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Modular Component Manufacturer (MCM) Scheme Rules 2022

These MCM scheme rules are made by the chief executive of the Ministry of Business, Innovation and Employment under section 272ZG of the *Building Act 2004.*

Preface

This document contains the rules for the Modular Component Manufacturer (MCM) Scheme and must be read in conjunction with the Building Act 2004 (the Act) and the Building (Modular Component Manufacturer Scheme) Regulations 2022 (the Regulations).

The MCM scheme is a voluntary certification scheme established in the Building Act 2004 as amended by the Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021. It provides an easily understood and robust way to show that a modular component manufacturer meets robust third-party certification requirements. The MCM scheme is intended to lift the efficiency and quality of building work in New Zealand by providing more efficient and 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 manufacturing approaches in the building sector.

Building Consent Authorities must accept manufacturer's certificates for modular components issued by certified and registered modular component manufacturers as code compliant when used in conjunction with any conditions and limitations outlined on the manufacturer's certification issued by the certification body. The MCM scheme also provides marketing advantages to certified and registered manufacturers as they will be listed on a publicly accessible register maintained by the Ministry of Business, Innovation and Employment (MBIE).

Document status

The scheme rules in this document have been approved by the chief executive of MBIE and take effect from *[the commencement date, which will be on, or before 7 September 2022].*

Document history		
Status	**Commencement date**	**Alterations**
Version 2022-1	*[date]*	-

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 MCM 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 certificate manufacturers about certification will be directed to the responsible certification body in the first instance.

Contact:
[Contact details will be provided on publication of the scheme rules]

Contents

Preface 2
Document status 2
Contact us 2
Contents 3
Introduction 4
Objective and scope 4
The scheme rules are secondary legislation 4
Part 1: Preliminary provisions 5
1.1 Referenced documents 5
1.2 Interpretation 5
Part 2: Accreditation body requirements 8
Part 3: Modular component certification body requirements for accreditation 9
3.1 Accreditation requirements 9
Part 4: Accredited modular component certification body requirements 10
4.1 General requirements 10
4.2 Evaluation 10
Pre-evaluation and risk assessments 12
Preparing the evaluation plan 13
Evaluating the MCM 14
Conducting site visits 14
Evaluation report, review and certification decision 15
4.3 Audit 15
Surveillance and inspections 16
Part 5: Modular component manufacturer criteria for certification 17
5.1 MCM certification requirements 17
Part 6: Certified modular component manufacturer requirements 20
Quality management system and quality plan 20
Employees and contractors 20
Written records 20
Modular component recall 21
Notification of changes 21
Appendix 1: The MCM scheme framework 22

Figures

Figure 1: The system for managing modular component manufacturer certification 5
Figure 2: The evaluation process 10

Tables

Table 1: Risk assessment steps 12
Table 2: Risk-related requirements for audits, surveillance and inspections 13
Table 3: Nonconformities identified during evaluation 14
Table 4: Nonconformities identified during surveillance 15

Introduction

Objective and scope

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

The MCM scheme applies to modular building manufacturers who supply modular components for installation within New Zealand.

The MCM scheme rules (the scheme rules) apply to the scheme parties, as identified in section 272ZG of the Building Act 2004 (the Act):

a) the certification accreditation body (the accreditation body), which is appointed by the Ministry of Business, Innovation and Employment (MBIE) under section 272I, which is responsible for accrediting modular component manufacturer certification bodies (MCMCBs) to the MCM 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 manufacturers of modular components that have current modular component manufacturer certification, whether or not these manufacturers are registered.

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

(i) only manufacture modular components; or
(ii) design and manufacture modular components

The Regulations identify 3 types of modular component that are covered by the 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 contributes 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 contributes 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 excludes site work, such as foundations and connections to services)

The scheme rules will also be of interest to manufacturers interested in achieving MCM 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 and MCM scheme framework 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 Act
(b) Building (Modular Component Manufacturer Scheme) Regulations 2022
(c) any other regulations and other statutory instruments (including any notice required to be published in the New Zealand *Gazette*) made under the 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 MCM 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 a MCMCB has been suspended (this register is available at www.building.govt.nz), and
(b) all registered MCMs (available at www.building.govt.nz).

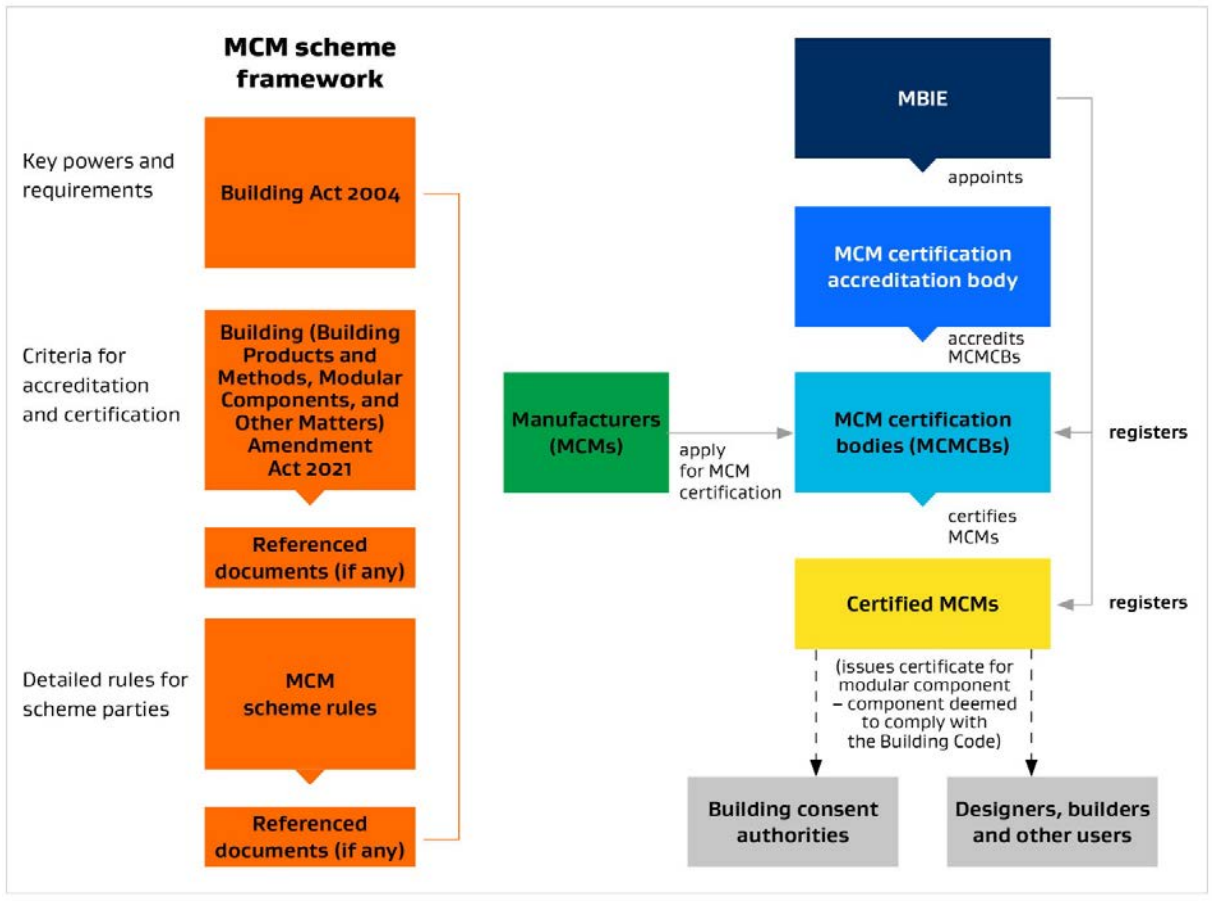


Figure 1: The system for managing modular component manufacturer certification

Part 1: Preliminary provisions

NOTES FOR PUBLIC CONSULTATION:

The Regulations are expected to take effect on or before 7 September 2022.

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 as amended by the *Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021*
Building (Modular Component Manufacturer Scheme) Regulations 2022
Building Regulations 1992: Schedule 1 The Building Code

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 Regulations are to the Building (Modular Component Manufacturer) 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 Act: ***Acceptable solution*** *means an acceptable solution issued under section 22(1)*

		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 Act: ***Accredited MCMCB*** *means a person who has been accredited as a MCM certification body under section 272J and whose accreditation is not suspended and has not been revoked.*
	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, 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 Act.
	Building Consent Authority (BCA)	Has the meaning given to it in section 7 of the Act.
	CAR	Corrective Action Request.
	Certified MCM	Means a person who has been certified as a modular component manufacturer under section 272U of the Act and whose certification is not suspended and has not been revoked.
	Chief executive	The chief executive of MBIE.
	Component	A part used within the overall modular component assembly.
	Conformity assessment profile	A risk profile of the type of modular component being manufactured by the MCM in relation to how it performs against the Building Code.
	Critical component	Any part used within the modular component that the MCM considers is critical to the modular component's Building Code compliance, ie likely to present a risk to the modular component's compliance if it failed.
	Critical nonconformity	See nonconformity.
	Current MCM manufacturer's certification	A certificate issued by the MCMCB to an MCM 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.
	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.
	ISO	International Organisation for Standardisation.
	Key people	As identified within Regulation 22(2) of the Building (Modular Component Manufacturer Scheme) Regulations 2022.
	Major nonconformity	See nonconformity.
	Manufacturer's certificate	A certificate issued for a modular component by a registered MCM under section 272ZF (2)(b) of the Act. The certificate issued relates to the modular component's compliance with the Building Code or relevant building consent. Certificates are issued for the purposes of section 45(1)(bb) or (bc) of the Act and a separate certificates is issued for the purposes of section 92(3) or (3A) of the Act.
	MBIE	Ministry of Business, Innovation and Employment.
	MCM	Modular Component Manufacturer.
	MCM scheme	The MCM scheme in New Zealand for registered modular component manufacturers to issue manufacturer's certificates for modular components.
	MCM scheme rules	Rules made under section 272ZG of the Act.
	MCMCAB	Modular Component Manufacturer Certification Accreditation Body. A person appointed by the chief executive of MBIE under section 272I of the Act to assess and accredit modular component manufacturer certification bodies for the MCM scheme.
	MCMCB	Modular Component Manufacturer Certification Body. A person who issues modular component manufacturer certification under the MCM scheme Also see: accredited MCMCB, registered MCMCB. **Guidance:** A MCMCB must be accredited (by the MCM accreditation body) and registered with MBIE to issue certification under the MCM scheme.
	Minor nonconformity	See nonconformity
	Modular component	In these scheme rules means a modular building product as defined in the Act and Regulations 7 to 10 of the Building (Modular Component Manufacturer Scheme) Regulations 2022.
	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.
	Nonconformity	Finding that demonstrates an instance of non-fulfilment of specified requirements. Nonconformities can be minor, major or critical: (a) Minor nonconformity: the potential impact is not likely to compromise certification criteria/requirements (eg aspects of the quality plan are not being followed but because of other factors compliance is not compromised). (b) Major nonconformity: the potential impact is likely to compromise certification criteria/requirements if no remedial action is taken to correct it within a specified period. (c) Critical nonconformity: the potential impact is considered to compromise certification criteria/requirements.

	Person	Has the meaning given to it in section 7 of the Act: ***person** includes—* *(a) the Crown; and* *(b) a corporation sole; and* *(c) a body of persons (whether corporate or unincorporate)*
	Prefabricated product	See modular component.
	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. **Guidance:** See Regulation 17 of the Building (Modular Component Manufacturer Scheme) Regulations 2022.
	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 registered MCMs	A central register maintained by MBIE (at www.building.govt.nz) of certified and registered MCMs included those who are suspended.
	Register of registered MCMCBs	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 a MCMCB is suspended. **Guidance:** See section 273(1)(f) of the Act.
	Registered MCM	Has the meaning given to it in section 7 of the 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 Act: ***registered MCMCB** means a person who has been registered as a 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 site visit	Part of an assessment of a facility conducted using information and communications technology by an assessor who is not located at the site where the processes are performed.
	Scheme	See MCM scheme.
	Scheme parties	Has the meaning given to it under section 272ZG of the Act for MCM scheme rules: *In this section, scheme party means any of the following:* *a. the MCM certification accreditation body* *b. an accredited MCMCB* *c. a registered MCMCB* d. *a certified MCM* e. *a registered MCM*
	Scheme rules	See MCM scheme rules
	Scope of certification	The scope that the MCM is applying to be certified for ie design and manufacture or manufacture only, which must include modular component type.
	Scope of use	The scope that defines how the modular component is intended to be used ie within residential and / or commercial buildings.
	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 part identified by the MCM for use within its modular component where it is unable to source the original identified part.
	Surveillance	Following certification, the MCMCB may undertake periodic monitoring of activities undertaken by the MCM in relation to its design and/or manufacturing operations. 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 the certified MCM.
	Verification method	Has the meaning given to it in section 7 of the Act: ***verification method** means a verification method issued under section 22(1)* 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 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.

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

2.1.	The accreditation body must— (a) notify the chief executive, before the accreditation decision, of any proposed limitations to a MCMCB's scope of accreditation; and (b) review its accreditation decisions in the event of any amendments to the Building Code or any other document relevant to the MCM scheme including the 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 MCM scheme requirements is maintained; and (c) provide the chief executive with a copy of each report prepared by the accreditation body regarding an audit of an MCMCB.
2.2.	When conducting an audit of a MCMCB the accreditation body must review— (a) the MCMCB's policies, procedures and systems with respect to the MCM 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) the MCMCB's certification process, including: i) any MCM certifications for which the 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 the MCMCB (if any) since the previous audit; and (c) any other matter the accreditation body considers appropriate. **Guidance:** Under section 272K of the 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 Building (Modular Component Manufacturer Scheme) Regulations applies. When conducting an audit, the accreditation body must review any complaints received by the MCMCB since the previous audit.

Part 3: Modular component certification body requirements for accreditation

This Part contains the requirements for certification bodies to become accredited to the MCM scheme.
Note that a MCMCB must also be registered by MBIE before they can certify MCMs.

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

3.1 Accreditation requirements

3.1.1	A 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	A MCMCB must have a documented process that ensures, with respect to its employees and contractors carrying out its MCM certification functions: — (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	The MCMCB must have a documented process for how they obtain and demonstrate competencies related to the MCM 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 Act, and guidance published by the chief executive under section 175) ii) the application of the Building Code in relation to modular components and their construction methods iii) the application of alternative solutions and how they meet the requirements of the Building Code (b) knowledge of relevant New Zealand and international building Standards and industry practices (c) an understanding of quality management systems (d) an understanding of basic engineering and architectural principles as applied to buildings (eg how structures perform) (e) an understanding of the principles of building physics (f) an understanding of risk assessment (likelihood and consequence of failure) and its mitigation (g) an understanding of how construction site practices and conditions can impact and affect the buildability of a modular component (h) an understanding of, and experience in, assessing quality plans (i) an understanding of transport and logistical issues that may be experienced with transporting modular components to site (j) an understanding in manufacturing and supply chain audit (k) experience in manufacturing site audits, surveillance, and installation inspections. If the MCMCB is applying to be accredited to certify MCMs for design and manufacture, the MCMCB's competencies must also include – (a) an understanding of the Building Act and Building Code and their relationship to the design process (b) an understanding of the philosophy and principles of building design (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) (d) an understanding of design standards and an ability to identify and produce specific design solutions (e) an understanding of the principals of building science, technology, and performance (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.
3.1.4	A MCMCB must comply with all applicable requirements under ISO/IEC 17065:2013 (Conformity assessment – requirements for bodies certifying products, processes and services).

Part 4: Accredited modular component certification body requirements

This Part contains detailed requirements for accredited MCMCBs, who are responsible for evaluating modular component manufacturers for MCM certification and subsequent audits for continued certification. If a MCMCB decides to certify a modular component manufacturer it will allow that manufacturer to issue manufacturer's certificates for modular components that fall under its scope of certification.

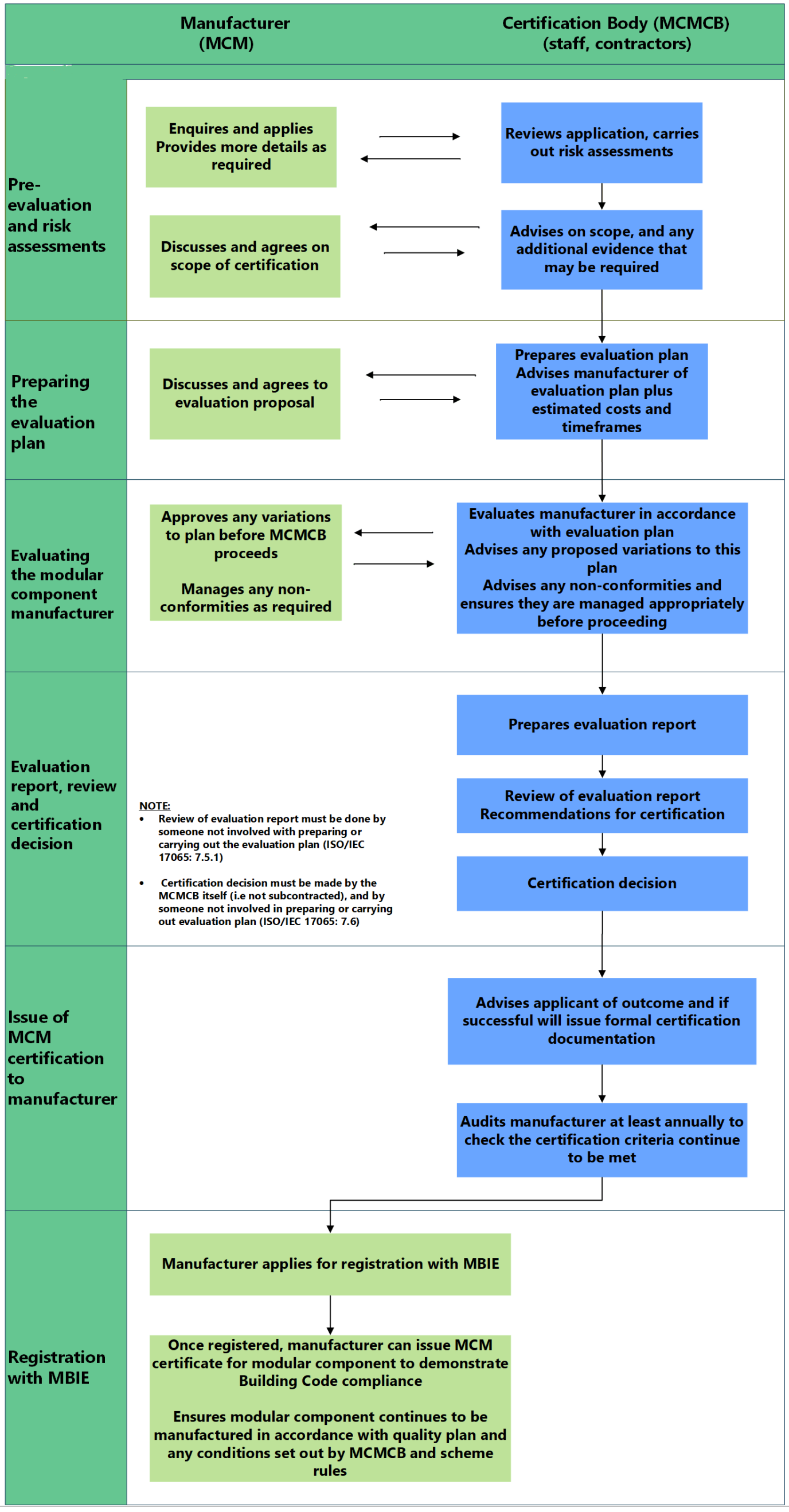
4.1 General requirements

4.1.1	A MCMCB must— (a) in the event of any amendment to the Building Code or any other document relevant to the MCM scheme rules that may affect any manufacturer's certificates issued by a certified MCM, the MCMCB is responsible for reviewing its certification decisions within three months of the amendments taking effect; 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 MCM applications in its system, including the scope of these applications and anticipated audit and inspection timeframes; and ii) any MCM 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 Regulation 21 and 22; 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; and ii) decision whether to suspend or lift a suspension of registration of the MCMCB iii) decision whether to suspend or lift a suspension of registration of an MCM.
4.1.2	An MCMCB must maintain the competencies identified in rule 3.1.3.
4.1.3	A MCMCB must record each decision of whether to certify a person as a modular component manufacturer under section 272U of the 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) any technical evidence provided; and (d) recommendation for certification.

4.2 Evaluation

4.2.1	When considering an application for certification of a person as a modular component manufacturer, a MCMCB must assess it in accordance with rules 4.2.2. to 4.2.21. **Guidance:** Figure 2 illustrates key stages in the evaluation process.

Figure 2: The evaluation process


Manufacturer (MCM)
Certification Body (MCMCB) (staff, contractors)
Pre-evaluation and risk assessments
Enquires and applies
Provides more details as required
Reviews application, carries out risk assessments
Discusses and agrees on scope of certification
Advises on scope, and any additional evidence that may be required
Preparing the evaluation plan
Discusses and agrees to evaluation proposal
Prepares evaluation plan
Advises manufacturer of evaluation plan plus estimated costs and timeframes
Evaluating the modular component manufacturer
Approves any variations to plan before MCMCB proceeds
Manages any non-conformities as required
Evaluates manufacturer in accordance with evaluation plan
Advises any proposed variations to this plan
Advises any non-conformities and ensures they are managed appropriately before proceeding
Evaluation report, review and certification decision
NOTE:
Review of evaluation report must be done by someone not involved with preparing or carrying out the evaluation plan (ISO/IEC 17065: 7.5.1)
Certification decision must be made by the MCMCB itself (i.e not subcontracted), and by someone not involved in preparing or carrying out evaluation plan (ISO/IEC 17065: 7.6)
Prepares evaluation report
Review of evaluation report
Recommendations for certification
Certification decision
Issue of MCM certification to manufacturer
Advises applicant of outcome and if successful will issue formal certification documentation
Audits manufacturer at least annually to check the certification criteria continue to be met
Registration with MBIE
Manufacturer applies for registration with MBIE
Once registered, manufacturer can issue MCM certificate for modular component to demonstrate Building Code compliance
Ensures modular component continues to be manufactured in accordance with quality plan and any conditions set out by MCMCB and scheme rules

Pre-evaluation and risk assessments

4.2.2 When considering an application for certification of a person as a modular component manufacturer, the MCMCB must assess it and any supporting information to identify the scope of certification, modular component type as defined in Regulations 7 to 10, and any limitations of use.

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

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

Table 1: Risk assessment steps

Step 1

For the manufacturer, the MCMCB must assign a score between 1 and 3 that considers the consequences of failure of its modular component types 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: Modular component type consequence rating

Type	Sub-Type	Consequence
Type 1: Frames and panels	Open frame or truss	1
	Enclosed panel	1
	Electrical systems	2
Type	**Sub-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	3
	Commercial building	3

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

Step 2

Based on the information provided by the MCM in relation to the below items, the MCMCB must identify factors with the potential to affect the manufacturer's certification requirements during design (if applicable), manufacture and installation in relation to the scope of certification and modular component types applied for.

For **design**, the MCMCB must consider at least the following:

(a) a defined design process
(b) process for determining required employee and contractor resources with the relevant competencies to cover the full scope of design work
(c) whether or not prototyping is undertaken through the design process
(d) peer review of design by independent, appropriately competent resources
(e) process for managing minor variations

For **manufacture**, the MCMCB must consider at least the following:

(a) controls identified within the quality plan, including supply chain
(b) extent of the quality management system
(c) number of critical components per modular component type
(d) number of sites involved in manufacture, assembly, and related activities
(e) details of manufacturer including factors relating to location and whether remote audits are proposed, length of time in operation, familiarity or otherwise with modular component manufacturing
(f) process for determining required employee and contractor resources with the relevant competencies for manufacturing
(g) training processes to ensure employees and contractors have the required skills
(h) any existing certification held by the MCM (ie ISO 9001)
(i) process for managing defective components identified through quality controls

For **installation**, the MCMCB must consider at least the following:

(a) process for determining complexities relating to site installation, including onsite conditions, tolerances, and interaction (if any) with other non-modular components
(b) process for determining required employee and contractor resources with the relevant competencies for installation
(c) training processes and documentation (if any)
(d) installation processes and instructions
(e) processes to verify modular components are installed as per instructions and building consent (prior to issue of manufacturer's certificate post installation)
(f) processes for transportation, including factors relating to shipping, road, and rail transportation

Step 3

The MCMCB must consider the likelihood of non-compliance with respect to each factor identified across design, manufacture and installation, based on current controls (as known by the 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

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

Step 5

The MCMCB must apply the risk rating to **Table 2** to establish minimum requirements for site visits and post certification audits, surveillance, and inspections.

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

Risk assessment matrix		**Consequence (Modular component type)**		
		3	**2**	**1**
Likelihood	**3**	**9**	**6**	**3**
	2	**6**	**4**	**2**
	1	**3**	**2**	**1**

KEY:

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

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

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

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

Installation risk rating: requirements for audits, surveillance and inspections

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

Preparing the evaluation plan

4.2.4 The MCMCB must prepare an evaluation plan that includes –

(a) a defined scope of certification including any limitations; and
(b) assessment of the effective implementation of the policies, procedures and systems contained within the MCM's quality management system; and
(c) means of conformity assessment, including an assessment of the extent of manufacturing site visits and installation inspections required through the completed risk assessment and the following considerations:
  i) design (if applicable), manufacturing and installation policies, procedures and systems
  ii) the quality plan.

4.2.5 The MCMCB must provide the applicant with details of —

(a) the evaluation plan; and
(b) estimated costs and timeframes for implementing the evaluation plan.

4.2.6	Before proceeding with the evaluation, the MCMCB must obtain the applicant's written approval of the evaluation plan, estimated costs and timeframes.
Evaluating the MCM	
4.2.7	The MCMCB must evaluate the MCM in accordance with the evaluation plan approved by the applicant (the **"approved evaluation plan").**
4.2.8	If the 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) obtain the applicant's approval 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 the MCMCB based its initial risk assessments).
4.2.9	When evaluating the MCM the MCMCB must ensure the MCM meets all the criteria for certification identified within Part 5 of these scheme rules including – (a) the design procedures and systems (where the MCM is applying for design and manufacture certification); and (b) modular component specification sheets; and (c) quality management systems; and (d) quality plan; and (e) resource (employees and contractors) procedures and systems; and (f) competencies for manufacture or manufacture & design; and (g) written records; and (h) complaints and disputes.
4.2.10	When assessing whether a technical opinion submitted by the applicant to support evidence of component conformity, the MCMCB must at least consider — (a) the relevance of the technical opinion to the component or construction method being evaluated; and (b) the author's competence and credibility with respect to the component or construction method being evaluated; and (c) the evidence supporting the technical opinion and, if this is not provided, whether the applicant has provided an acceptable justification for not providing this evidence.
4.2.11	When assessing competence, the MCMCB must validate that the experience and level of competency to be demonstrated is related to the scope of certification the MCM has applied to be certified for.
4.2.12	Without limiting the requirements for an MCM to make and keep written records as identified in rule 5.1.8., the records must be sufficient to establish clearly that all evaluation requirements (described in 4.2.9. of these rules) have been met.
4.2.13	When evaluating the MCM the MCMCB must take into account the nature and significance of any non-conformities and required actions. The three levels of non-conformity and required actions (if any) in accordance with **Table 3:**

Table 3: Nonconformities with certification criteria

Level	Description of nonconformity	Required action
Minor	The potential impact is not likely to compromise certification criteria (eg aspects of the quality plan are not being followed but because of other factors compliance is not compromised).	The evaluation may proceed unless the 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 certification criteria if no remedial action is taken to correct it within a specified period.	The MCMCB must not certify the MCM before the nonconformity has been corrected and the MCMCB has verified the corrective action.
Critical	The potential impact is considered to compromise certification criteria.	The MCMCB must not certify the MCM until the non-conformity has been corrected and the MCMCB has verified the corrective action. Verifying a corrective action with respect to a critical non-conformity must require: (a) onsite verification; or (b) examination of revised documentation (for deficiencies in procedures or instructions).

Conducting site visits	
4.2.14	When conducting a site visit to an MCM the 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 ratings from the initial evaluation once assessed; and (d) confirm that each 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 the MCM's policies, procedures and systems; and (g) confirm implementation of the quality plan.

4.2.15	The MCMCB may conduct a site visit as a remote assessment if – (a) the 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 assessment is under the MCMCB's control (for example, via video link).
4.2.16	When conducting an installation inspection for a modular component, the 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 ratings from the initial evaluation once assessed; and (d) confirm that installation processes can be reliably achieved by appropriately competent installers following the instructions; and (e) confirm the appropriateness and accuracy of installation instructions; and (f) confirm the recommended methods of transportation, handling and storage have been applied; and (g) identify any adverse conditions that might impact on the performance of the modular component.
Evaluation report, review and certification decision	
4.2.17	The MCMCB must keep detailed written notes during the evaluation with respect to certification criteria, including notes of any assessment of technical evidence submitted in support of a compliance claim.
4.2.18	The MCMCB must use the notes described in rule 4.2.17 as the basis for an evaluation report and its decision regarding certification.
4.2.19	The MCMCB must produce an evaluation report that summarises – (a) all aspects associated with the evaluation as identified in the evaluation plan; and (b) any non-conformities; and (c) any recommendations and opportunities for improvement of the MCM policies, procedure and systems which were identified during the evaluation.
4.2.20	Before making a certification decision the 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 criteria under the Regulations and scheme rules. **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 (ie understand testing, auditing and inspection) as well as advise on the extent to which the report addresses the relevant Regulation and scheme rules requirements.
4.2.21	When issuing a MCM certificate, the MCMCB must assign a unique number to the certificate.
4.3 Audit	
4.3.1.	When undertaking an audit of a certified MCM, the MCMCB must – (a) identify any nonconformities and act on these in accordance with **Table 4**; and (b) notify the MCM of the required actions.

Table 4: Nonconformities with certification requirements

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 certification requirements (eg aspects of the quality plan are not being followed but because of other factors certification requirements are not compromised).	The MCMCB must raise a Corrective Action Request (CAR) with respect to nonconformity and agree a suitable closeout date with the 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	The MCMCB must review the reasons for non-closure with the certified MCM and, depending on the nature of the non-conformity 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 the MCM, reporting the action in the evaluation report, or (b) determine that the nonconformity is now a major or critical nonconformity and raise a CAR with a closeout date as required for a major or critical nonconformity.
Major	The potential impact is likely to compromise certification requirements unless corrective action is taken promptly.	The MCMCB must raise a CAR with respect to the nonconformity and set a closeout date that does not exceed seven days. The MCMCB must not close out the CAR until the major nonconformity has been corrected and the MCMCB has verified the corrective action.	The MCMCB must determine that the non-conformity is now a critical non-conformity and take appropriate action.
Critical	The potential impact requires immediate corrective action.	The MCMCB must raise a CAR with respect to the nonconformity requiring immediate corrective action to be taken. Further	The MCMCB must determine whether to suspend or revoke the MCM's certification under section 272W.

			modular components must not be produced until the CAR is closed. The MCMCB must not close out the CAR until the critical nonconformity has been corrected and the 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 examination of revised documentation (for deficiencies in procedures or instructions).	
4.3.2.	An MCMCB may request copies of any manufacturer's certificates issued by a certified and registered MCM at any time.			
4.3.3.	When undertaking an audit of a certified MCM the MCMCB must— (a) keep detailed notes with respect to certification requirements; and (b) use these notes to form the basis for the MCMCB's audit report.			
4.3.4.	The 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.	The 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 assessment of the MCM to ensure the report and review adequately address the applicable requirements under the Regulations and scheme rules.			
Surveillance and inspections				
4.3.6.	When undertaking surveillance and /or inspections of a certified MCM the MCMCB must – (a) keep detailed notes with respect to certification requirements; and (b) use these notes to form the basis for the MCMCB's surveillance and / or inspection report; and (c) provide a summary report for the surveillance and/or inspection activity that: i) details of any nonconformities (categorised as in Table 4 above) and the actions taken with respect to them; and ii) provide any recommendations or opportunities for improvement that must be incorporated into the audit report. (d) Ensure the report is reviewed by person(s) not involved in the report's preparation or the assessment of the MCM to ensure the report and review adequately address the applicable requirements under the Regulations and scheme rules.			

Part 5: Modular component manufacturer criteria for certification

This Part covers the criteria for an MCM to become certified by an MCMCB. Once a MCM is certified and registered it can issue manufacturer's certificates as statements of conformity. These certificates 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 MCM scheme.

MBIE maintains a publicly accessible 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) those engaged have design competencies specific to the scope of work they are engaged to design; and (c) all outputs from designers are reviewed by a suitably competent design resource to ensure the overall modular component design is compliant with the Building Code and other building regulations; and (d) all aspects of the overall design are peer reviewed by a suitably competent, independent person; and (e) the process identifies how minor variations to the design will be managed.
5.1.2	An MCM must have a modular component specification sheet that includes the following – (a) intended use of the modular component; and (b) 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 (c) performance specification for each component for relevant Building Code clauses; and (d) testing and/or modelling of prototype design for modular component; and (e) identification of critical components; and (f) conditions of use and limitations related to intended use (ie commercial, residential); and (g) transportation requirements including lifting, transport to site; and (h) 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 (i) ongoing maintenance requirements for the modular component; and (j) substitute components and how they meet the requirements above.
5.1.3	An MCM must have a quality management system that includes – (a) the MCM's commitment to quality by way of a quality policy and objectives; and (b) the MCM's organisational structure, roles and responsibilities that support the achievement of the quality objectives; and (c) a process for managing component defects; and (d) a process for continuous improvement that incorporates customer feedback; and (e) a process that incorporates DfMA principles; and (f) a process for inspection management, including use of written and photographic evidence to demonstrate compliance and/or remote inspections; and (g) document and record management; and (h) use and calibration of inspection, measuring and test equipment to verify component quality; and (i) a process for supply chain quality management; and (j) a process for internal audit of policies and procedures relating to the design and/or manufacture of modular components; and (k) plant maintenance schedules for its machinery and equipment that includes their inspection, maintenance and reporting requirements; and (l) health and safety requirements. **Guidance:** ISO 9001:2016 (Australian/New Zealand Standard identical with, and reproduced from, ÍSO 9001:2015) ISO/IEC 9001:2015 Quality Management Systems provides guidance on requirements for a suitable quality management system.
5.1.4	An MCM must have a quality plan prepared in respect of its modular components 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 their 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 non-conforming components, including a modular component recall procedure specific to the New Zealand market; and

	(i) monitoring and measurement requirements (eg moisture content checks, critical linear measurement, acceptable tolerances); 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 onsite 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 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) work is allocated to competent employees and contractors; and (d) supervision of employees and contractors is undertaken for those that are in training; and (e) competencies are matched to the functions being performed; and (f) 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) it is reviewed on an annual basis; and (c) it is maintained by way of continued learning and development.
5.1.6	An MCM must be able to demonstrate and maintain competencies that include, 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 Act, and guidance published by MBIE under section 175) ii) the application of the Building Code in relation to modular components and their construction methods iii) the application of alternative solutions and how they meet the requirements of the Building Code (b) knowledge of relevant New Zealand and International Building Standards and industry practices (c) demonstrating rationale for how individual components used within a modular component have been appropriately evaluated for compatibility and code compliance (d) an understanding of quality management systems (e) an understanding of, and experience in, creating and managing quality plans (f) an understanding of basic engineering and architectural principles as applied to buildings (eg how structures perform) (g) an understanding of the principles of building physics (h) an understanding of risk assessment (likelihood and consequences of failure) and mitigation (i) an understanding of how construction site practices and conditions can impact and affect the buildability of a modular component (j) an understanding of transport and logistical issues that may be experienced with transporting modular components to site (k) an understanding in manufacturing and supply chain audit.
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 include, but are not limited to – (a) an understanding of the Building Act and Building Code and their relationship to the design process (b) an understanding of the philosophy and principles of building design (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) (d) an understanding of design standards and an ability to identify and produce specific design solutions (e) an understanding of the principals of building science, technology, and performance (f) an understanding of prototyping methods, including the use of design software ie BIM, to demonstrate compliance of the modular component (g) integrating and coordinating design information provided by relevant parties (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.
5.1.8	An MCM must have procedures for making and keeping written records, that cover – (a) recording decisions that relate to resourcing (use of contractors, competent staff); and (b) training (establishing and maintaining competence of employees); and (c) quality management systems, processes and procedures on which their certification is based; and (d) quality plans for their manufactured modular components; and (e) demonstrating compliance with these scheme rules, relevant regulations, the Building Code, and the MCM's documented procedures; and (f) a records procedure relating to the manufacturing certificates its issues for a modular component.
5.1.9	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.

5.1.10	An MCM must have a complaints and disputes policy and procedure that ensures – (a) it has a nominated person responsible for the consistent and effective functioning of the complaint process; and (b) it has service standards for acknowledging, considering, and responding to complaints; and (c) complaints are able to be systematically and accurately logged and tracked.

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 the MCM's processes, procedures and systems are effectively implemented.

Quality management system and quality plan	
6.1.	A certified MCM must ensure its quality management system is maintained and implemented, including its internal audit procedures to demonstrate ongoing compliance.
6.2.	A certified MCM must ensure that its modular components continue to be manufactured in accordance with the quality plan and its associated procedures. 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 the MCMCB as a controlled copy; and (c) demonstrates how the certified MCM's quality management system applies to its modular component design (if applicable), manufacture and installation; and (d) demonstrates how the quality plan's requirements will be met; and (e) minimises the risks of not meeting these requirements. 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.
6.3.	A certified MCM must maintain its installation processes to ensure – (a) training to installers (either employees or contractors) is continually undertaken; and (b) installer skills and competencies are continually assessed; and (c) advice and technical support are readily available to installers; and (d) quality controls are in place relating to onsite assembly and/or installation of the modular component; and (e) quality checks are recorded for installation prior to the issue of the manufacturer's certificate; and (f) written records are available relating to the above.
Design processes (if MCM is certified for design and manufacture)	
6.4.	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) ensure all design employees and contractors can collaborate to ensure the overall final design of the modular component is Building Code compliant across its full scope; and (d) continue to evaluate 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 (e) apply its processes for using substitute components within its design; and (f) maintain written records relating to its design decisions including why substitute components have been used and how these components are assessed as being compliant in meeting the same performance standards.
Employees and contractors	
6.5.	A certified MCM must ensure it: (a) maintains its training and competency assessment framework; and (b) reassesses competency on an annual basis; and (c) demonstrates maintenance of competency 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 functions being performed; and (h) monitors the performance of its employees for those functions; and (i) reviews and monitors its systems to ensure they are being implemented and fit for purpose.
6.6.	The competencies that the MCM must continue to maintain are those identified and assessed by the MCMCB for certification purposes (see rule 5.1.6. and 5.1.7.).
6.7.	In relation to new employees and contractors that the certified MCM engages, it must demonstrate how competency is first established.
Written records	
6.8.	A certified MCM must continue to retain written records that demonstrate compliance with these scheme rules, relevant regulations, the Building Code, and the MCM's documented procedures.

6.9.	The certified MCM must maintain and retain these records throughout the duration of the certification to which they relate, and must, after the revocation of certification, be retained for a further period of not less than 10 years.
6.10.	A certified MCM must record the manufacturing certificates it issues for a modular component, which must include, as a minimum: (a) date of issue of certificate; and (b) certificate number; and (c) purpose of certificate (section 45 or 92 of the Act); and (d) description of the component sufficient to identify it; and (e) the Building Consent Number (including any amendments applied for), and (f) the BCA the certificate is provided to, and (g) property address relating to the installation.
6.11.	All manufacturer's certificates issued by an MCM must include the scope of certification.
6.12.	A certified MCM must notify MBIE and their 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.
Modular component recall	
6.13.	A certified MCM must notify the responsible MCMCB and MBIE without delay of any potential activation of its recall procedure for its modular components. The notification must include records of where the affected modular components have been installed.
6.14.	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, the certified MCM must: (a) activate its recall procedure relating to the modular component, and (b) disclose the non-compliance in disclosure statements published in a form that is acceptable to the responsible MCMCB and to the chief executive.
Notification of changes	
6.15.	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 the MCM; and ii) any address of a location where a modular component is manufactured; and (b) any reason to suspect on of their modular components does not comply with the Building Code; and (c) any decision to relinquish their certification under the scheme and the reason for this decision.
6.16.	A registered MCM must notify the MCMCB and MBIE in writing within five working days of any changes likely to affect its registration status under the MCM scheme, including but not limited to: (a) any professional misconduct of the MCM or its key people, (including conduct that may give rise to a provisional misconduct action being taken by a professional association (b) a civil claim being made against the MCM or its key people in relation to contract or tort (c) a conviction of, or pending proceedings against, the MCM or key people, in New Zealand or in another country, for a crime (d) any changes to key people (e) any changes to the MCM's ownership as described in Regulations 21 and 22 of the Building (Modular Component Manufacturer Scheme) Regulations. (f) any changes to other details providing the basis for registration. (g) any new or changes to relevant conflicts of interest declared at application for registration (h) a notifiable health and safety event (i) any decision to relinquish its registration (j) any instance of non-conformance identified against the MCM.

Appendix 1: The MCM scheme framework

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

NOTES FOR PUBLIC CONSULTATION:

Section headings in the left-hand column of this table relate to the *Building Act 2004* as amended by the *Building (Building Products and Methods, Modular Components, and Other Matters) Amendment Act 2021*. Please note that most of these amendments are not in force at the time of this consultation. They will come into force on or before 7 September 2022, along with the Regulations and these scheme rules.

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	
	Fees: Audit of accredited MCMCB
272J Accreditation of MCM certification body	Criteria and standards for accreditation as a MCM certification body Fees: Accreditation of MCM certification body
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	Criteria and standards for registration of MCM certification body Fees: Registration of MCM certification body
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	
272S Urgent suspension of registration of MCMCB	
272T Investigation following urgent suspension	
Also see: 200-203C Disciplinary powers in relation to complaints 204 Special powers of chief executive for monitoring performance of functions under this Act 208 Appeals to District Court 272ZI Offence to misrepresent status	
Certification of modular component manufacturers	
272U Certification of MCM	Audit of certified MCM Criteria and standards for certification as MCM
272V Audit of certified MCM	
272W Suspension or revocation of certification of MCM	
272X Notification to chief executive by registered MCMCB	
Registration of modular component manufacturers	
272Y Registration of MCM	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	

Building Act 2004	Building (Modular Component Manufacturer Scheme) Regulations 2022
272ZD Urgent suspension of registration of MCM	
272ZE Investigation following urgent suspension	
272ZF Registered MCM may issue certificate for modular components	Information requirements for certificate issued by registered MCM
Also see: 200-203C Disciplinary powers in relation to complaints 208 Appeals to District Court 272ZJ Offence to misrepresent modular component as manufactured by registered MCM	

[ends]