

CASE STUDY

South West Water Waste Water Operations Procurement Strategy

Client: South West Water
Project: Infrastructure Sector – Procure
Purpose:



The Challenge

South West Water's (SWW's) Waste Water Operations Department procures significant work for maintenance of its asset and is reviewing its procurement arrangements before a five-year procurement for the K5 period from April 2010. The annual external spend is approximately £20 million on both reactive and capital works. Contracts already exist for civil engineering and MEICA elements on networks, pumping stations and sewage treatment works. Part of the network and O&M of works are managed in-house. SWW wished to evaluate which elements should be outsourced and via which structure. Having assisted with a similar exercise in SWW's Engineering department CWC was asked to carry out an independent review of the structures and processes.

What CWC Did

CWC carried out a rapid review of South West Water's current organisation structure & capability and advised on options for future procurement by examining current practice in SWW and elsewhere. Detailed process work was included in the same programme using specific real- life processes to identify immediate efficiency opportunities and inform on the overall direction. The project included a desk-top study, interviews, Process Analysis and Value Stream Mapping workshops and a study of existing stores arrangements; the result was a report, presentation and Action Plan.

The Benefits

A new overall structure was developed in conjunction with the department's senior management that identified several key changes. The options identified all suggested that a clearer definition of the Strategic Client function would be helpful and the favoured delivery vehicle was to have all of the delivery elements, whether in-house or external, bound together under a Strategic Alliance. This enables a reduced number of delivery partners to have well-defined objectives and performance measures through collaborative contracts with SWW and to share overall incentivised targets within the Alliance. Efficiency opportunities were found in the overall structure, potential sharing of arrangements with other departments and specific activities in both stores arrangements and day-to-day processes.

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