

Dwr Cymru Welsh Water Demonstration Project – Final Review

7 December 2009





The Client's view

Mal Price

Head of Capital Programme, Welsh Water



The AMA

The Clients Story

- AMP 1 Adversarial Contracts
- AMP 2 Part Adversarial and part Partnering
- AMP 3 Partnering with The Capital Alliance
- AMP 4 Build on the success of AMP3 and develop

The DCWW **Asset Management Alliance**

The AMA & how we function

Customers

Service

Service

Service

TATA
TATA CONSULTANCY SERVICES

Oxygen Learning

Kelda
Water
Services

Dŵr Cymru
Welsh Water

Thames
Water

Imtech
ImtechProcess

logica
EMG

EC HARRIS

Chandler
KBS
COST & PROJECT MANAGEMENT

LAING O'ROURKE

BLACK & VEATCH

SEVERN
TRINT

STL

morgan
est

Capgemini
CONSULTING TECHNOLOGIES SOLUTIONS

Morrison
Construction

Hyder
Consulting

United
Utilities

we

COSTAIN

Performance and Delivery Teams

Principals ↔ DCE

The AMA

‘Achieving more together than we can on our own’

- A multi company alliance – very much reflective of modern successful delivery organisations e.g. Heathrow Terminal 5
- The world in which we operate requires an integrated approach e.g. Billing & Operations / Capital & Operations
- High degree of emphasis placed on team working and a ‘Solutions’ based approach e.g. ‘this is what we need to do and these are the best people to do it’

The AMA

‘Achieving more together than we can on our own’

- The outcomes of working this way:
 - ‘Win/Win’ Dwr Cymru gets the job done / Partners achieve commercial success
 - Reduced Costs – joint working and ownership returns better value for us all
 - Minimal bureaucracy – not managing contracts ‘clause by clause’ – faster decision making
 - A positive working environment – ease of interface between companies, cooperation between teams from individual companies
 - The ability to share good practice and receive input from a wide group of organisations

The AMA Banner

The Banner represents a summary of;

- Our overall Goal – the direction of where we are heading
- It covers our aims in terms of:
 - Delivering the service expected by customers
 - Delivering value for money
 - Building effective stakeholder relationships
 - Developing long term partnerships
 - Valuing and developing our people



The Banner

Our Goal: To be recognised by our customers as the best water company in the UK

The Banner has been prepared by Welsh Water and its partners for all staff. It explains our purpose, direction and principal objectives.

1 Key strategies to 'Be the Best'
Through secure access to long-term, low-risk capital, Welsh Water can finance investment to improve the business more cheaply than other water companies.

2 By developing all our people, acknowledging their contribution, building long-term relationships and offering incentives, we can ensure that everyone involved with Welsh Water understands its purpose, has the ability to deliver and is focused on doing so.

3 Welsh Water has selected the best enterprises in the industry and, by working together in partnership, we can improve service performance and reduce operating and investment costs. A Win-win result for everyone.

Given these advantages we have simply no case not to be the best water company in the sector.

Delivered by Welsh Water and the AMA

The AMA

Performance Metrics

Consistent set of metrics across the delivery teams

Health and Safety

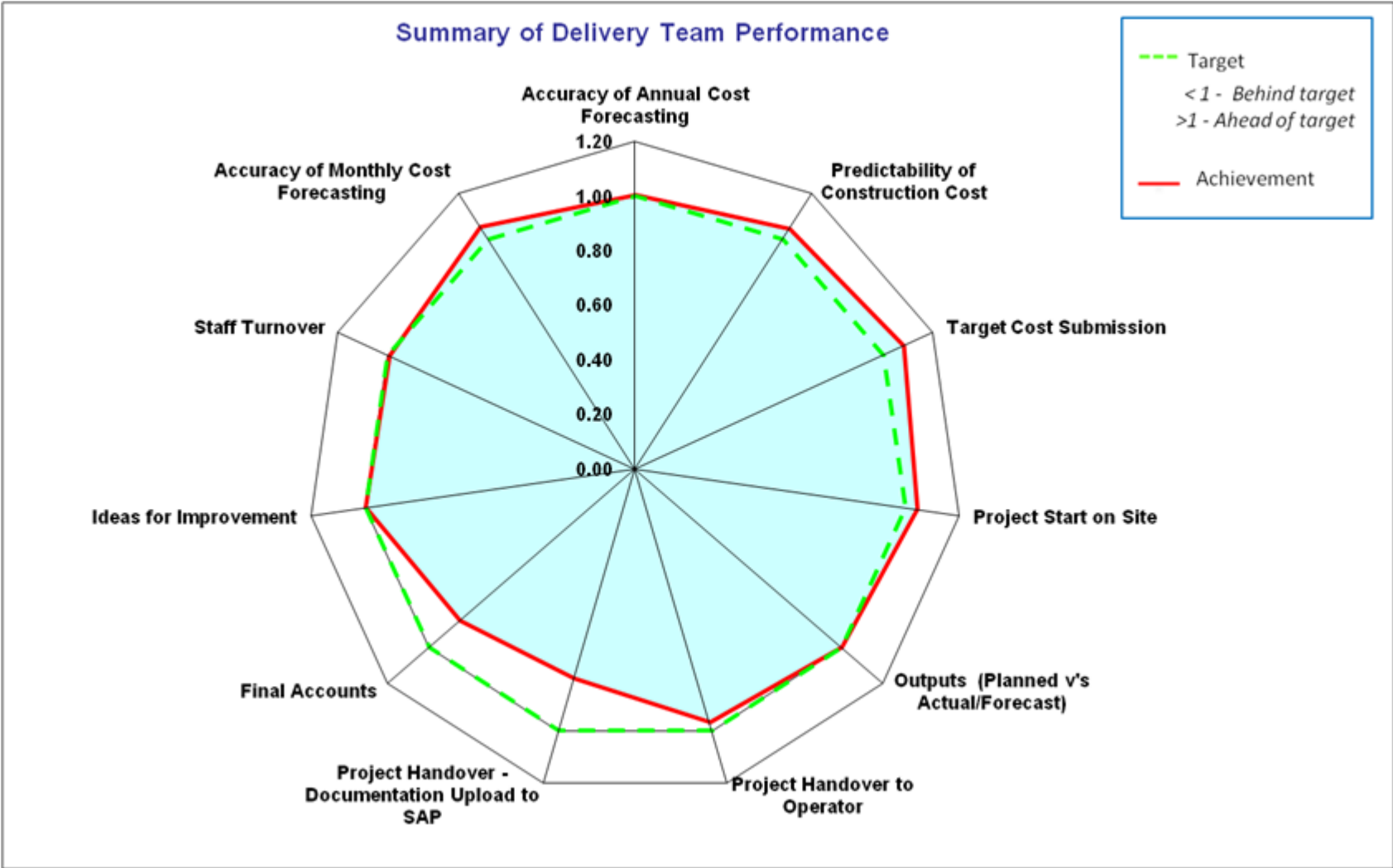
- First Agenda item at all meetings
- High Profile with all directors carrying out inspections
- Joint Audits
- Helping the supply chain to improve their performance
- Sharing of best practice across the Alliance

The AMA

Performance Metrics

- Accuracy of Annual Cost Forecasting
- Predictability of Construction Cost
- Target Cost Submission
- Project Start on Site Outputs (Planned v's Actual/Forecast)
- Project Handover to Operator Project Handover - Documentation Upload to SAP
- Final Accounts
- Ideas for Improvement
- Staff Turnover
- Accuracy of Monthly Cost Forecasting

The AMA Metrics



Lessons learnt

- Simple incentivisation
- Engage the Supply Chain
 - 'Meet the Buyer' events
 - Clear set of KPIs
- Health and Safety
- Process Map and Standardisation
 - PAS55 accreditation
- Multi-agency Drainage Groups

Summary


- Built on the learning of previous AMPs
- Choose best in Class to work with
- Good set of Performance Measures
- This is our Customers' Capital Programme ensuring we deliver improved drinking water quality and a better environment in the communities they live in
- Implementing the Lessons Learnt



A Partner's View

John Madden
Contracting Partner





“You have to work as a team, if you don’t work as a team, you simply are going to fail.”

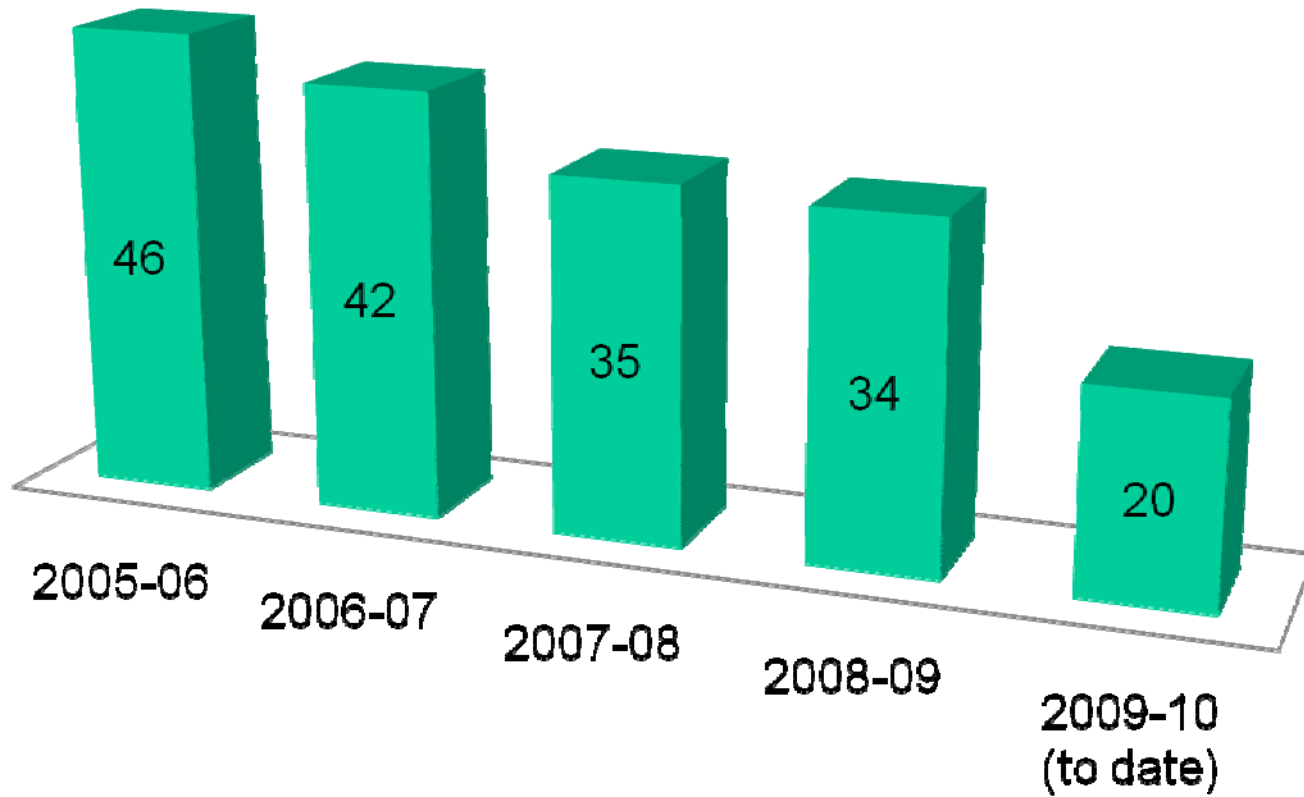
Sir John Egan

“A crisis is coming in so many ways, the low penetration of cultural change has been exposed by the economic downturn with evidence that clients and main contractors are now reverting to type.”

***Andrew Wolstenholme
Constructing Excellence
October 2009***

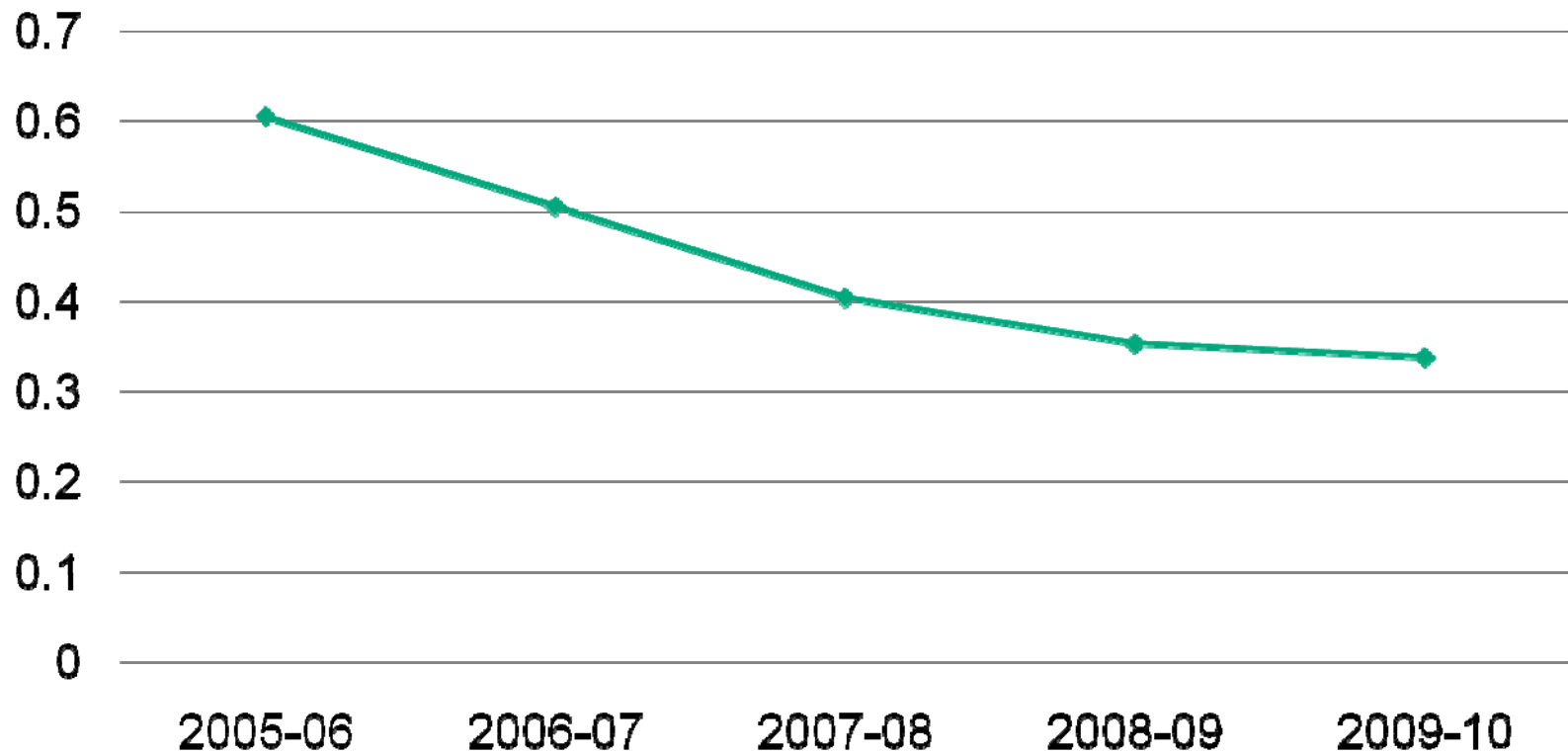
Health and Safety

No of LTA



Health and Safety

AFR



Customers

Long term
relationship

Continuity


Commercial
outcome

People

AMA
Partnership

Lessons Learnt

- Health and Safety
- Supply Chain
- Collaboration
- Core team and Design team
- Unit Cost Database



“You have to work as a team, if you don’t work as a team, you simply are going to fail.”

Sir John Egan

Workshops

Questions

