



# Water Advisory Body Irish Water

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# Overview

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# Introduction

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The aim of this document is to address the Water Advisory Body's request for further information from Irish Water, further to an initial meeting on the 5<sup>th</sup> April 2019.

In particular, as requested the letter of the 24<sup>th</sup> May 2019, this pack covers information exploring Irish Water's:

- Pay Model
- Staffing
- Procurement processes and policies.

We also acknowledge the request therein to “further explore .... policies around Customer Service and how Customer Service targets are arrived at” and Irish Water will revert at a future meeting once the requirements have been clarified.

# Employee Profile

# Irish Water Employee Profile



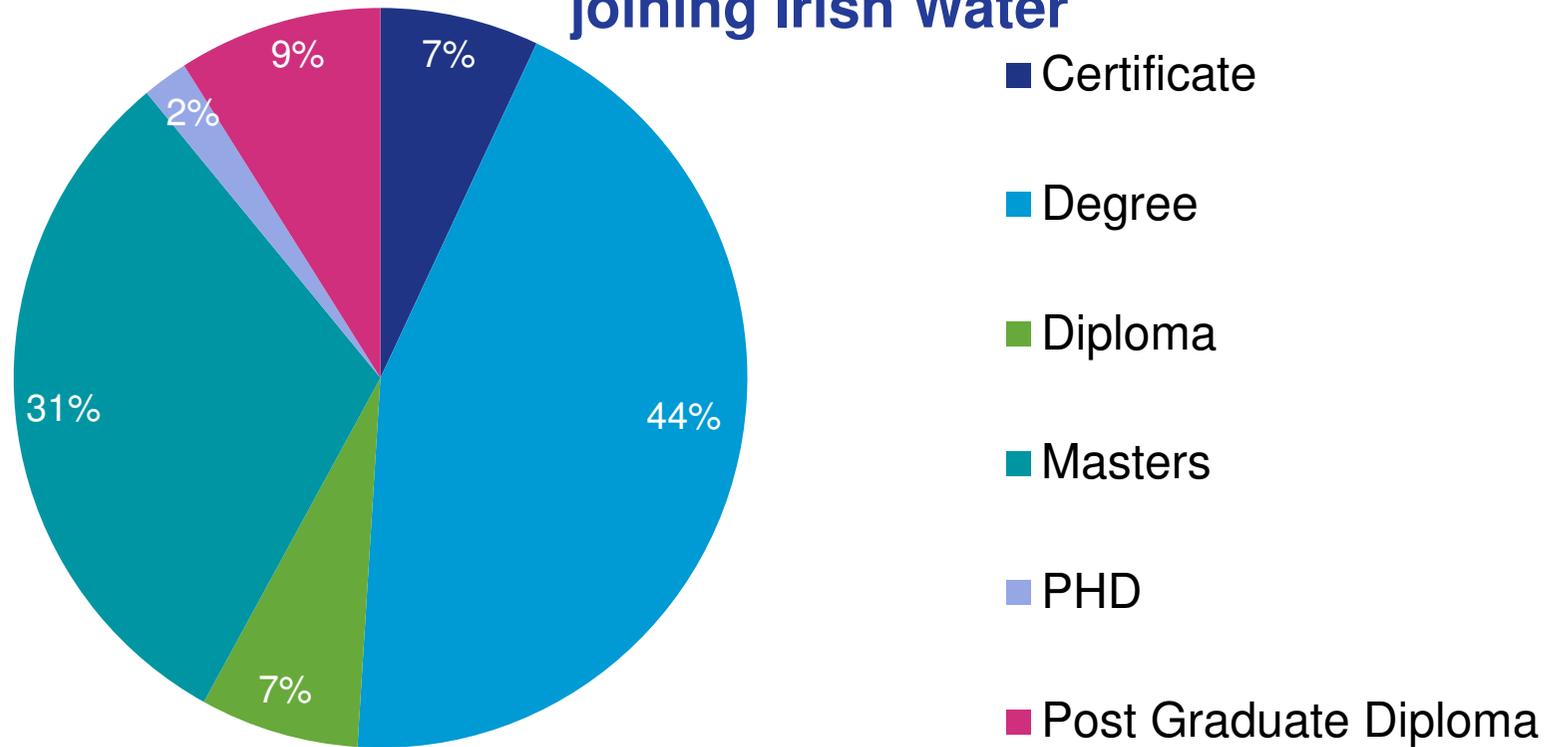
Number of Employees	Female		Male	
746	260	35%	486	65%

Age range	Number of employees	
30 and under	69	9%
31 – 40	299	40%
41 – 50	272	37%
51 – 60	89	12%
61+	17	2%

# Irish Water Employee Education Profile



## Highest qualification level attained at date of joining Irish Water



All information pertaining to education levels is captured at the stage in which the employee joins the organisation and may not include qualifications attained since joining.

# HR Policies and Processes

# HR Policies

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Irish Water operates a suite of HR policies designed to provide written guidance for employees and managers on how to handle a range of employment issues.

They play an important role in practically and effectively implementing our HR strategy, and supporting the company's overall strategic aims through adopting a tailored approach that reflects the size and needs of the organisation.

These policies are reviewed regularly to ensure they meet legislative requirements, are in-line with industry best practice, and benchmarked against relevant comparator organisations.

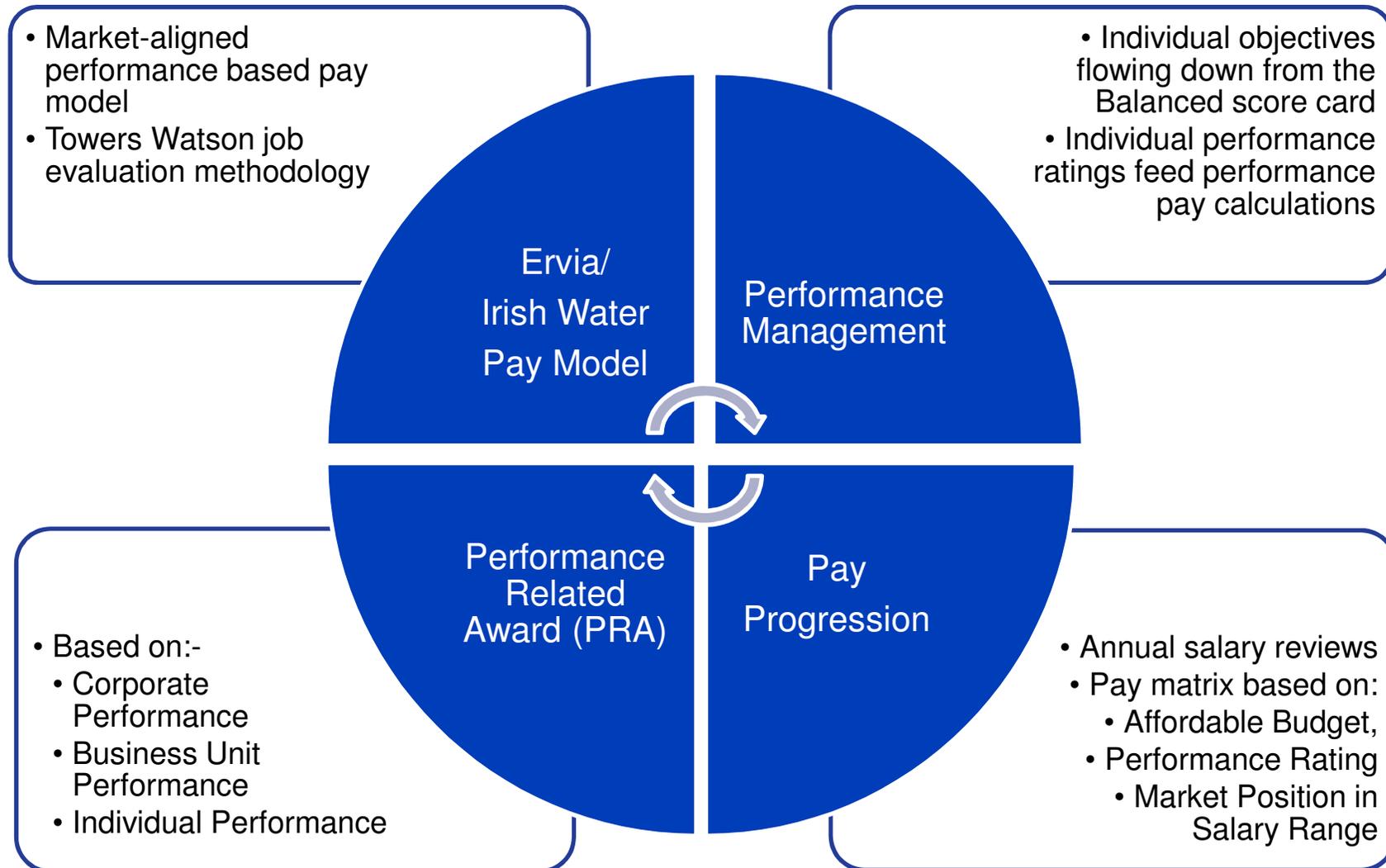
Policies include:

- Acting Up
- Adoptive and Surrogacy Leave
- Annual Leave
- Attendance Management
- Carers' Leave
- Compassionate Leave
- Dignity at Work
- Disciplinary
- Equal Opportunities
- Expenses
- Force Majeure
- Further Education

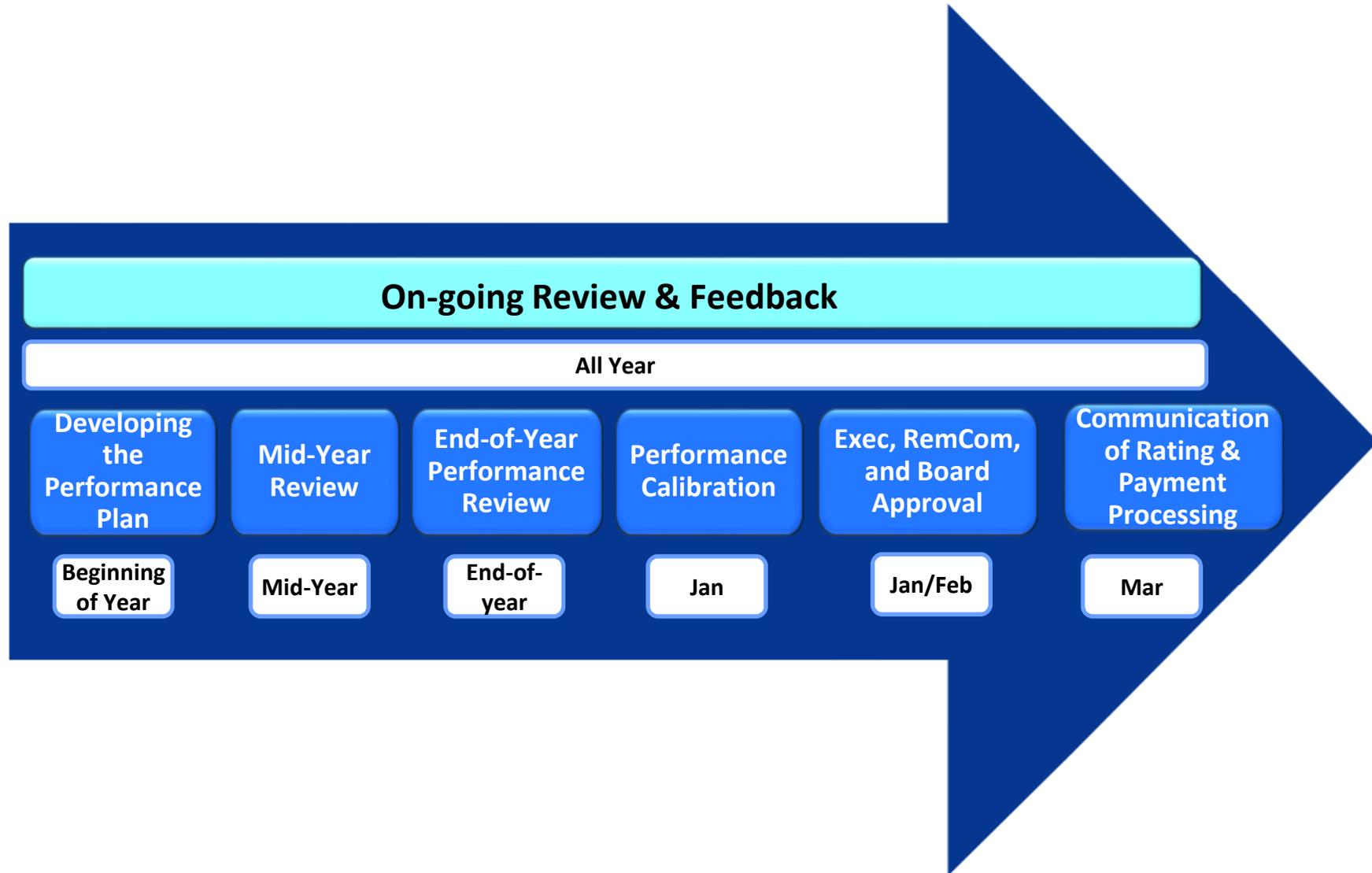
- Grievance
- Jury Service
- Learning and Development
- Marriage and Civil Partnership
- Maternity Leave
- Movers, Leavers, Joiners
- On-Call
- Parental Leave
- Paternity Leave
- Performance Management
- Probation
- Professional Subscriptions

# Overview of the Pay Model and Performance Management Process

# Overview of Pay Structure within Ervia/Irish Water



# Irish Water Performance Management



# Performance Related Awards

- The Performance Management (PM) process is a key factor that feeds the application of the pay model within Ervia and Irish Water.
- Performance Related Awards (PRAs) are annual non-pensionable, taxable, lump sum payments made when Corporate Performance (ie Ervia), Business Unit (i.e. Irish Water, GNI) and Individual Performance criteria are met.



Corporate Performance **X** Business Unit Performance **X** Individual Performance

- Outputs from the PM process are used to determine the individual performance element of the payment and the model has been designed to be aligned with the achievement of the Ervia business strategy.
- Business Unit (i.e. Irish Water, GNI) and overall Corporate Performance are assessed against agreed KPIs which are set annually in the Balanced Scorecard.
- PRAs are made based on a combination of Corporate performance, Business Unit performance, and Individual performance.
- PRAs recognise the financial and non-financial targets of Ervia, and the Business Unit (ie Irish Water) (as measured by the BSC KPIs), in addition to the individual's performance (as measured through the PM process).
- The actual individual PRA amount = Corporate Performance X BU Performance X Individual Performance.
- All levels of staff are eligible for receipt of PRA, as per contract of employment

# Procurement Governance Overview

# Introduction to Procurement

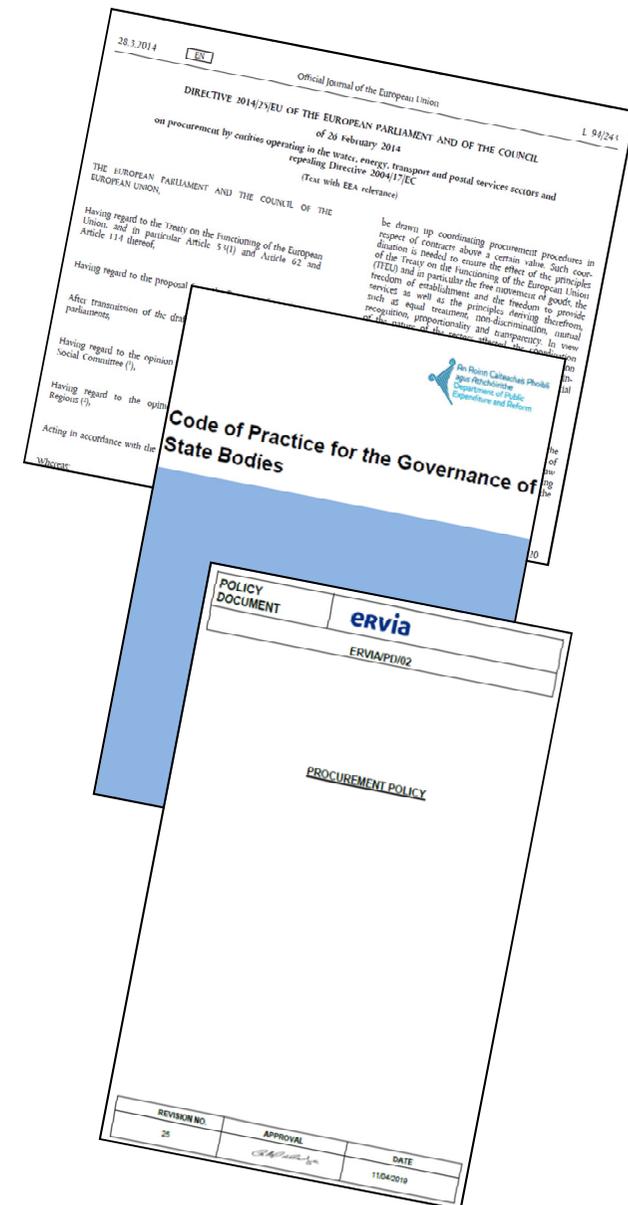


Irish Water procures approximately €1.3bn of goods, services, and works each year to effectively carry out its operational activities and deliver on its significant Capital Investment Plan.

Procurement is governed within Irish Water by a policy document PD/02 which sets out clear rules and governance for all procurement processes. The policy covers all levels of procurement;

- Above EU thresholds Irish Water must comply with the EU Utilities Directive
  - > €443,000 for Goods and Services
  - > €5,548,000 for Works
- Below the EU thresholds Irish Water carries out its procurements in line with the approach set out by the Office of Government Procurement guidelines

As a commercial semi-state body, each year Irish Water is required under the Code of Practice for the Governance of State Bodies to detail how it complies with all relevant legislation and state codes in relation to procurement activities.



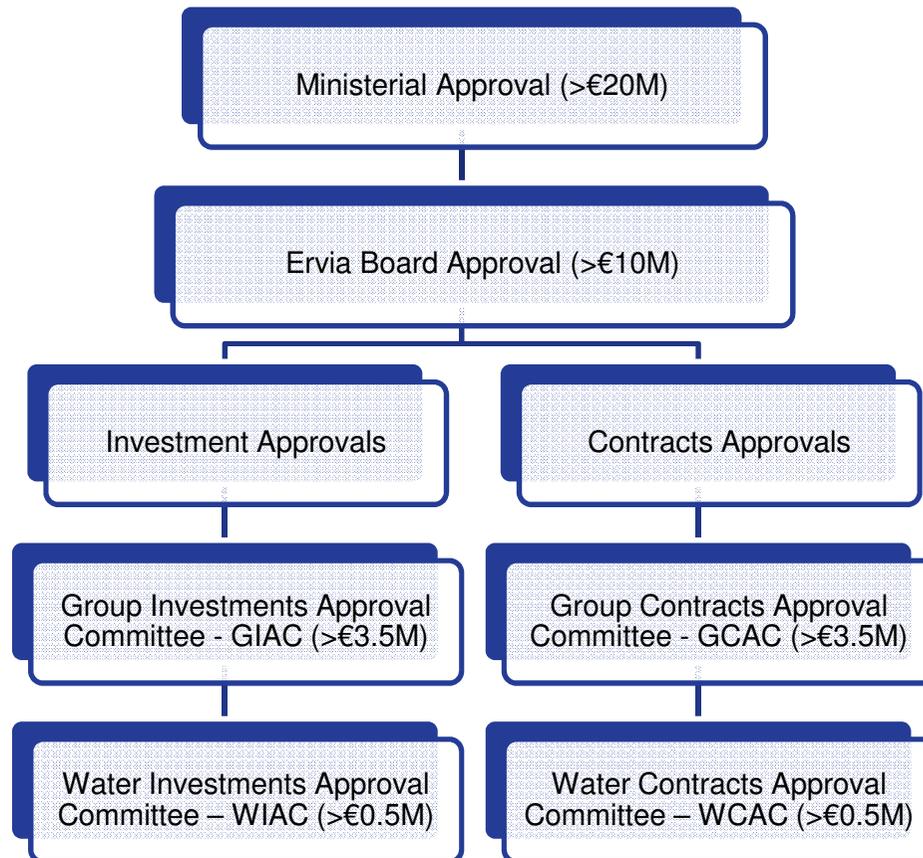
# Procurement Policy PD02



The table below, taken from Policy Document PD/02 which governs procurement, sets out the thresholds for various levels of competitions to be undertaken across the programme for goods, work and services. The policy is in line with Government procurement rules as established by the Office of Government Procurement (OGP).

Threshold (excl. VAT)	Min. No. Of Suppliers Invited to Tender
€0 to €10,000	Irish Water must invite at least 1 quotation
€10,001 to €25,000	Irish Water must invite at least 3 quotations and then must select the lowest price or most economically advantageous quotation
€25,001 to €100,000	Minimum of 3 suppliers invited by Supply Chain (Ervia) for Irish Water
€100,001 to EU Thresholds i.e. €443,000 (Goods and Services) / €5,548,000 (Works)	Minimum of 5 suppliers invited by Supply Chain
> €443,000	Goods and Services (EU Procurement threshold)
> €5,548,000	Works (EU Procurement threshold)
Call-offs under a Framework Agreement (FWA) or Call for Competition from Qualification System (QS)	In accordance with the FWA or QS rules
Sole Supplier/Emergency	As approved/appropriate

# Financial Authorisation & Contract Approval Policy PD03



Policy Document PD03 sets out the rules and approvals required for expenditure and contract commitments within Irish Water (budgetary and contract approvals).

Authorisation and execution thresholds for each internal approver are set out in PD/03, with all expenditure being controlled by Oracle using appropriate hierarchical approval steps.

Irish Water and Ervia Senior Management form the membership of the Investment and Contract Approval Committees.

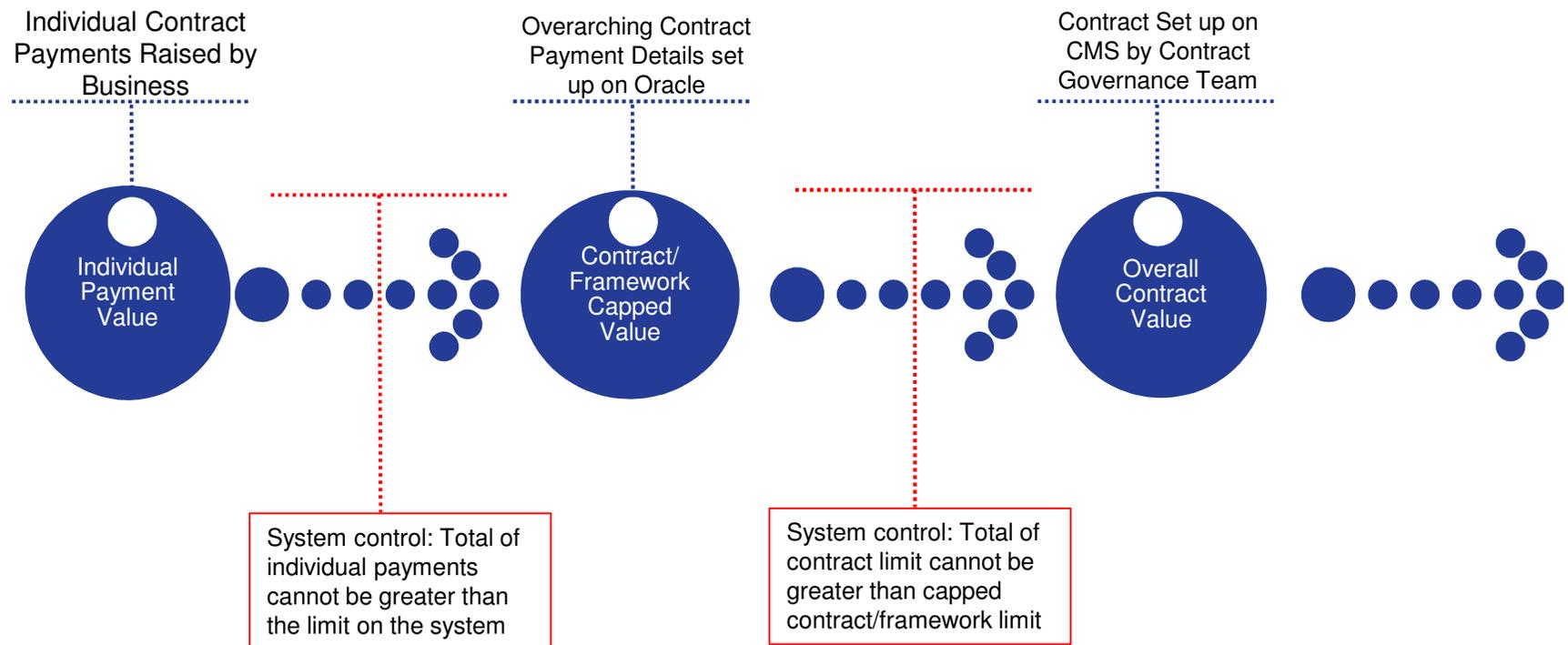
Contract management and oversight is controlled at all stages/gates, with various levels of control and challenge in place.

Supply Chain and Finance approvals are required separate to Business Unit approvals in order to progress contract spends.

# Systems and Controls – Oracle/Contract Management System

Procurement processes, contract management and payment processes are all systemised within Irish Water. These systems include;

- eTenders manages tender process
- Service Now Tender Tracker provides full reporting functionality on all live tenders
- Contract Management System (CMS) facilitates contract management
- Oracle facilitates contract payments and is linked to the CMS



# Managing Our Procurements

# Contracting Approach

## Strategic Supply Chain

### Capital Delivery

Irish Water uses a number of differing approaches to deliver the Capital Investment Plan depending on the scale and complexity of the project or programme.

Key Multi-Supplier Frameworks are in place to provide for efficient and sustainable procurement and works/services/materials delivery with key partners.

Large individual projects are reviewed on an individual basis with the most appropriate procurement and contracting strategy being developed to ensure safe, efficient and timely delivery.

The use of programme contracts is essential for effective delivery of our regulatory outputs, e.g.; Leakage Reduction Programme, National Disinfection Programme, Energy Efficiency Programme.

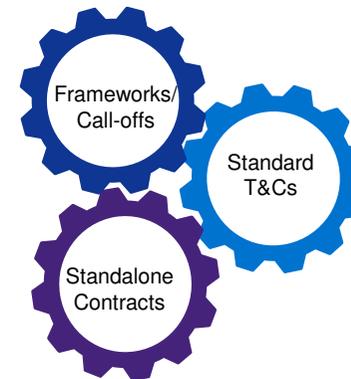
### Category Management

Irish Waters Category spend is sourced across five key strategic pillars using a number of Multi-Supplier and Single Party Frameworks.

The five key strategic pillars are as follows:

- Assets & Equipment,
- Operations, Consumables & Services,
- Facilities, Logistics & Utilities,
- IT, Telecoms & Customer Care,
- Financial & Professional Services.

All low value spend is carried out in line with Procurement Policy PD/02 and covered by standard T&Cs, in certain instances Irish Water use one-off bespoke contracts or standard service contracts.



# Procurement Lifecycle

# Procurement in Irish Water

## Contract Management

- Reporting of key contract metrics
- Control of payments
- Expert support available to contract managers the lifecycle of a contract
- Regular reviews as required & lessons learned

## Execution of Contracts

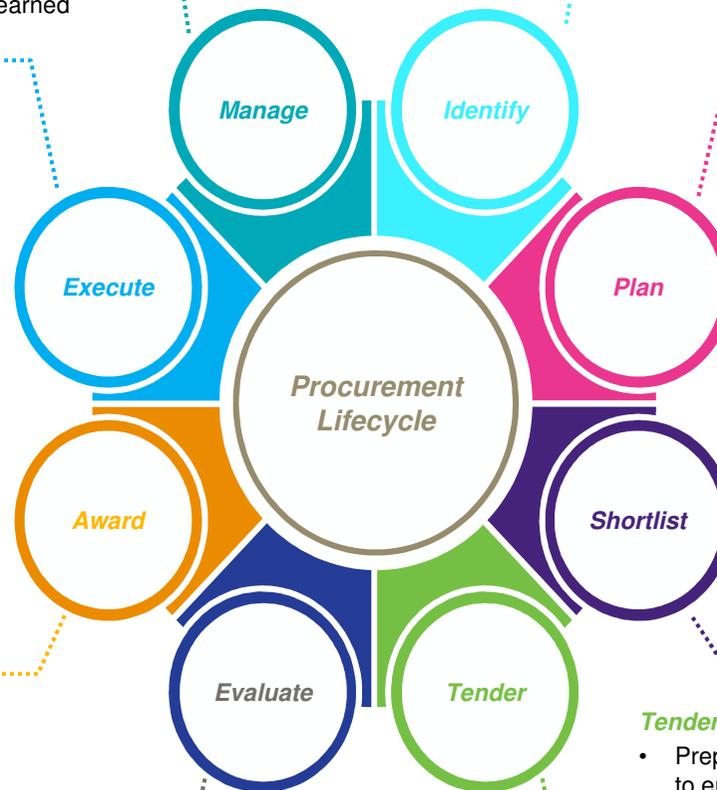
- Authorisation to execute is systemised
- Designated individuals can execute by hand or digitally
- Executed contracts are centrally stored and archived

## Notice of Award

- Approval to issue award/regret letters is controlled in accordance with governance policies
- Templates controlled and carefully administered
- Subject matter experts review prior to issue

## Evaluation of tenders

- All evaluators subject to training
- Suitably qualified people on evaluation teams
- Conflict of interest checks undertaken
- Evaluation process is overseen and signed off by Supply Chain Function



## Define the procurement needs

- What are the services, goods or works we need to procure?
- Expert support available to help document scope, estimate costs, etc..

## Setting a procurement strategy

- Depending on scale of procurement approval of strategy may need governance sign off
- Appropriate standalone contract or framework approach is reviewed
- Market engagement undertaken as required

## Selection of tenderers

- Prior Information Notice (PIN) may issue to generate market interest
- Shortlisting criteria/questions set with Regulatory obligations always included
- Tenderers prequalify based on objective criteria and minimum pass/fail thresholds

## Tender Process

- Preparation of tender documents centrally managed to ensure best practice
- Price/Quality scoring designed to ensure best supplier at best value for Irish Water
- Tender process is strictly managed by a central Supply Chain Function to ensure compliance

# Annual Compliance

# 2018 Compliance



Control	Description	Compliance
Procurement Policy PD/02	<ul style="list-style-type: none"> <li>Comprehensive procedures that ensure compliance with all applicable procurement legislation and guidelines</li> <li>Reviewed and Approved annually by the Ervia Executive &amp; Board</li> </ul>	✓
Centralised Procurement	<ul style="list-style-type: none"> <li>Procurement governance activity is managed by central Supply Chain and Transaction Services functions</li> </ul>	✓
Functional Segregation of Duties	<ul style="list-style-type: none"> <li>Clear functional and system separation</li> <li>Procurement need to contract approval to purchase order approval to payment</li> </ul>	✓
Contracts Approval Governance Framework	<ul style="list-style-type: none"> <li>Award of Contract, Execution of Contract &amp; Changes to Contracts all governed by Board approved policy PD/03</li> </ul>	✓
Contracts Approval Committees	<ul style="list-style-type: none"> <li>Group and Business Unit Contracts Approval Committees oversee and govern compliance with PD/03</li> </ul>	✓
Procurement and Contracts System Controls	<ul style="list-style-type: none"> <li>Oracle Procure to Pay System</li> <li>Hierarchy of approval thresholds managed centrally</li> <li>Centralised Contracts Management System</li> </ul>	✓
Established Procurement Compliance Monitoring	<ul style="list-style-type: none"> <li>Procurement Adherence Register</li> <li>Sole Source Contract Register</li> <li>Emergency Procurement Register</li> </ul>	✓
Internal Reviews/3 <sup>rd</sup> Party Reviews	<ul style="list-style-type: none"> <li>Annual internal audit reviews</li> <li>Internal and external legal reviews of tender processes as required</li> <li>Integrated assurance compliance reviews and sign-offs</li> </ul>	✓
Procurement Breach/Risk Escalation Process	Formal procurement breach/risk escalation process to Head of Supply Chain and Chief Legal Officer	✓
Established Management Reviews	Monthly Procurement management reporting	✓

Thank You

