE:** Verification methods are produced by MBIE and, if followed, must be accepted by a building consent authority as evidence of compliance with the Building Code.
Working day	Has the meaning given to it in section 7 of the Building Act.

Part 2: Accreditation body requirements

This Part contains requirements for the accreditation body, which is responsible for accrediting MCMCBs and checking they continue to meet the accreditation requirements. In addition, the Building Act requires the accreditation body to:

(i) notify an MCMCB in writing of: its intention to suspend or revoke an MCMCB's accreditation, and its reasons; and its decision to suspend, lift the suspension of, or revoke an MCMCB's accreditation, and its reasons, as well as the impact of this decision on an MCMCB's registration (section 272L), and

(ii) notify the Chief Executive within seven days of granting, suspending, lifting the suspension of, or revoking an MCMCB's accreditation (section 272M).

Note that MCMCBs must also be registered by MBIE before they can certify a modular component manufacturer under the BuiltReady scheme.

The accreditation body must:

2.1 (a) inform the Chief Executive, before the accreditation decision, of any proposed limitations to an MCMCB's scope of accreditation; and

(b) review its accreditation decisions if there are any amendments to the Building Code or any other document relevant to the BuiltReady scheme including the Building Act, the Regulations, the scheme rules, any documents included by reference in the Regulations or the scheme rules, or any relevant New Zealand Gazette notice, and take appropriate action to ensure that compliance with the Building Code and the BuiltReady scheme requirements is maintained; and

(c) provide the Chief Executive with a copy of any report prepared by the accreditation body regarding an audit of an MCMCB.

When conducting an audit of an MCMCB, the accreditation body must review:

2.2 (a) an MCMCB's policies, procedures and systems with respect to the BuiltReady scheme to ensure that:

(i) they are fit for purpose; and

(ii) staff and contractors are familiar with the relevant requirements for their conduct of any certification activities; and

(iii) they have been consistently and effectively implemented to deliver appropriate outcomes; and

(b) an MCMCB's certification process, including:

(i) any MCM certifications for which an MCMCB has become the responsible MCMCB for since the previous audit; and

(ii) a sample of other MCM certifications, taking into account the number of certifications issued by an MCMCB (if any) since the previous surveillance audit; and

(c) any other matter the accreditation body considers appropriate.

2.3 the accreditation body may utilise the BuiltReady brand but only in accordance with Schedule 1: (Use of the BuiltReady brand).

GUIDANCE

Under section 272K of the Building Act, the accreditation body must conduct an audit of an accredited MCMCB at least once in every 12 months or more frequently if Regulation 26 of the Regulations applies. When conducting an audit, the accreditation body must review any complaints received by an MCMCB since the previous audit.

Part 3: Modular component certification body accreditation requirements

This Part contains the requirements for certification bodies to become accredited, so they are able to certify MCMs.

Note that before MCMCBs can operate in the BuiltReady scheme they must be accredited by the accreditation body and registered by the Chief Executive of MBIE.

3.1 Accreditation requirements

3.1.1 An MCMCB must have policies, procedures and systems for evaluating an MCM for certification in accordance with the rules in 4.2. Evaluation.

3.1.2 An MCMCB must have a documented process that ensures, with respect to its employees and contractors carrying out its MCM certification functions that:

(a) they are appropriately trained and have their competence assessed; and

(b) their performance is monitored; and

(c) if current employees do not have the necessary competencies for a particular task, there is a documented process for identifying and engaging the services of contractors who do.

3.1.3 An MCMCB must have a documented process for how it obtains and demonstrate competencies related to the BuiltReady scheme, these include, but are not limited to:

(a) a detailed, current knowledge of the New Zealand building regulatory system; in particular, of:

(i) the Building Code and means of compliance with the Building Code (including the acceptable solutions and verification methods) and other supporting information (including Standards, industry codes of practice, other documents referenced in the acceptable solutions and verification methods, determinations made by the Chief Executive under Part 3 of the Building Act, and guidance published by the Chief Executive under section 175 of the Building Act); and

(ii) the application of the Building Code to modular components and its construction methods; and

(b) an understanding of, and experience in, assessment of solutions that demonstrate compliance directly with the Building Code's performance requirements, including how tests carried out to international and national Standards may be related to these requirements; and

(c) knowledge of relevant New Zealand and international building Standards and industry practices; and

(d) an understanding of quality management systems; and

(e) an understanding of basic engineering and architectural principles as applied to buildings (eg how structures perform); and

(f) an understanding of the principles of building physics; and

(g) an understanding of risk assessment (likelihood and consequence of failure) and its mitigation; and

(h) an understanding of how construction site practices and conditions can impact and affect the buildability of a modular component; and

(i) an understanding of, and experience in, assessing quality plans; and

(j) an understanding of transport and logistical issues that may be experienced with transporting modular components to site; and

(k) an understanding of manufacturing and supply chain audits; and

(l) experience in manufacturing site audits, surveillance, and installation inspections.

3.1.4 If an MCMCB is applying to be accredited to certify MCMs for design and manufacture, an MCMCB's competencies must also include:

(a) an understanding of the Building Act and Building Code and their relationship to the design process; and

(b) an understanding of the philosophy and principles of building design; and

(c) an understanding of knowledge of building-related legislation, regulations and means of compliance relevant to the design and use of modular components within residential and/or commercial buildings (within its scope of accreditation); and

(d) an understanding of design standards and an ability to identify and produce specific design solutions; and

(e) an understanding of the principals of building science, technology, and performance; and

(f) an understanding of prototyping methods, including the use of design software (ie Building Information Modelling (BIM)), to demonstrate compliance of the modular component.

GUIDANCE

While a single person may possess more than one of these competencies, the requirements are likely to be covered by several employees and contractors.

Rule 3.1.3 supports regulation 11(1)(d), which requires the MCMCB's policies, procedures, and systems to be 'designed to ensure (i) that the person has enough employees and contractors to perform the person's functions as a modular component manufacturer certification body; and (ii) that every individual who is allocated or carries out modular component manufacturer certification work on the person's behalf is competent to do that work'.

Part 4: Modular component certification body requirements

This Part contains detailed requirements for MCMCBs, which are responsible for evaluating modular component manufacturers for certification. If an MCMCB decides to certify a modular component manufacturer, it will issue MCM certification to the manufacturer, which will detail the scope of certification.

Note that before MCMCBs can operate in the BuiltReady scheme they must be accredited by the accreditation body and registered by the Chief Executive of MBIE.

MBIE maintains a publicly accessible register of registered MCMCBs (and any MCMCBs whose registration is currently suspended) at www.building.govt.nz.

4.1 General requirements

4.1.1 An MCMCB must:

(a) in the event of any amendment to the Building Code or any other document relevant to the BuiltReady scheme rules including the Building Act, the Regulations, the scheme rules, any documents included by reference in the Regulations or the scheme rules, or any relevant New Zealand *Gazette* notice, that may affect any manufacturer's certificates issued by a certified MCM:

(i) review all its MCM certification decisions within three months of the amendments taking effect; and

(ii) take appropriate action at the end of the three-month period to ensure compliance with the amendments; and

(b) notify the accreditation body in writing within 20 working days of the end of each quarter (31 March, 30 June, 30 September, and 31 December in any year) of:

(i) the number and type of active BuiltReady applications in its system, including the scope of these applications and anticipated audit and inspection timeframes

(ii) any BuiltReady certification it has become the responsible MCMCB for during the quarter by conducting an audit; and

(c) notify the Chief Executive in writing within five working days of any changes to the information provided under Regulations 21-22 of the Regulations; and

(d) provide all relevant information requested by the Chief Executive as soon as reasonably practicable to assist with any:

(i) audit of the registered MCMCB by the Chief Executive under section 272O of the Building Act

(ii) decision whether to suspend or lift a suspension of registration of an MCMCB

(iii) decision whether to suspend or lift a suspension of registration of an MCM; and

(e) when requested, provide the Chief Executive with a copy of any report prepared by the MCMCB regarding certification of an MCM.

4.1.2 An MCMCB must comply with all applicable requirements under ISO/IEC 17065:2013 (Conformity assessment – requirements for bodies certifying products, processes and services).

4.1.3 An MCMCB must maintain the competencies identified in rule 3.1.3.

4.1.4 An MCMCB must record each decision of whether to certify a person as a modular component manufacturer under section 272U of the Building Act (which must include the reasons for, and outcome, of the decision).

Each recorded decision must include detailed notes of the technical rationale for the decision to approve or reject information at key stages of the certification process, including its reviews of:

(a) the application for certification; and

(b) the evaluation plan; and

(c) test reports, inspection reports, audit reports, and technical opinions produced as evidence to support certification; and

(d) the recommendation for certification.

4.1.5 The MCMCB may utilise the BuiltReady brand but only in accordance with Schedule 1: Use of the BuiltReady brand.

GUIDANCE

Also refer to rule 4.2.4 which has specific requirements for completing and keeping records relating to an MCMCB's risk assessments; and rule 4.2.16 with respect to any decision to carry out a remote audit.

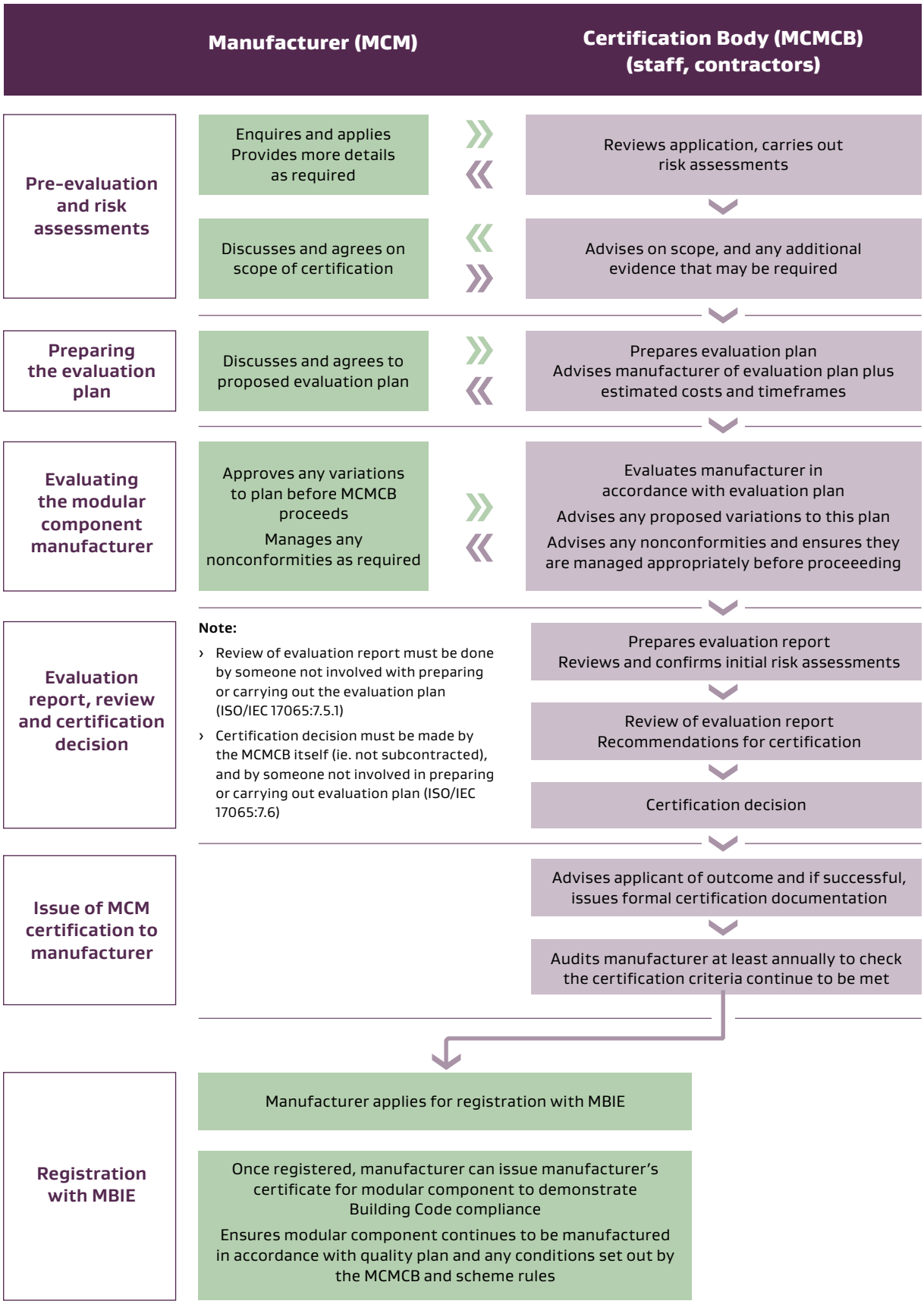
4.2 Evaluation

4.2.1 When considering an application for certification of a person as an MCM, an MCMCB must assess it in accordance with rules 4.2.2. to 4.2.22.

GUIDANCE

Figure 2 on the next page illustrates key stages in the evaluation process.

Figure 2: The evaluation process



Pre-evaluation and risk assessments

4.2.2 When considering an application for certification of a person as a modular component manufacturer, an MCMCB must assess the application to determine the applicant's scope of certification. In determining the scope of certification, an MCMCB must consider:

(a) whether an MCM is applying for design and manufacture, or manufacture only, of modular components; and

(b) the modular component type (as defined in regulations 7-10 of the Regulations); and

(c) sub types included to identify any limitations across a modular component type; and

(d) intended use (residential and/or commercial); and

(e) where the type is a whole building, the building complexity level (as defined within National Competency Assessment System).

GUIDANCE

This process may include a pre-evaluation visit to the manufacturing site and/or a construction site if an MCMCB considers this is appropriate.

4.2.3 An MCMCB must carry out a risk assessment for the type of modular component with respect to design (if applicable), manufacture and installation, based on the information provided by an MCM, and in accordance with **Table 1: Risk Assessment Steps** to develop a conformity assessment profile and to determine future surveillance and inspection requirements.

4.2.4 An MCMCB must complete and retain records demonstrating technically justifiable rationales for the consequence and likelihood scores assigned while carrying out a risk assessment.

Table 1: Risk assessment steps

Step 1

For the type of prefabricated modular component being manufactured an MCMCB must assign a score between 1 and 3 that considers the consequences of failure of the component in its intended use(s) and the impact with respect to the building, its occupants, or other property, where:

- 3 – major impact
- 2 – moderate impact
- 1 – minor impact

Table 1: MC Type consequence score

Type	Sub-Type	Consequence
Type 1: Frames and panels	Open frame or truss	1
	Enclosed panel	1
	Electrical systems	2
Type	**Sub-Type**	
Type 2: Volumetric structures	Open frame	1
	Enclosed structure	2
	Electrical and/or plumbing systems	2
	Weathertightness aspects	2
	Fire safety	3
	Electrical and/or plumbing, and/or weathertightness, and/or fire safety	3
Type	**Sub-Type**	
Type 3: Whole buildings	Residential building (NCAS complexity level R1 to R3)	3
	Commercial building (NCAS complexity level C1 to C3)	3

GUIDANCE

The consequence score considers what could happen if the modular component were to fail.

Step 2	Based on the information provided by an MCM in relation to the below items, an MCMCB must identify factors with the potential to affect the modular component's Building Code compliance during design, manufacture, and installation in relation to the scope of certification applied for. For **design**, an MCMCB must consider at least the following: (a) a defined design process; and (b) appropriate employee and contractor resources with required competencies engaged to cover full scope of work in relation to the design; and (c) whether overall design is compliant with the Building Code and other building regulations; and (d) evidence of prototyping undertaken through the design process; and (e) peer review of design by independent, appropriately competent resources; and (f) process for managing minor variations. For **manufacture**, an MCMCB must consider at least the following: (a) controls identified within the quality plan; and (b) extent of quality management system; and (c) number and location of sites involved in manufacture, assembly, and related activities; and (d) any existing certification held by an MCM (ie ISO 9001); and (e) any other factors an MCMCB deem necessary. For **installation**, an MCMCB must consider that the policies, procedures and systems cover at least the following: (a) required competencies of installers; and (b) training materials (if any); and (c) quality of the installation instructions; and (d) processes to verify modular components are installed as per the instructions and building consent (prior to issue of a manufacturer's certificate); and (e) processes for managing and remediating defects identified during installation; and (f) effects of exposure from the elements or physical damage to the modular component before, during or after installation; and (g) whether other onsite conditions are likely to be detrimental to installation; and (h) criticality of tolerances related to installation; and (i) interaction (if any) with other building products or components; and (j) transportation methods, including factors relating to shipping, road, and rail transportation.
Step 3	An MCMCB must consider the likelihood of noncompliance with respect to each factor identified across design, manufacture, and installation, based on current controls (as known by an MCMCB through its pre-evaluation activities), and assign a likelihood score between 1 and 3 for design, manufacture, and installation: 3 – very likely 2 – likely 1 – unlikely.

GUIDANCE
The likelihood score considers the residual risks with respect to the design, manufacture and installation of the modular component being evaluated.

Step 4

An MCMCB must multiply the highest likelihood score with the consequence score to establish an individual risk score for each of design, manufacture, and installation.

Step 5

An MCMCB must apply the risk score to **Table 2** to establish minimum requirements for site visits and post certification audits, surveillance, and inspections, based on risk severity.

Table 2: Risk related requirements for site visits, audits, surveillance and inspections

Risk assessment matrix		Consequence (sub type)		
		3	2	1
Likelihood	3	9	6	3
	2	6	4	2
	1	3	2	1

KEY:

Design risk score: requirements for audits, surveillance, and inspections

Risk score 9	Very low level of confidence in design process	Annual audit, with level of surveillance defined by an MCMCB
Risk score 4-6	Low level of confidence in design process	Annual audit, with level of surveillance defined by an MCMCB
Risk score 1-3	Normal level of confidence in design process	Annual audit

Manufacturing risk score: requirements for audits, surveillance, and inspections

Risk score 9	Very low level of confidence in manufacturer	Annual audit, with level of surveillance defined by an MCMCB
Risk score 4-6	Low level of confidence in manufacturer	Annual audit, with level of surveillance defined by an MCMCB
Risk score 1-3	Normal level of confidence in manufacturer	Annual audit

Installation risk score: requirements for audits, surveillance and inspections

Risk score 9	Very low level of confidence in installation consistency	Annual audit, and level of inspections defined by an MCMCB
Risk score 4-6	Low level of confidence in installation consistency	Annual audit, and level of inspections defined by an MCMCB
Risk score 1-3	Normal level of confidence in installation consistency	Annual audit

Preparing the evaluation plan

4.2.5 An MCMCB must prepare an evaluation plan that includes:

(a) a defined scope of certification including any limitations; and

(b) a demonstration that an MCMCB has considered all technical competencies related to the scope of certification; and

(c) an assessment of the effective implementation of the policies, procedures and systems contained within an MCM's quality management system; and

(d) an assessment of the design process (if applicable); and

(e) means of conformity assessment, including an assessment of the frequency of manufacturing site visits and installation inspections required in accordance with the completed risk assessments and the following considerations:

(i) nature of the modular component

(ii) design (if applicable), manufacturing and installation policies, procedures and systems

(iii) specific requirements of the Building Code

(iv) the quality plan and any critical components

(v) method of installation

(vi) interaction with other modular components, non-modular components and materials

(vii) need to evaluate installation instructions by observation onsite; and

(f) an assessment of supply chain controls; and

(g) is aligned with documented acceptance criteria for technical literature.

4.2.6 Before proceeding with the evaluation, an MCMCB must advise the applicant of the evaluation plan, estimated costs and timeframes.

Evaluating an MCM

4.2.7 An MCMCB must evaluate an MCM in accordance with the approved evaluation plan.

4.2.8 An MCMCB must carry out an initial manufacturing site visit for an MCM, including visits to multiple manufacturing sites where applicable.

4.2.9 If an MCMCB considers any changes to the approved evaluation plan are necessary, it must:

(a) document the proposed changes and its reasons for them; and

(b) advise the applicant before proceeding with the evaluation.

GUIDANCE

Evaluation is an iterative process which may involve updates to the risk assessments or the evaluation plan (eg if the situation onsite does not reflect the documentation on which an MCMCB based its initial risk assessments).

4.2.10 When evaluating an MCM, an MCMCB must ensure an MCM meets all the requirements for certification identified within Part 5 of these scheme rules including:

(a) the design procedures and systems (where an MCM is applying for design and manufacture certification); and

(b) modular components specifications; and

(c) quality management systems; and

(d) quality plan; and

(e) resource (employees and contractors) procedures and systems; and

(f) competencies for manufacture and design and manufacture (if applicable); and

(g) written records; and

(h) complaints and disputes.

4.2.11 When assessing whether a technical opinion submitted by the applicant supports evidence of component conformity an MCMCB must at least consider:

(a) the relevance of the technical opinion to the component or construction method being evaluated; and

(b) the expert's competence and credibility with respect to the component or construction method being evaluated; and

(c) the basis for the technical opinion (eg test report) and, if evidence is not provided, whether the applicant has provided an acceptable justification for not providing this evidence.

4.2.12 When assessing competence, an MCMCB must ensure the experience and level of competency to be demonstrated is related to the scope of certification an MCM has applied to be certified for.

4.2.13 Without limiting the requirements for MCMs to make and keep written records, the records must be sufficient to establish clearly that all evaluation requirements have been met.

4.2.14 When evaluating an MCM an MCMCB must take into account the nature and significance of any nonconformities and required actions. The three levels of nonconformity and required actions (if any) in accordance with **Table 3:**

Table 3: Nonconformities identified during evaluation

Level	Description of nonconformity	Required action
Minor	The potential impact is not likely to compromise Building Code compliance (eg aspects of the quality plan are not being followed but because of other factors compliance is not compromised).	The evaluation may proceed unless an MCMCB identifies more than one related minor nonconformity, and these nonconformities collectively are likely to present a potential risk or high risk. If this is the case these nonconformities must be classified as major or critical immediately.
Major	The potential impact is likely to compromise Building Code compliance if no remedial action is taken to correct it within a specified period.	An MCMCB must not certify an MCM before the nonconformity has been corrected and an MCMCB has verified the corrective action.
Critical	The potential impact is considered to compromise Building Code compliance.	An MCMCB must not certify an MCM until the nonconformity has been corrected and an MCMCB has verified the corrective action. Verifying a corrective action with respect to a critical nonconformity must require: (a) onsite verification; or (b) examination of revised documentation (for deficiencies in procedures or instructions).

Conducting site visits

4.2.15 When conducting a site visit to an MCM, an MCMCB must:

(a) verify the factors considered in the risk assessment; and

(b) record any potentially significant risks that are not apparent in the risk assessment; and

(c) amend any risk scores from the initial evaluation once assessed; and

(d) confirm that the modular component is consistently manufactured to its technical specification; and

(e) confirm the adequacy of processes for managing changes to modular component specifications; and

(f) confirm effective implementation of an MCM's policies, procedures and systems; and

(g) confirm implementation of the quality plan.

4.2.16 An MCMCB may conduct a site visit as a remote assessment if:

(a) an MCMCB has documented procedures for conducting remote assessments and keeps detailed records of the reasons for doing so in a particular case; and

(b) conduct of the remote audit is under an MCMCB's control (for example, via video link).

4.2.17 When conducting an installation inspection for a modular component, an MCMCB must:

(a) verify the factors considered in the risk assessment; and

(b) record any potentially significant risks that are not apparent in the risk assessment (including health and safety risks); and

(c) amend any risk scores from the initial evaluation once assessed; and

(d) confirm the practicability of installing the modular component; and

(e) confirm the appropriateness and accuracy of installation instructions; and

(f) review the recommended methods of transportation, handling, and storage; and

(g) identify any adverse conditions that might impact on the performance of the modular component; and

(h) confirm that compliance can be reliably achieved by appropriately competent installers following the instructions.

Evaluation report, review, and certification decision

4.2.18 An MCMCB must keep detailed written notes during the evaluation with respect to Building Code compliance, including notes of any assessment of technical evidence submitted in support of a compliance claim.

4.2.19 An MCMCB must use the notes described in rule 4.2.18 as the basis for an evaluation report and its decision regarding certification.

4.2.20 An MCMCB must produce an evaluation report that summarises:

(a) all aspects associated with the evaluation as identified in the evaluation plan; and

(b) any nonconformities; and

(c) details of the risk assessment of the modular component, including the identified requirements for manufacturing site surveillance and installation inspections; and

(d) any recommendations and opportunities for improvement of an MCM's policies, procedure and systems which were identified during the evaluation.

4.2.21 Before making a certification decision an MCMCB must review the evaluation report to ensure:

(a) all aspects of the evaluation plan have been satisfied; and

(b) the evaluation process and evaluation report adequately address the applicable requirements of the BuiltReady scheme.

GUIDANCE

Note that ISO/IEC 17065 clause 7.5.1 requires a review of the evaluation report to be carried out by person(s) who were not involved in the evaluation process. Also note that in many cases this review is likely to involve more than one person, as reviewers will need to understand the technical significance of the evaluation report (eg understand testing, auditing and inspection) as well as advise on the extent to which the report addresses the relevant BuiltReady scheme and Building Code requirements.

4.2.22 When issuing an MCM certificate, an MCMCB must:

(a) assign a unique number to the certificate; and

(b) include a detailed scope of certification which must cover as a minimum:

(i) if certification is for design and manufacture or manufacture only; and

(ii) the modular component type or types (as defined in Regs 7–10 of the Regulations); and

(iii) sub types included to identify any limitations across a modular component type (ie electrical, plumbing or gas fitting services); and

(iv) intended use (ie residential, commercial or both); and

(v) where the modular component type is a whole building, the building complexity level (as defined within National Competency Assessment System); and

(vi) any other identified conditions or limitations; and

(vii) version number (where applicable); and

(viii) version issue date (where applicable); and

(ix) location of manufacturing sites.

GUIDANCE

ISO/IEC 17065 clause 7.7 outlines minimum information requirements for certification documentation, which includes:

- name and address of certification body
- date of certification
- name and address of manufacturer
- scope of certification
- signature of authorised representative of certification body.

4.3 Audit

4.3.1 When undertaking an audit of a certified MCM, an MCMCB must:

(a) identify any nonconformities and act on these in accordance with **Table 4**; and

(b) notify an MCM of the required actions.

Table 4: Nonconformities identified during audit

Level	Description of nonconformity	Initial action:	If the CAR is not closed out by the agreed date:
Minor	The potential impact is not likely to compromise Building Code compliance (eg aspects of the quality plan are not being followed but because of other factors compliance is not compromised).	An MCMCB must raise a Corrective Action Request (CAR) with respect to the nonconformity and agree a suitable closeout date with an MCM which reflects the potential impact of the nonconformity and how easily it can be rectified. **GUIDANCE** Closeout is normally at the next annual audit.	An MCMCB must review the reasons for non-closure with the certified MCM and, depending on the nature of the nonconformity and its potential to affect compliance, either: (a) determine that a minor nonconformity still exists, cancel the existing CAR and raise a new CAR with a new closeout date agreed with an MCM, reporting the action in the evaluation report, or (b) determine that the nonconformity is now a major or critical nonconformity and raise a new CAR with a closeout date as required for a major or critical nonconformity.
Major	The potential impact is likely to compromise Building Code compliance unless corrective action is taken promptly.	An MCMCB must raise a CAR with respect to the nonconformity and set a closeout date that does not exceed seven days. An MCMCB must not close out the CAR until the major nonconformity has been corrected and an MCMCB has verified the corrective action.	An MCMCB must determine that the nonconformity is now a critical nonconformity and take appropriate action.
Critical	The potential impact requires immediate corrective action.	An MCMCB must raise a CAR with respect to the nonconformity requiring immediate corrective action to be taken. Further modular components must not be produced until the CAR is closed.	An MCMCB must determine whether to suspend or revoke an MCM's certification under section 272W of the Building Act.

		An MCMCB must not close out the CAR until the critical nonconformity has been corrected and an MCMCB has verified the corrective action. Verifying a corrective action with respect to a critical nonconformity requires: (a) onsite verification (for manufacturing site inspections or installation inspections); or (b) examination of revised documentation (for deficiencies in procedures or instructions).	

4.3.2 An MCMCB may request copies of the manufacturer's certificates issued by a certified MCM at any time.

4.3.3 When undertaking audit of a certified MCM, an MCMCB must:

(a) keep detailed notes with respect to Building Code compliance; and

(b) use these notes to form the basis for an MCMCB's audit report.

4.3.4 An MCMCB's report on its audit of the certified MCM must include:

(a) a summary of this audit; and

(b) details of any nonconformities and the actions taken with respect to them; and

(c) any recommendations or opportunities for improvement that were identified during any surveillance and inspections.

4.3.5 An MCMCB must ensure that the report described in the rule above is reviewed by person(s) not involved in the report's preparation or the certified MCM review to ensure the report and review adequately address the applicable requirements of the BuiltReady scheme and the Building Code.

Surveillance and inspections

4.3.6 When undertaking surveillance and/or inspections of a certified MCM an MCMCB must:

(a) keep detailed notes with respect to Building Code compliance; and

(b) use these notes to form the basis for an MCMCB's surveillance and/or inspection report; and

(c) provide a summary report for the surveillance and/or inspection activity that:

(i) details any nonconformities (categorised as in Table 4 above) and the actions taken with respect to them

(ii) provides any recommendations or opportunities for improvement that must be incorporated into the audit report; and

(d) Ensure the report is reviewed by person(s) not involved in the report's preparation or the certified MCM's review to ensure the report and review adequately address the applicable requirements of the BuiltReady scheme and the Building Code.

Part 5: Modular component manufacturer certification requirements

This Part covers the requirements for an MCM to become certified by an MCMCB. Once certified and registered, an MCM can issue a manufacturer's certificate for the modular components that fall under the scope of certification detailed on an MCM certification issued by the responsible MCMCB.

Manufacturer's certificates are statements of conformity, which provide evidence to building consent authorities that the modular component it relates to complies with the Building Code (when used in accordance with any limitations outlined on the certificate).

Note that a manufacturer must also be registered by MBIE before they can issue manufacturer's certificates under the BuiltReady scheme.

MBIE will maintain a register of registered MCMs (and any MCMs whose registration is currently suspended), at www.building.govt.nz.

5.1 MCM certification requirements

5.1.1 If an MCM is applying to be certified for design and manufacture under the scheme, it must ensure that:

(a) the design process is documented, including roles and responsibilities; and

(b) the design process identifies how minor variations to the design will be managed; and

(c) all design employees and contractors engaged have design competences specific to the scope of work they are engaged to design; and

(d) all outputs from designers are reviewed by a suitably competent design resource to ensure the overall approved modular component design is compliant with the Building Code and other building regulations; and

(e) all aspects of the design, including variations that are not minor, are peer reviewed by a suitably competent, independent person.

5.1.2 An MCM must have a modular component specification sheet that includes the following:

(a) a description of modular component; and

(b) the intended use of the modular component; and

(c) a statement of conformity confirming that the modular component design, and all incorporated components (as used within the design) comply with the Building Code; and

(d) a performance specification for each component for relevant Building Code clauses; and

(e) testing and/or modelling of prototype design for the modular component; and

(f) identification of critical components; and

(g) conditions of use and limitations related to intended use (ie commercial, residential); and

(h) transportation requirements including lifting, transport to site; and

(i) installation instructions, including any site-specific requirements (ie tolerances relating to fixing of the modular component to foundations and/or other components and products, sequential requirements for construction); and

(j) ongoing maintenance requirements for the modular component; and

(k) substitute components and how they meet the requirements above.

GUIDANCE

Any supporting documents such as technical or design manuals may be linked to the specification sheet.

5.1.3 An MCM must have a quality management system that includes:

(a) an MCM's commitment to quality by way of a quality policy and objectives; and

(b) an MCM's organisational structure, roles and responsibilities that support the achievement of the quality objectives; and

(c) a process for management review of its quality management system; and

(d) a process for managing component nonconformance; and

(e) a process for continuous improvement that incorporates customer feedback; and

(f) a process that incorporates DfMA principles; and

(g) a process for inspection management, including use of written and photographic evidence to demonstrate compliance and/or remote inspections; and

(h) document and record management; and

(i) a process for issuing manufacturer's certificates; and

(j) a process for managing complaints and disputes; and

(k) the use and calibration of inspection, measuring and test equipment to verify component quality; and

(l) a process for supply chain quality management; and

(m) a process for internal audit of policies and procedures relating to the design and/or manufacture of modular components; and

(n) a modular component recall procedure specific to the New Zealand market, that identifies what remedial action may be taken; and

(o) a process for managing health and safety requirements.

Quality management systems

ISO 9001:2016 provides guidance on requirements for a suitable quality management system.

5.1.4 An MCM must have a quality plan prepared in respect of the modular component types (including sub types) it produces that includes at least the following:

(a) the plan's scope; and

(b) quality objectives, including the required quality characteristics and performance requirements consistent with the Building Code clauses listed on the modular component's specification sheet; and

(c) for the manufacturing systems used within the assembly/construction of the modular component:

(i) the sequence of operations; and

(ii) work instructions for each operation, including roles and responsibilities; and

(iii) construction methods relating to the assembly of the individual components that make up the modular component at the manufacturing stage; and

(iv) manufacturing site-specific variations to any of the above items where the manufacturer has more than one geographic location that is used for the manufacture of its modular components; and

(v) storage and material handling processes that ensure the integrity of the individual components and the fully manufactured modular component, including storage prior to transportation to customer; and

(vi) machinery and equipment operational instructions that relate to its use and maintenance in relation to the manufacture of the modular component; and

(vii) competencies, experience, and qualifications required by staff for the operations they undertake

(d) components identified as critical, and controls related to them; and

(e) traceability information for the individual components used in the construction of the modular component; and

(f) supply chain dependencies, requirements, and controls; and

(g) control of documented information, including a requirement to retain product traceability records if manufacturing ceases for a further 7 years from the final manufacturing date; and

(h) control of defective components during manufacture; and

(i) monitoring and measurement requirements; and

(j) transportation and storage requirements; and

(k) installation processes that include:

(i) how installers are provided with the relevant training; and

(ii) how installers are assessed as being competent; and

(iii) the requirements for installers to have quality control systems in place relating to on-site assembly and/or installation of the modular component; and

(iv) how advice and technical support is available and provided to the installer; and

(v) how competency is maintained; and

(vi) how installation records related to the above are maintained.

GUIDANCE

ISO/IEC 10005:2018 (Quality management – guidelines for quality plans) provides general guidance on suitable content for a quality plan.

5.1.5 An MCM must have procedures and systems that ensure, with respect to all its employees and contractors, that:

(a) there is an appropriate training and competency assessment framework; and

(b) employees and contractors are appropriately trained and compliant with relevant occupational regulation schemes (ie prescribed electrical work, sanitary plumbing work); and

(c) employees and contractors have appropriate qualifications where appropriate; and

(d) work is allocated to competent employees and contractors; and

(e) supervision of employees and contractors is undertaken for those that are in training; and

(f) competencies are matched to the activities being performed; and

(g) systems are reviewed and monitored to ensure they are being implemented and fit for purpose.

An MCM must in relation to the competencies of its employees and contractors ensure it has procedures for how:

(a) competency is established; and

(b) competency is reviewed on an annual basis; and

(c) competency is maintained by way of continued learning and development.

5.1.6 An MCM must be able to demonstrate and maintain competencies that are relevant to its scope of certification, but are not limited to:

(a) a detailed, current knowledge of the building regulatory system; in particular of:

(i) the Building Code and means of compliance with this Code (including the acceptable solutions and verification methods) and other supporting information (including cited Standards, industry codes of practice, other documents referenced in the acceptable solutions and verification methods, determinations made by MBIE under Part 3 of the Building Act, and guidance published by MBIE under section 175)

(ii) the application of the Building Code to building products and building methods

(iii) the application of alternative solutions and how they meet the requirements of the Building Code; and

(b) knowledge of relevant New Zealand and international building Standards and industry practices; and

(c) demonstrating rationale for how the selected components for use within the modular component have been appropriately evaluated for compatibility and Building Code compliance; and

(d) an understanding of quality management systems; and

(e) an understanding of, and experience in, creating and managing quality plans; and

(f) an understanding of basic engineering and architectural principles as applied to buildings (eg how structures perform); and

(g) an understanding of the principles of building physics; and

(h) an understanding of the performance of building products in response to the physical actions and environments they are exposed to in buildings; and

(i) an understanding of risk assessment (likelihood and consequences of failure) and mitigation; and

(j) an understanding of how construction site practices and conditions can impact and affect the buildability of a modular component; and

(k) an understanding of transport and logistical issues that may be experienced with transporting modular components to site; and

(l) an understanding in manufacturing and supply chain audits.

5.1.7 If an MCM is undertaking design and manufacture of modular components, in addition to the competencies described in the rule above, it must be able to demonstrate and maintain competencies that are relevant to its scope of certification, but are not limited to:

(a) an understanding of the Building Act and Building Code and their relationship to the design process; and

(b) an understanding of the philosophy and principles of building design; and

(c) an understanding of knowledge of building-related legislation, regulations and means of compliance relevant to the design and use of its modular components within residential and/or commercial buildings (within its scope of certification); and

(d) an understanding of design standards and an ability to identify and produce specific design solutions; and

(e) an understanding of the principals of building science, technology, and performance; and

(f) an understanding of prototyping methods, including the use of design software (ie BIM), to demonstrate compliance of the modular component; and

(g) integrating and coordinating design information provided by relevant parties; and

(h) preparing detailed drawings, specifications, and documentation for the purpose of building consent and modular component construction.

GUIDANCE

While a single person may possess more than one of these competencies, the requirements are likely to be covered by a number of employees and contractors. Levels of competency required for modular components designed to be used within residential buildings should be as a minimum, consistent with those required by the Licensed Building Practitioner scheme which specifies design competency requirements.

Part 6: Certified modular component manufacturer requirements

This Part covers the requirements for certified MCMs, which includes making sure that the modular components identified in its scope of certification continue to be manufactured in accordance with the quality plan and that an MCM's processes and quality management system are effectively implemented.

6.1 Quality management system and quality plan

6.1.1 A certified MCM must ensure its quality management system is maintained and implemented, including its internal audit procedures to demonstrate ongoing compliance.

6.1.2. A certified MCM must ensure that the quality plan prepared in respect of its certification:

(a) remains specific to its scope of certification; and

(b) is provided to an MCMCB as a controlled copy; and

(c) demonstrates how a certified MCM's quality management system applies to its modular component design (if applicable), manufacture and installation; and

(d) continues to be implemented.

6.1.3. A certified MCM must ensure that its modular components continue to be manufactured and installed in accordance with the quality plan and its associated procedures.

6.1.4. A certified MCM must notify its MCMCB within 5 working days when the controlled copy of the quality plan is updated and specify the reasons for the update.

6.1.5. A certified MCM must ensure that its installation processes continue to:

(a) provide training to installers (either employees or contractors); and

(b) assess installers as having the required competency to install modular components; and

(c) assess installers to ascertain they have quality control systems in place relating to on-site assembly and/or installation of the modular component; and

(d) provide advice and technical support to installers; and

(e) enable competency to be maintained; and

(f) record quality checks for installation prior to the issue of a manufacturer's certificate; and

(g) keep written records relating to the above.

6.2 Design processes (if certified for design and manufacture)

6.2.1 A certified MCM that is certified for design and manufacture, must:

(a) continue to maintain the design competencies (either through its employees or contractors) related to its scope of certification; and

(b) where it makes a change to its modular component design that is not a minor variation, obtain a further independent peer review to validate compliance with the Building Code; and

(c) where it makes a design change, reevaluate the risk as to how each of the components it uses within its modular component design meets Building Code requirements in relation to the specified intended use of that modular component; and

(d) ensure all relevant design employees and contractors have collaborated to ensure the final approved design of the modular component is Building Code compliant across its full scope; and

(e) apply processes for using substitute components within the design; and

(f) maintain written records, including reasons for decisions, relating to the design decisions above.

6.3 Employees and contractors

6.3.1. A certified MCM must ensure it:

(a) reviews and maintains its training and competency assessment framework; and

(b) reviews competency of its employees and contractors in relation to rule 5.1.6 and also 5.1.7 (where applicable) on an annual basis; and

(c) demonstrates maintenance of competency of its employees by way of continued learning and development; and

(d) continues to ensure employees and contractors are appropriately trained and compliant with relevant occupational regulation schemes (ie prescribed electrical work, sanitary plumbing work); and

(e) allocates work to competent employees and contractors; and

(f) supervises employees and contractors that are in training; and

(g) matches competencies to the activities being performed; and

(h) monitors the performance of its employees for those activities; and

(i) reviews and monitors its systems to ensure they are being implemented and fit for purpose.

6.3.2. An MCM must continue to maintain competencies relevant to its scope of certification (see rule 5.1.6. and 5.1.7.).

6.4 Written records and manufacturer's certificates

6.4.1. A certified MCM must continue to retain written records that demonstrate compliance with these scheme rules, relevant regulations, the Building Code, and an MCM's documented procedures.

6.4.2. A certified MCM must maintain and retain these records throughout the duration of the certification to which they relate, and thereafter a further period of not less than 10 years.

6.4.3. A certified MCM must record the manufacturer's certificates it issues for a modular component, which must include, at a minimum:

(a) use MBIE's current manufacturer's certificate templates; and

(b) must not change the structure and the design of the certificates; and

(c) scope of certification; and

(d) purpose of certificate (section 45 or 92 of the Building Act); and

(e) description of the component sufficient to identify it; and

(f) the building consent number (including any amendments applied for), and

(g) the building consent authority the certificate is provided to, and

(h) property address relating to the installation.

A certified MCM must notify MBIE and its MCMCB in writing of all manufacturer's certificates issued at the end of each quarter (31 March, 30 June, 30 September, 31 December for each year), within 20 working days at the end of the quarter.

6.4.4. An MCM must, at the request of an MCMCB, provide copies of any manufacturer's certificates that it has issued within 5 working days of the request.

6.4.5. When issuing a manufacturer's certificate, an MCM must:

(a) assign a unique certificate number to that certificate; and

(b) ensure the certificate number is a consecutive number derived from the block of numbers allocated to an MCM by the Chief Executive; and

(c) prefix the certificate number with MCMNZ and identify if the certificate is issued for the purposes of section 45 or section 92 of the Building Act (eg MCMNZ123456-BC for section 45 or MCMNZ123456-CCC for section 92); and

(d) must not add any other text or numbers to the certificate number.

6.5 Modular component recall

6.5.1. A certified MCM must notify the responsible MCMCB and MBIE without delay of any activation of its recall procedure for its modular components. The notification must include records of where the affected modular components have been installed.

6.5.2. If a certified MCM becomes aware that a modular component has been released on the market that does not comply with the Building Code or with the Code compliance claims stated on the manufacturer's certificate, a certified MCM must:

(a) activate its recall procedure relating to the modular component, and

(b) disclose the noncompliance in disclosure statements published in a form that is acceptable to the responsible MCMCB and to the Chief Executive.

6.6 Notification of changes

6.6.1. A certified MCM must notify its responsible MCMCB in writing within five working days of the following:

(a) any intended change to any of the following particulars:

(i) the name, address, or contact details of an MCM; and

(ii) any address of a location where a modular component is manufactured; and

(b) any intended change to its scope of certification; and

(c) any material changes it makes to its quality management system or design process; and

(d) any changes it makes to its statement of conformity if there are any amendments to the Building Code or any other document relevant to the BuiltReady scheme including the Building Act, the Regulations, the scheme rules, any documents included by reference in the Regulations or the scheme rules, or any relevant New Zealand Gazette notice; and

(e) any reason to suspect a modular component does not comply with the Building Code; and

(f) any decision to relinquish certification and the reason for this decision.

GUIDANCE

When an MCM intends to make any changes to its scope of certification, as defined on its MCM certificate, it must submit a new application to an MCMCB for evaluation.

6.6.2. A registered MCM must notify an MCMCB and MBIE in writing within five working days of any changes likely to affect its registration status under the BuiltReady scheme, including but not limited to:

(a) any professional misconduct of an MCM or its key people, (including conduct that may give rise to a provisional misconduct action being taken by a professional association; and

(b) a civil claim being made against an MCM or its key people in relation to contract or tort; and

(c) a conviction of, or pending proceedings against, an MCM or key people, in New Zealand or in another country, for a crime; and

(d) any changes to key people; and

(e) any changes to an MCM's ownership or financial status; and

(f) any changes to other details providing the basis for registration; and

(g) any new or changes to relevant conflicts of interest declared at application for registration; and

(h) a notifiable health and safety event; and

(i) any decision to relinquish its registration; and

(j) any instance of nonconformance identified against an MCM.

6.7 Use of the BuiltReady brand

6.7.1 A registered MCM may use the BuiltReady brand in advertising or other promotional material, but only in relation to the scope of certification. If they do so, they must:

(a) use the following statement with the advertising or other promotional material; and

"This BuiltReady registered manufacturer's scope of certification covers [pick relevant scope: design and manufacture/manufacture only] in relation to [pick relevant certification type: type 1. frame and panel, type 2: volumetric structures, or type 3: whole buildings]."

(b) follow Schedule 1: Use of the BuiltReady brand.

GUIDANCE

Any components or services not covered by an MCM's scope of certification cannot be used or associated with BuiltReady brand.

Schedule 1: Use of the BuiltReady brand

GUIDANCE

Guidance: The Schedule contains the requirements for using the BuiltReady brand (which is a registered trade mark), including acceptable formats.

S1 Format	
S1.1	The BuiltReady brand must be rendered in accordance with rules S1.1 to S1.6 unless the Chief Executive has given prior written approval for any departure from these rules.
S1.2	The BuiltReady brand must be rendered in one of the acceptable formats shown in Figure 3. (a) Pantone 262 or equivalent (b) Reversed version with Pantone 262 or equivalent (c) White on a black background (d) Black on a white background ***Figure 1: Format and colour options for the BuiltReady brand***

S1.3	The BuiltReady brand must be reproduced: (a) no less than the minimum sizes outlined in Figure 4; (b) with a minimum clear space on all sides as illustrated in Figure 4; and (c) without adjusting the proportions or any part of the BuiltReady brand. (d) no less than 27 millimetres/140 px in width (e) no less than 29 millimetres/150 px in width ***Figure 2: Minimum size and clear space for the BuiltReady brand***
S1.4	The accreditation body, registered MCMCBs, and registered MCMs may use the BuiltReady brand as a separate graphic element. Registered MCMs may use the BuiltReady brand, but only in direct relation with the components and services covered by the scope of their certification. The graphic element can be rotated for visual variety, but it must not be stretched or distorted in any way. The graphic element must be rendered in one of the colour options shown in Figure 6. (a) Pantone 2082 on PMS 2082 background or equivalent:

(b) 50% tint on Pantone Cool Grey 2 on Light Grey background or equivalent:

(c) 30% tint on Pantone Cool Grev 2 on White background or equivalent:

(d) 80% tint Scheme Green on Pantone 2260 background or equivalent:

Figure 6: Colour options for the BuiltReady icon

S1.5	If a registered MCM uses the BuiltReady certified button in digital and print channels, they must only use it in relation to the components and services covered by their scope of certification. The acceptable format is shown in Figure 7: BuiltReady CERTIFIED (a) Pantone 294 and reversed logo **Figure 7: Format of the BuiltReady certified button**
S1.6	When using the BuiltReady brand in any communication media, including documents, brochures and advertising, a registered MCM is responsible for ensuring their own compliance with the requirements of these scheme rules.

Appendix 1: The BuiltReady scheme framework

Appendix 1 provides more detail of the legislative framework for the BuiltReady scheme. It lists sections of the Building Act relating to BuiltReady certification alongside the relevant Regulations.

Building Act 2004		Building (Modular Component Manufacturer Scheme) Regulations 2022
Accreditation of MCM certification bodies		
272I	Chief Executive may appoint modular component certification accreditation body	
		Reg. 25: Audit of accredited MCMCB Reg. 26: Audit of accredited MCMCB conducted for cause
272J	Accreditation of MCM certification body	Regs. 11-12: Criteria and standards for accreditation as MCMCB Schedule 3: Part 1: Fees (accreditation of MCMCB)
272L	Suspension or revocation of accreditation	
272M	MCMC accreditation body must notify Chief Executive of grant, suspension, lifting of suspension, or revocation of accreditation	
Also see: 272ZI	Offence to misrepresent status as MCMC accreditation body or MCM certification body	
Registration of MCM certification bodies		
272N	Registration of MCM certification body	Regs. 13-16: Criteria and standards for registration of MCMCB Schedule 3: Part 1: (registration of MCMCB)
272O	Audit of registered MCMCB	
272P	Suspension of registration of MCMCB	
272Q	Lifting of suspension of registration of MCMCB	
272R	Revocation of registration of MCMCB	

Building Act 2004		Building (Modular Component Manufacturer Scheme) Regulations 2022
272S	Urgent suspension of registration of MCMCB	
272T	Investigation following urgent suspension	
Also see: 200-203C 204 208 272ZI	 Disciplinary powers in relation to complaints Special powers of Chief Executive for monitoring performance of functions under this Building Act Appeals to District Court Offence to misrepresent status	

Certification of modular component manufacturers

272U	Certification of MCM	Reg. 17: Criteria and standards for certification as MCM
272V	Audit of certified MCM	Reg. 27: Audit of certified MCM Reg. 28: Audits of certified MCM conducted for cause
272W	Suspension or revocation of certification of MCM	
272X	Notification to Chief Executive by registered MCMCB	

Building Act 2004		Building (Modular Component Manufacturer Scheme) Regulations 2022
Registration of modular component manufacturers		
272Y	Registration of MCM	Regs. 18-23: Registration of MCM Schedule 3: Part 1: Fees (registration of MCMs)
272Z	Audit of registered MCM	
272ZA	Suspension of registration of MCM	
272ZB	Lifting of suspension of registration of MCM	
272ZC	Revocation of registration of MCM	
272ZD	Urgent suspension of registration of MCM	
272ZE	Investigation following urgent suspension	
272ZF	Registered MCM may issue certificate for modular components	Reg. 24 Information requirements for certificate issued by registered MCM Schedule 2: Content of manufacturer's certificates for modular components
Also see: 200-203C 208 272ZJ	 Disciplinary powers in relation to complaints Appeals to District Court Offence to misrepresent modular component as manufactured by registered MCM	

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