

Keynote: Sydney Water Partnering for Success (P4S): A New Era in Program Delivery



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Partnering for Success (P4S): A new era in program delivery

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Acknowledgement of Country

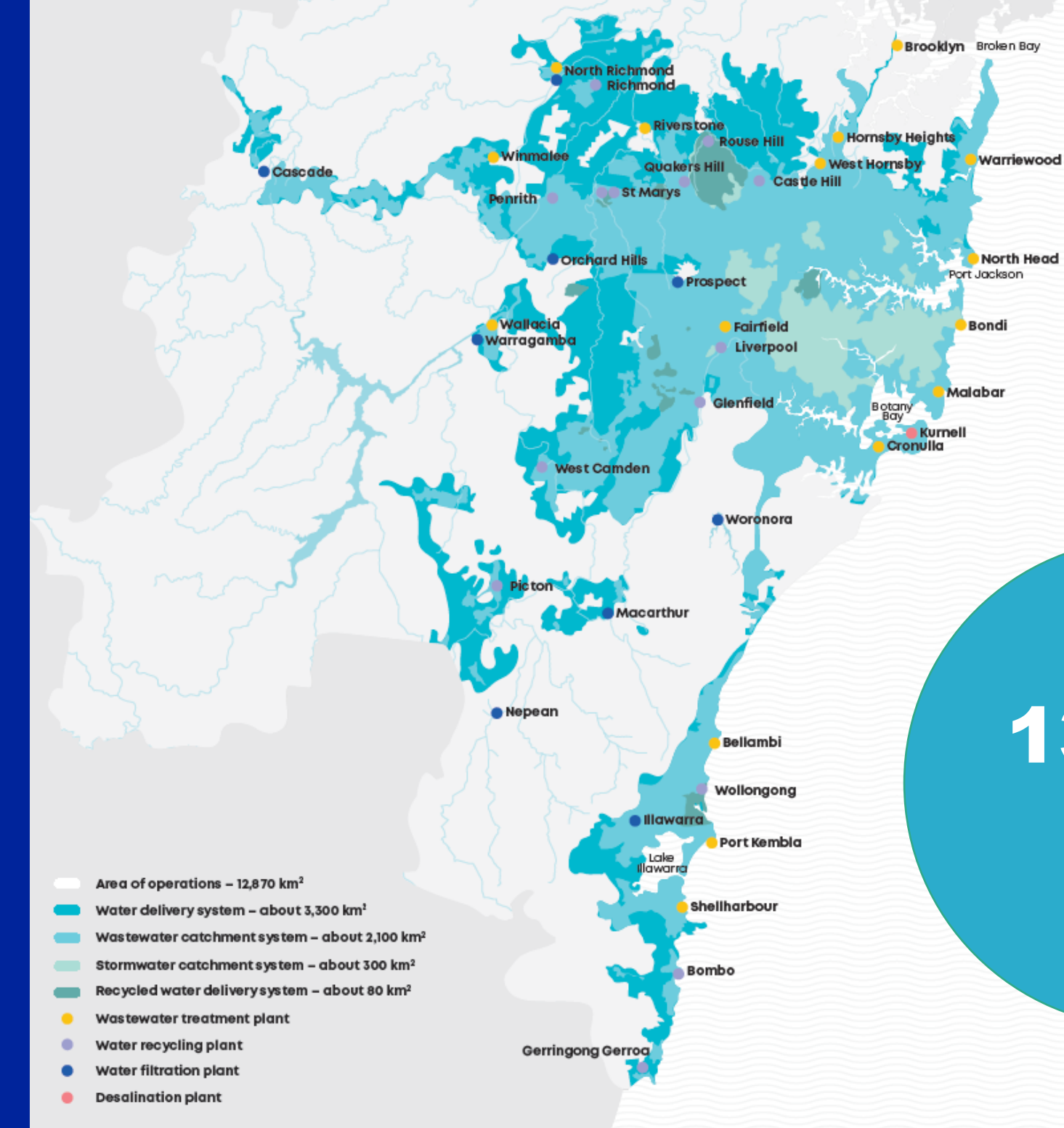
Sydney Water respectfully acknowledges the Traditional Custodians of the land and waters on which we work, live and learn. We pay respect to Elders past and present.



About Sydney Water

We are Australia's largest water utility

- We have over 5 million customers, that's 20% of Australia's population
- Our network covers an area 41 times larger than the size of Munich (around 13,000 km²)
- Our water and wastewater pipelines stretch around the globe 1.3 times (50,000 km)
- We recycle 117 megalitres of water a day, enough to fill 47 Olympic swimming pools!



13,000 km²



Program Delivery

- Design and deliver capital infrastructure
- Maintenance of existing assets
- \$900m+ annually
- 1,500 projects
- Projects typically between \$1m and \$50m



The challenge

Traditional delivery will no longer be valid

Our response

Sydney Water is transforming its capital delivery model

- 10 year multi-billion \$mega program of works employing 000's of workers
- Integrated design, build and maintain capital Infrastructure

By 2041, across Greater Sydney, we can expect:

- 6.1 million people
- over 570,000 new homes
- 600,000 new jobs

P4S addresses common challenges and promotes opportunities for integration, consistency and value

Many mega projects are late and over budget.....with disputes and blowouts increasing!

We need the A-Team on the project, it's losing millions!.....???

Contractors are losing millions...
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restructures, sales, new CEO's, old CEO's...

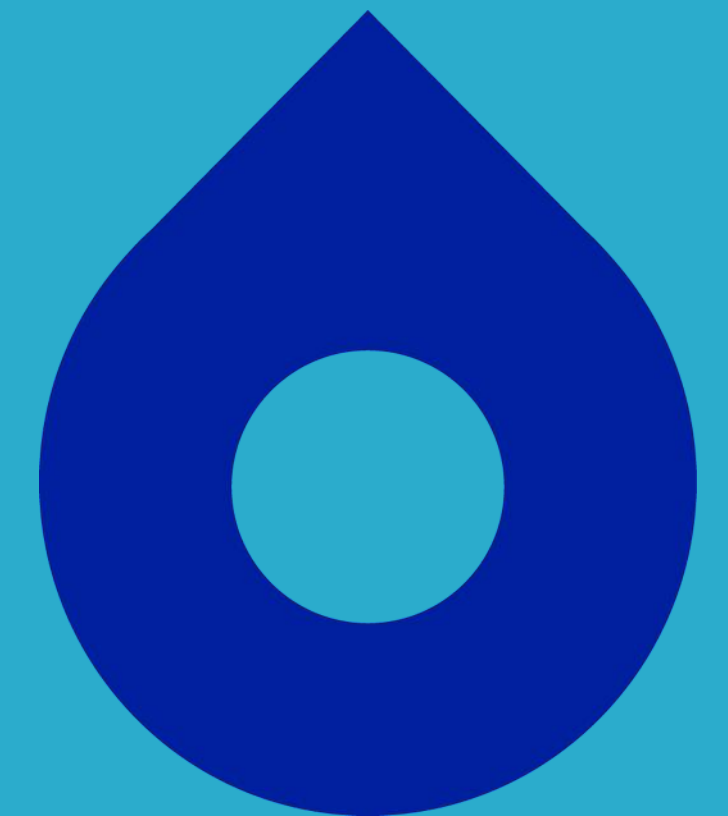
“...we need to be more ‘commercial...’”, “...we need people to make commercially based decisions...”, “...we need accurate commercial data...”, “...we need our projects to be more commercially astute...”, “we need to improve our commercial processes and procedures”...

Investment in tools and systems are lagging behind the demands of owners and stakeholders

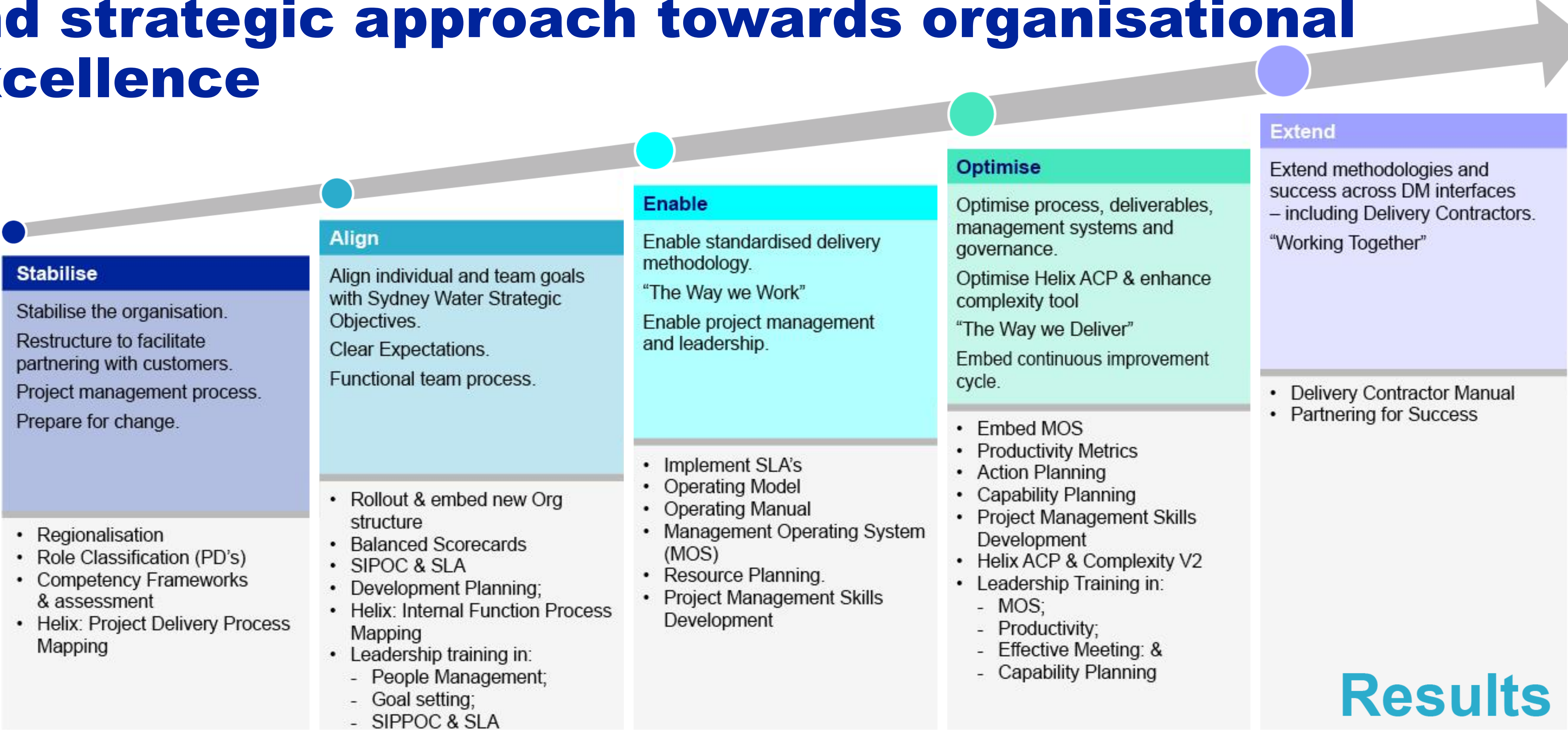
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P4S: Sydney Water's Enterprise Program Framework

A directive delivery PMO



Sydney Water Infrastructure Delivery took a structured and strategic approach towards organisational excellence



Success Measured and Monitored via Delivery Management KPI's

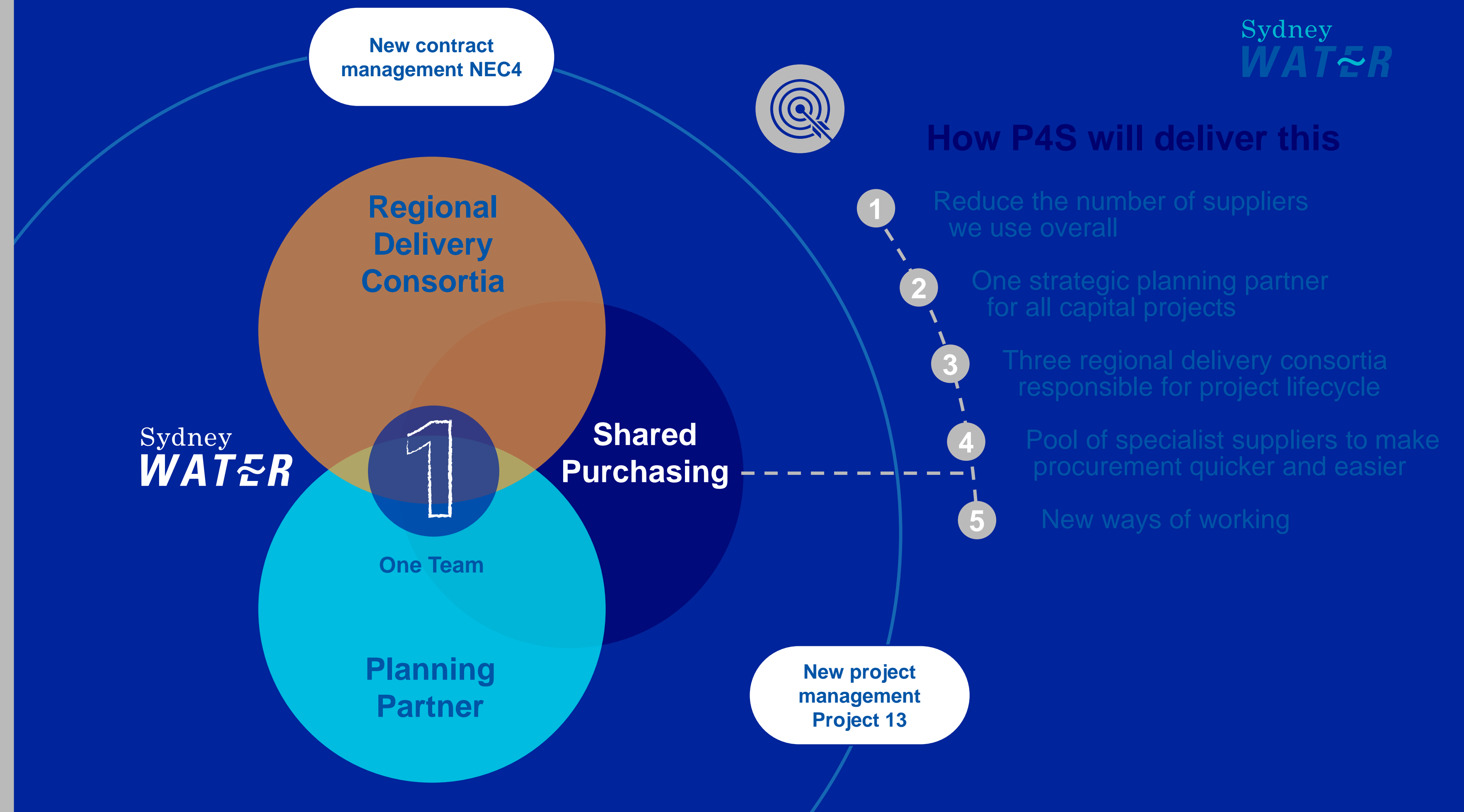
P4S Partnering for Success

Integration, consistency
and value

Why we need P4S

- 1 Reduce costs with opportunities to further enhance value for money
- 2 We want to consistently deliver high-quality work to customers every time
- 3 Provides opportunities to further improve our safety record

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How P4S will deliver this

- 1 Reduce the number of suppliers we use overall
- 2 One strategic planning partner for all capital projects
- 3 Three regional delivery consortia responsible for project lifecycle
- 4 Pool of specialist suppliers to make procurement quicker and easier
- 5 New ways of working

What are the benefits?

- | | | |
|--|--|---|
| 1 High quality customer outcomes every time | 3 Resource security for the long term | 5 Competitive & incentivised contracts |
| 2 Integration and long-term partnerships with suppliers | 4 Save money and drive efficiencies | 6 Staff upskilled in contract and project management |

NEC4

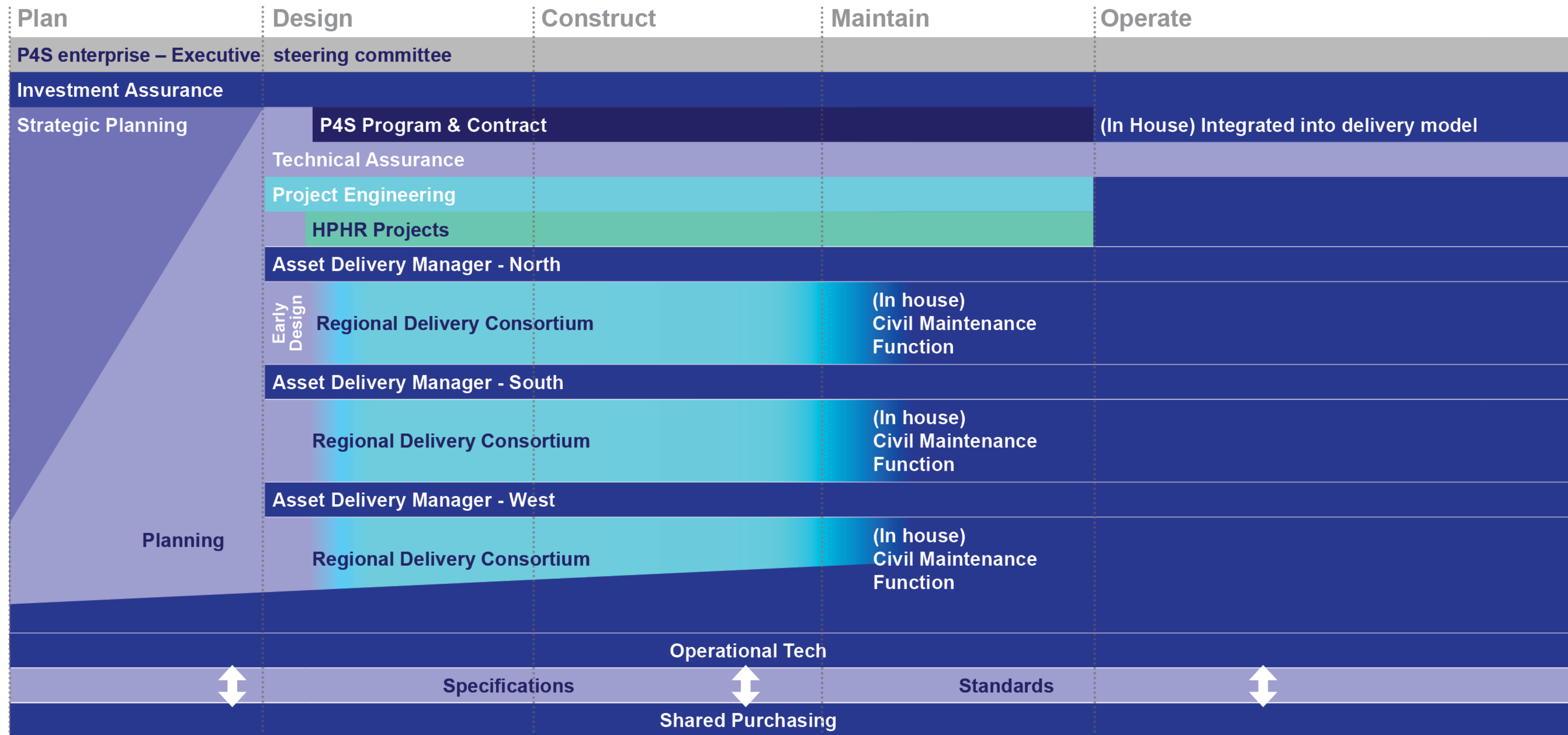
Contracting Philosophy

Contract model development

Why standardise using NEC4 forms of contract?

- ✓ Collaborative Framework Agreement and Work Order forms based on **NEC4 suite of contracts**;
- ✓ NEC philosophy promotes / requires **proactive project management** – distinct from “set and forget” contract terms common in traditional government contracts;
- ✓ Parties agree to act in a “**spirit of mutual trust and cooperation**”;
- ✓ Core clauses incentivise **early identification** and **resolution** of issues which may affect time and cost outcomes of project;
- ✓ Drafted in the **present tense**.

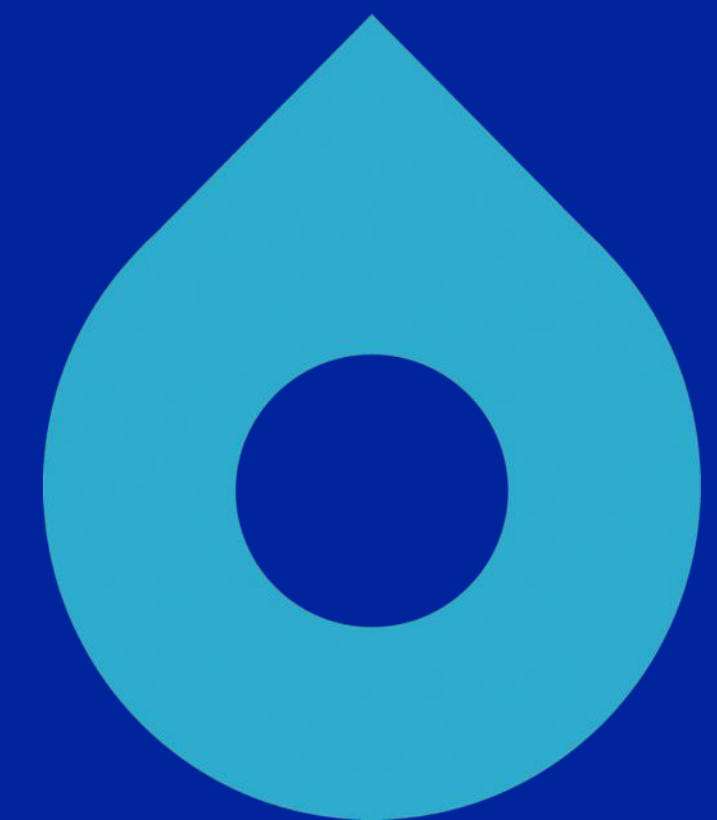
P4S Model: An enterprise-wide directive Delivery PMO



- Sydney Water Core Function
- Planning Partner To Deliver Function With Sydney Water
- Regional Delivery Consortium Role/ Special Purpose Vehicle
- With All Partner(s)

P4S: Project Controls

Eyes and Ears of the P4S PMO



Controls for the end-to-end project lifecycle

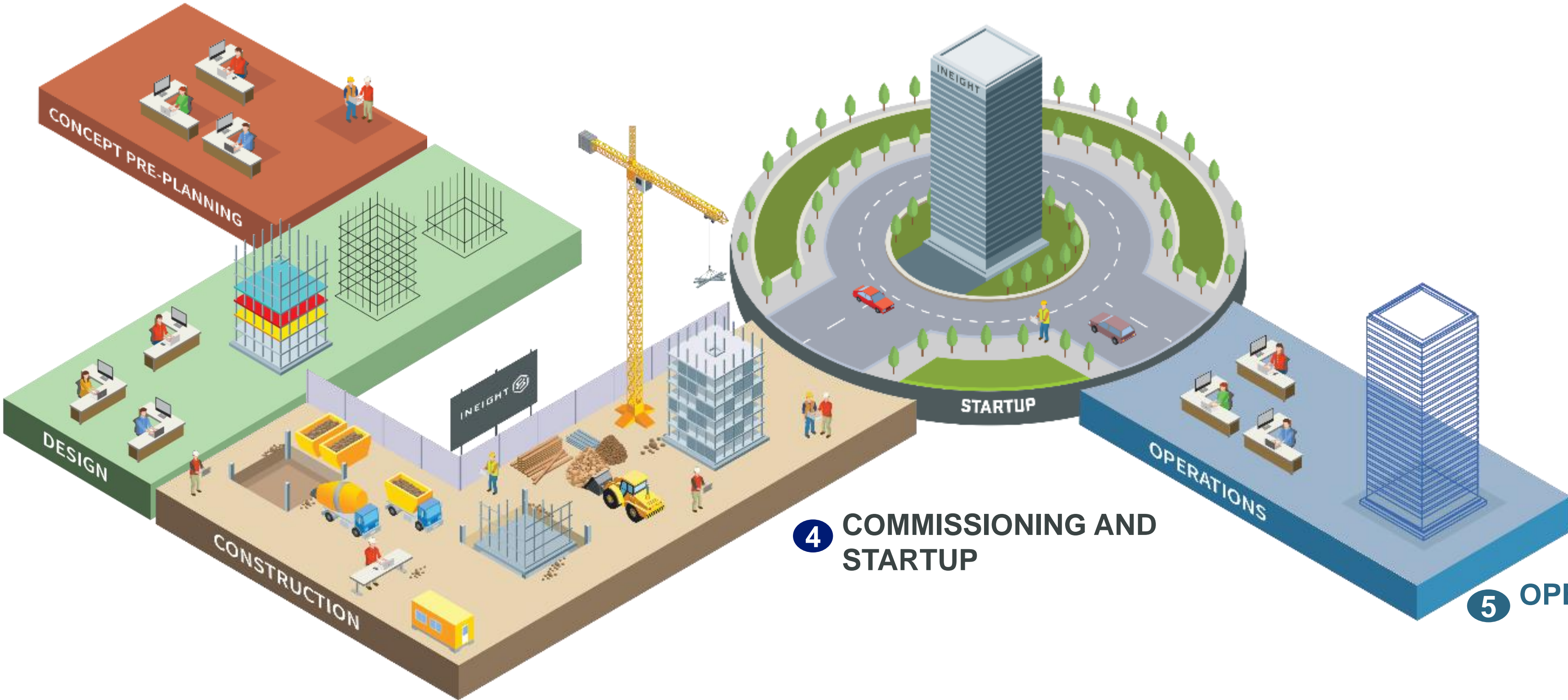
1 CONCEPT / PRE-PLANNING

2 DESIGN AND ENGINEERING

3 CONSTRUCTION

4 COMMISSIONING AND STARTUP

5 OPERATIONS



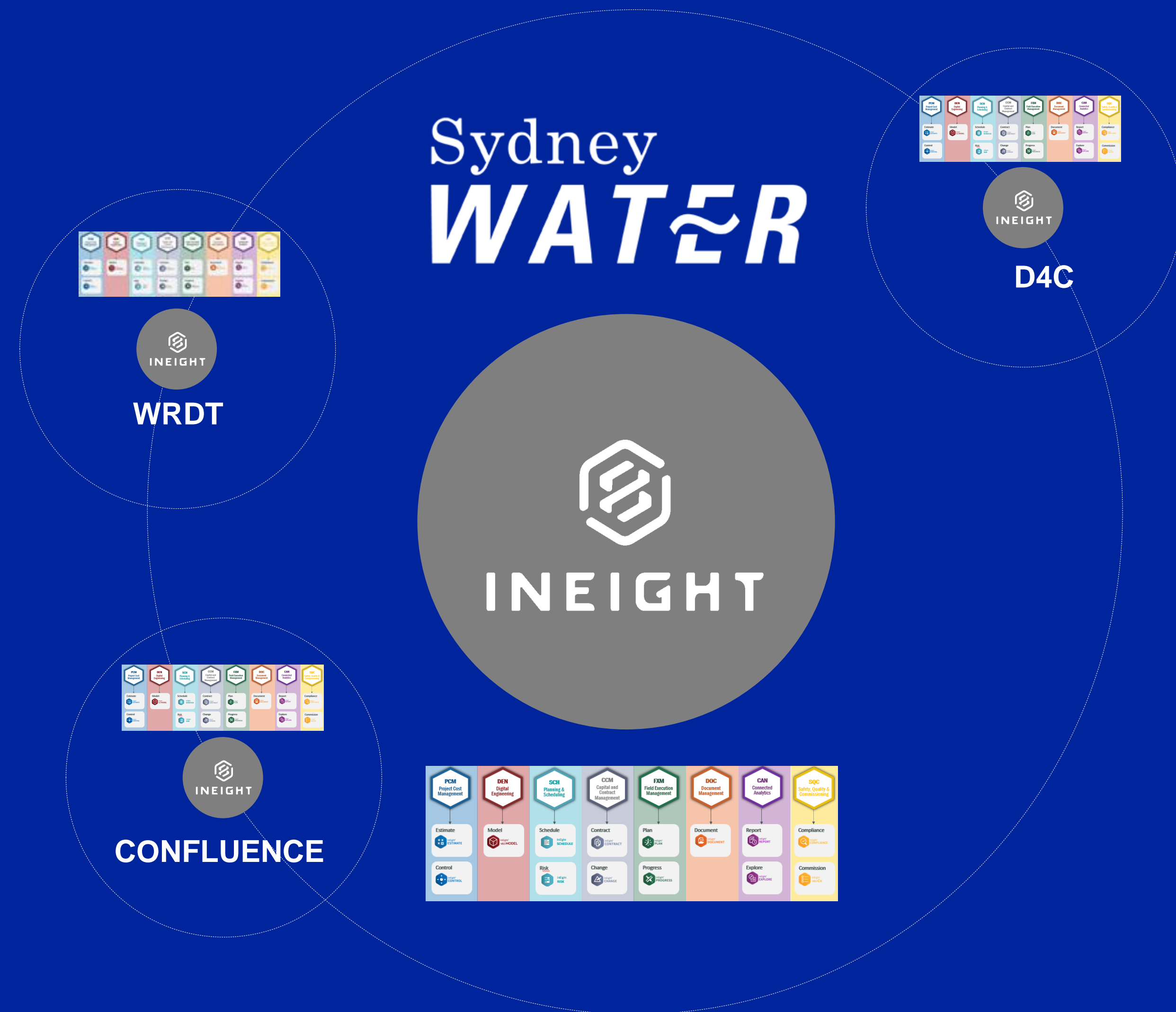
InEight: Providing a shared system for Sydney Water and the RDCs

Shared SW Configured environment for:

- Consistent data collection
- Controlled data formats
- Consolidated reporting
- Digital asset material

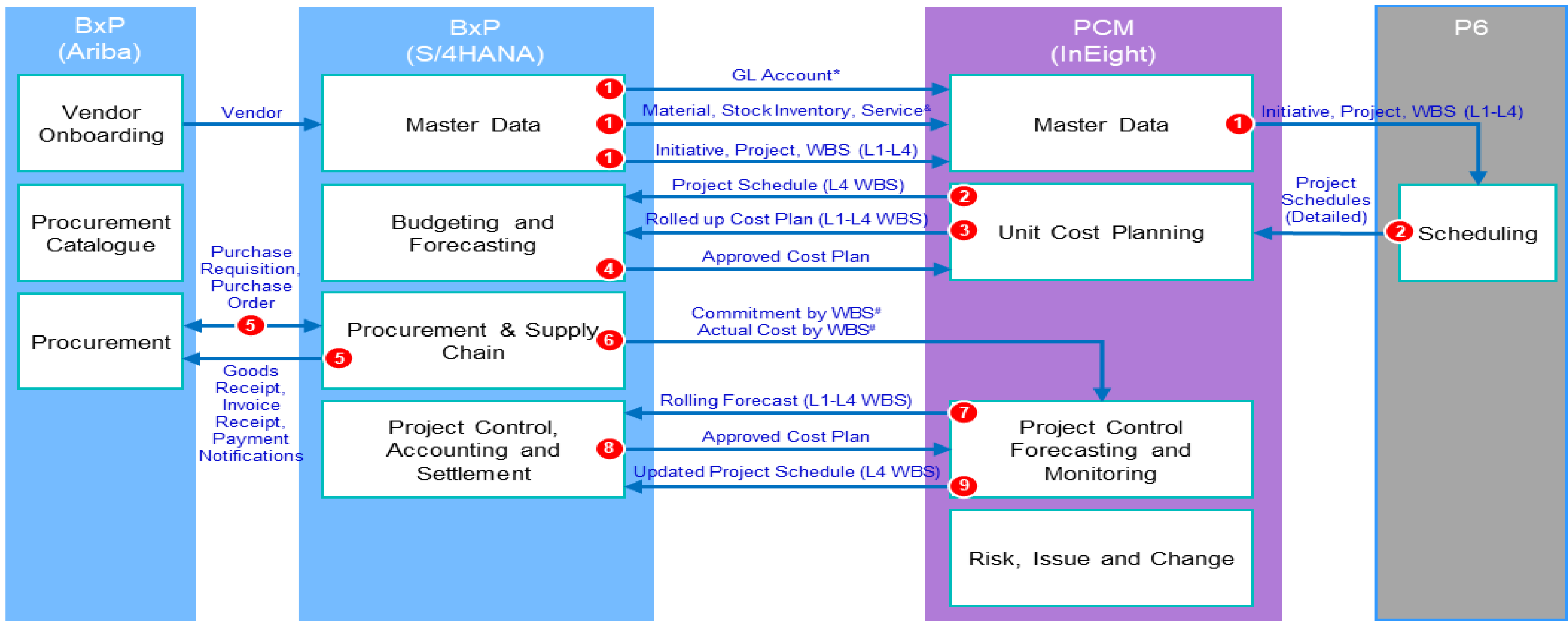
RDC configured environments for:

- Provide contained working environment
- Facilitates ease of sharing data with Sydney Water and other collaborating RDC's
- Provide a record of all project data created by the RDC



P4S and InEight

Integrated Project Controls requires both master data and transaction data from SAP to function. Integrations are very complex



*This integration may be manual as the frequency of change is low

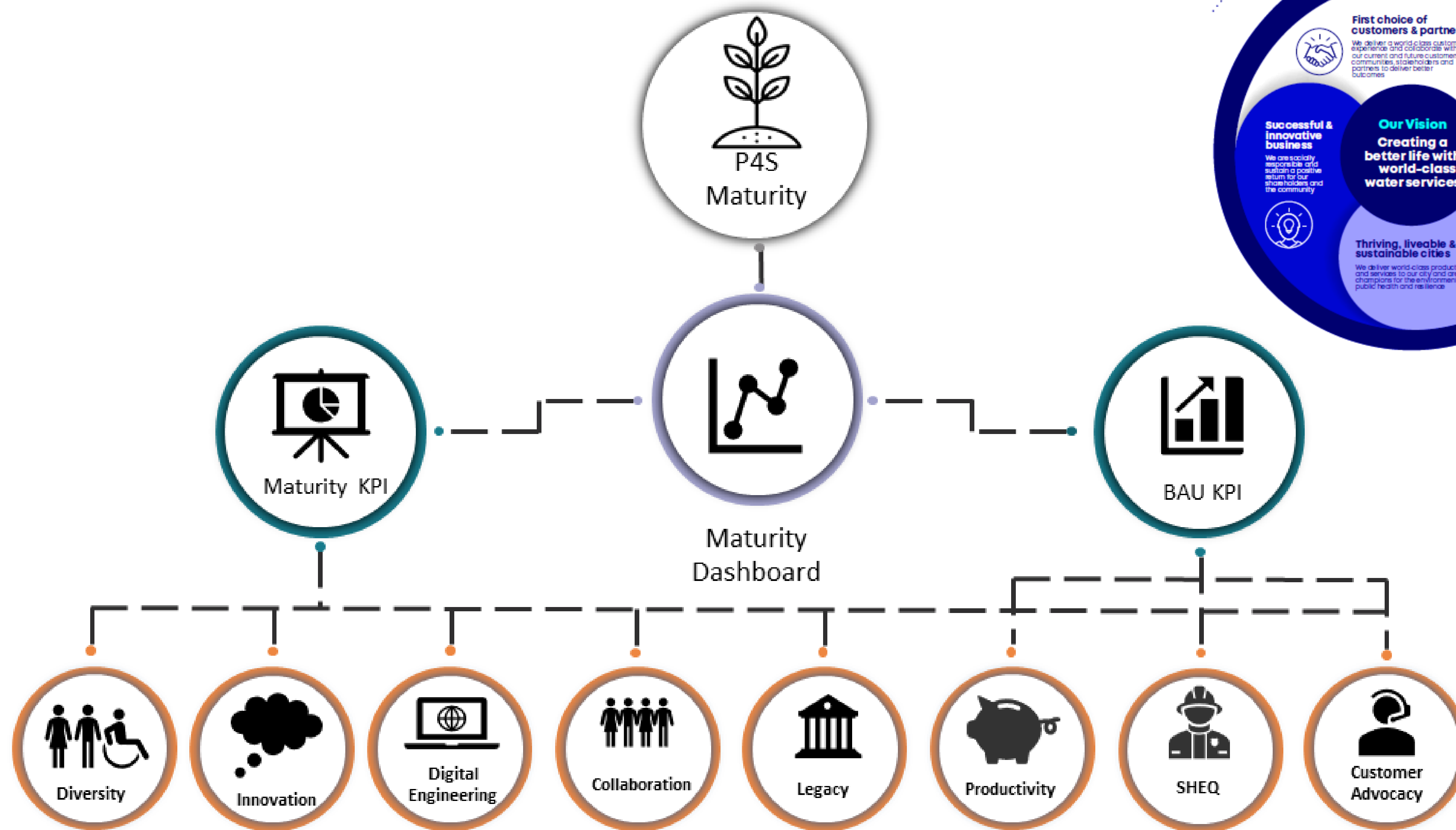
^Potentially the same interfaces between S/4HANA and Maximo can be reused

#Granularity of integration to be further discussed. If line item level detail is required, integration will be highly complex but rolled up comment and actual costs to L4 WBS elements may not provide what PCM requires

- 1** Master data synchronisation
- 4** Approved cost plan and budget synchronisation
- 7** Rolling forecast
- 2** Project scheduling and schedule synchronisation
- 5** Procurement execution and supply chain operations
- 8** Update of approved cost plan and budget
- 3** Planned cost synchronisation for budget approval
- 6** Provision of commitment and actual costs to PCM
- 9** Update of revised schedule

P4S Integrated Maturity Framework and BAU KPIs

Our Strategy architecture



P4S achievements to-date (Year 2)

- Reached \$1 billion for our project pipeline in just 19 months, doubling our run rate
- We awarded more than 400 projects, started construction on 96 projects and delivered over 210,000 maintenance work orders (July 2020 to June 2022)
- We prequalified 600 suppliers as part of Shared Purchasing, with 400 contracts awarded
- We became the first Australian major infrastructure company to implement the New Engineering Contract (NEC4) contracting framework
- As a member of Supply Nation, we now work with 10 First Nations-owned businesses
- We reduced our P4S Total Recordable Injury Frequency Rate (TRIFR) to 5.13 over the year from 7.3 a year earlier.



Partnering for a resilient water future



<https://www.sydneywater.com.au/about-us/our-suppliers/procurement-approach/partnering-for-success.html>





Thank you

sydneywater.com.au

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