

PAEW Performance Contract 2011 – 2015 (5 years)



Large array of innovative delivery models

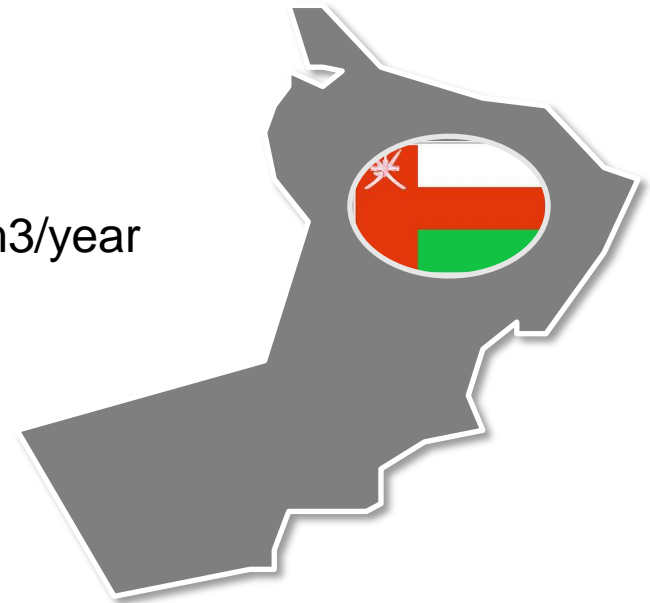
Options → Considerations ↓	PPS	Alliance	Delegated Management	O&M	DBO	Concession
Ease of Procurement	●●●	●●●	●●●	●●	●●	●
Savings and Efficiencies Achieved	●●●	●●●	●●●	●●●	●●	●●
Agreeable to Employees	●●●	●●●	●●●	●	●	●
Ease of Cancellation	●●●	●●●	●●●	●●	●●	●
Rate Mitigation Potential	●●●	●●●	●●●	●●	●●	●
Speed of Implementation	●●	●●●	●●	●●●	●●●	●●●
Allocation of Risk to the Private Sector	●	●●	●●	●●	●●●	●●●
Injection of Cash Available to City	●●	●	●	●	●	●●●



PAEW at a glance

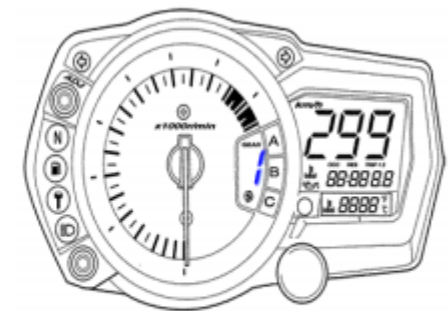
- **Type of contract:** Performance contract including 8/10 regions of Oman
- **Duration:** 5 years from January 2011 with a possible 2-year extension
- **Activity:** Serving 2,300,000 population equivalent

- **Public Authority for Electricity and Water (PAEW)**
- Coverage: 50% in 2014
- 356,000 customers
- 10,600 km of network
- 1,600 operational sites
- Water production: 720,000 m³/day – 263 Mm³/year
- Billing: 166 Mm³/year
- 1,700 employees



Scope of the Contract

- Whole country for 5 years (from Jan. 2011)
- 32 M€, 10 key-staff, with managerial roles throughout the Company
- 9 Projects in 2,5 years time
- Strong engineering support through Seureca & Malcolm Pirnie
- Defined contractual deliverables & performance monitoring of key-staffs
- Few budgetary and timeframe margin of maneuver



Strategies, business plan (Seureca)

PAEW objectives, Veolia performance, KPI and bonus

0 6 months 12 months

5 years

Improving Operations Efficiency

1. Provide water access for all

ACHIEVEMENTS

- ☑ OMR 150 million CAPEX invested per year
- ☑ Master Plan update through 8 regional projection models
- ☑ Countrywide transfer networks and detailed distribution hydraulic models
- ☑ 40 specifications and design guidelines now available
- ☑ Creation of technical support team

2. Ensure continuity of water service

ACHIEVEMENTS

- ☑ SCADA Master Plan and control room operators training
- ☑ Creation of 10 regional control rooms and country control room
- ☑ New O&M contracts
- ☑ Preventive maintenance and CMMS
- ☑ More than 95% water continuity of supply compliance



Improving Operations Efficiency

3. Save water resources

4. Provide high water quality

ACHIEVEMENTS

- Full analysis traceability for more than 21,700 samples all over Oman
- Creation of 120 water supply zones
- Creation of 2,700 sampling points
- Reduction of 10% of the non-chlorinated water



“Moving from a clear paper based strategy roadmap towards a successful implementation in the field, while considering the ambitious timeframe and existing available information, has been achieved by combining Seureca’s project approach and field-based knowledge with Veolia’s strong experience, expectations and commitments. As an operational manager, we all behaved for PAEW as we would have behaved on our own infrastructures. We wanted the most efficient and practical set up we can provide to PAEW and its employees”

René Matillon - Veolia Contract Manager / PAEW Operations General Manager

ACHIEVEMENTS

- 130 District Metered Areas (DMA) implemented
- Creation of 20 leak detection teams with equipment, vans and training
- Monitoring procedure and action plans per area
- 70,000 m³/d of NRW reduction in two years

Become a Customer Oriented Organization

1. Enhance customer experience

ACHIEVEMENTS

- Creation of a national call center: 300,000 incoming calls, 60,000 outbound calls
- Development of a Customer Relationship Management System with 115,000 "tickets" opened
- Excellence Award 2013: "Innovation for Customer Service Experience Management"

2. Respond to emergencies

ACHIEVEMENTS

- Set up of crisis facilities, teams roles and responsibilities
- Procurement of emergency equipment: pumps, flood barriers, bottled water framework contract



Develop Human Resources

International Learning Expeditions

PARIS, 2011 : Health and Safety training

LONDON, 2011 : Executive development seminar

SCOTLAND, 2013 : Capital delivery model

CHINA, 2013 : Procurement of water network equipment

NEW YORK CITY, 2013: Peer performance solution

PARIS, 2014 : Water quality expedition

ACHIEVEMENTS

- 500 recruitments from 2011 until 2014
- Number of employee trained multiplied by 4.6 between 2011 and 2013
- First employee survey carried out to maximize engagement



World Class Utility Standard



2. Health & Safety

ACHIEVEMENTS

- ☒ A fully integrated Health Safety and Environment (HSE) Policy from ISO9001,14001 to OHSAS 18001 standard
- ☒ Creation of a HSE Integrated Management System with 1000 supporting documents: procedures, work instructions, etc.
- ☒ Recognized in 2013 for HSE Best practices by OHSAS

2. Quality Management System

A Quality Management System (QMS) based on ISO9001:2008 has been implemented to continually improve the performance. The QMS encompasses several computerized solutions to monitor and measure PAEW progress against Strategies.

ACHIEVEMENTS

- ☒ Online QMS portal
- ☒ 396 documents handed-over, encompassing 192 procedures
- ☒ 17 corporate Key Performance Indicators (KPI) to evaluate overall performance