

## Mechanical & Engineering Renewals

Southern Water



**Kent, Sussex, Hampshire & Isle of  
Wight**

**Term: 1999 – 2003 & 2003 – 2008**

**Value: £50m per annum**

The scope of this contract is extensive and involves the delivery of the following workstreams on 3000 operational sites across Kent, Sussex, Hampshire and Isle of Wight:

- The Replacement and Refurbishment of Mechanical & Electrical Plant and Equipment.
- Pump Installation & Commissioning.
- Fixed and Mobile Generator Servicing and Maintenance.
- Electrical Inspection & Testing of Electrical Installations and Equipment.
- Design, Construction and Installation of Process Flow Measurement Systems.
- Inspection, Servicing and Maintenance of Oil Storage Facilities.
- Inspection, Servicing and Maintenance of Biogas Installations.
- Emergency works.

Morrison manages individual projects and programmes of work from feasibility through design to construction and commissioning.

This project procurement process has allowed projects to be taken from concept to completed construction in 4 weeks. Originally the process of competitive tendering and project approval lasted on average 4-6 months.

### **Management & Performance Monitoring**

The key elements of Management & Performance Monitoring on this contract are:

- Actual cost against target costs. (labour, supply chain, plant, materials)
- Output delivery (response time, completion time, quality & cost)

- Safety (lost time, reportable accidents, near misses)

Morrison monitors all of the above criteria on an ongoing basis to ensure that all contract deliverables are met and that they are congruent with the business objectives of the client.

### **Costs**

Morrison is incentivised to be efficient through the target cost model that is employed on the contract. To achieve this efficiency and thereby trade profitably, individual cost elements of specific schemes are recorded on a database (Excel) and summarised weekly against projected expenditure profiles and ultimate target costs for each scheme.

### **Output Delivery**

The outputs of each scheme are recorded by the project manager (Microsoft Project) on an ongoing basis with key milestones included within them. Examples of such key milestones are:

- Scoping completion
- Design completion
- Subcontracts let (if appropriate)
- Materials ordered
- Permits to work / impinge obtained
- Method statements produced / agreed with client
- Risk assessments undertaken
- Health & Safety documents prepared
- Materials on site
- Construction phase commenced
- Commissioning
- Handover
- Operations manuals produced

During the course of and at completion of the works a Site Quality Inspection checklist is completed.

### **Safety**

Notification of accidents to central contract administrator is a procedural requirement. Details are entered on the contract database and are used to produce a summary

report providing RIDDOR details and AFR calculations. Data is collated centrally for company statistics.

### **KPIs**

Each KPI is measured per job on a monthly basis. These KPIs are collated in a summary and used to assess our performance and are directly linked to financial penalties within the contract. Examples of the KPIs used on this contract are as follows:

- Increase in OP3 value
- Increase in OP12 value
- Increase in application value
- % Defects on completed sites
- O&M's completed on time
- Annual total accidents
- Monthly total accidents
- Work In progress – quality pass
- Work now complete – quality pass
- Release to OP12 < 30 days
- Any complaints

### **IT Infrastructure Supporting Programme**

Microsoft package programmes are utilised to support the contract with support from the Division's IT department.