

Circular L17/02 30 September, 2002.

To each County Council.

Performance Management System (PMS)
for DBO and Operation and Maintenance Contracts
for Group Water Schemes

From January 2004, the Drinking Water Regulations (S.I. No 439 of 2000) will require all group water schemes serving more than 50 persons to meet the standards set out in the Drinking Water Directive. The majority of the 6,000 or so group water schemes completed to date serve substantially fewer than 50 persons each. It is estimated that there are currently some 1530 group schemes supplying in excess of 50 persons each and all of these schemes now fall within the remit of the Regulations.

Under the Rural Water Measures of Operational Programmes for the BMW and the S & E Regions, substantial funding is being set aside for the upgrading of water quality in rural water supply systems and for the provision of essential water disinfection and treatment facilities in privately sourced group water schemes in particular. As many as 500 individual group schemes may need to put water disinfection and/or water treatment facilities in place in order to meet the standards for drinking water. This has resulted in a strategic response at national level in favour of Design, Build, Operate (DBO) procurement coupled with the bundling of individual group schemes under a single contract. This policy initiative has the objective of giving optimum value for money, best protecting the capital investment in essential water disinfection and treatment equipment and the early delivery of quality drinking water to consumers. In accordance with national procurement policy now being implemented within the group water scheme sector throughout the country, county councils are asked to ensure that bundled DBO projects are given priority consideration when allocating and approving funding for schemes.

The Performance Management System (PMS)

The Performance Management System (PMS) has been developed to assist Group Water Scheme committee's and managers in fulfilling their role as "Employer" in managing the performance of Private Sector Providers (PSP's) in DBO and Operation & Maintenance (O&M) Contracts. Compliance with the PMS is specifically required for all group scheme water treatment contracts procured by way of DBO or O&M contracts. It will be a condition of all such contracts that the Private Sector Provider will comply with the requirements of the PMS. It is intended that the PMS will assist the group water sector in adopting a consistent approach to the performance management of all group water scheme treatment facilities.

The Group Water Scheme PMS was formally launched at the National Conference organised by the National Federation of Group Water Schemes on September 18th. 2002. The PMS was distributed in CD-ROM format only; additional copies, if required, may be obtained from the Secretary, Water Services National Training Group, Friar Court, Abbey Street, Nenagh, Co Tipperary.

Implementation of the PMS.

It is a requirement of the Department, from the date of this Circular, that all county councils take measures to ensure that the PMS is implemented in all DBO and O&M group water scheme

contracts. Contract Documents should only be approved where these documents are in compliance with the requirements of the PMS.

Under the terms and conditions of the Subsidy towards the operational costs of a group water scheme, group schemes will be eligible for the higher level of subsidy (up to €196.81per house) where the water disinfection and/or treatment is provided under a DBO contract or where the plant is operated and maintained by a contractor by way of a bona fide Operation and Maintenance Contract. O&M contracts in respect of plants initially procured by way of DB or conventional procurement routes, must be procured in accordance with public procurement criteria.

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cc. To each County Manager, each Director of Service with responsibility for water services and to each Rural Water Liaison Officer.