

Report           03.298  
Date             9 June 2003  
File              B/22/01/03

Committee       Utility Services  
Authors          Alastair McCarthy, Asset and Quality Manager  
Greater Wellington Water

## **Certification to International Quality Standard ISO 9001:2000**

### **1. Purpose**

The purpose of this report is to acquaint the committee with the background to and progress towards obtaining certification under the provisions of International Standard ISO 9001:2000.

### **2. Background**

The wholesale water supply business conducted by the Utility Services Division (Greater Wellington Water) has held certification under International Quality Standard ISO 9002:1994 since 1996. However this standard has now been superseded by ISO 9001:2000, and will not be recognised after December 2003. Consequently work is currently underway to upgrade to the new standard.

### **3. Requirements of ISO 9001:2000**

The new standard has a much broader application than the 1994 standard it supplants. The old standard applied only to the quality of the product itself, i.e. the quality of the drinking water produced. That is, it was a Quality Assurance System. The new standard on the other hand covers most areas of management and is really a management system.

There are a number of aspects not covered by the old system that must be covered by the new system, including:

- The establishment of a formal Policy and supporting Objectives and Targets.
- Meeting customer requirements and expectations (even if not formally recorded).
- A requirement for internal agreements regarding levels of service, and the monitoring of performance against these (e.g. by the Council's IT Dept.)

- A requirement for detailed procedures on purchasing goods and services, including the selection of Consultants and Contractors.
- The inclusion of design and project management within the system.

#### **4. Progress to date**

Good progress has been made in the preparation of new documentation. Objectives and targets have been formulated and draft procedures for all aspects of purchasing and for design work prepared. In addition Internal Service Level agreements have been set up with the departments that service Greater Wellington Water.

#### **5. Customer Requirements**

A key aspect of the new standard and an important issue for Greater Wellington Water is that of customer expectations and requirements. Our present quality management system is focussed on producing water that meets the Drinking Water Standard for NZ, and there are very few issues associated with customer satisfaction with the quality of the water.

Our proposal is to extend the new system to also cover the quantity of water provided, by, for example, maintaining the customer's reservoirs above a certain minimum level and reporting on these levels. Just how this might be done and what levels should be maintained in the reservoirs has yet to be agreed with the customers.

The customers have recently submitted their requirements for a draft Water Supply Agreement. This draft has some rather different ideas about criteria for judging the adequacy of the quantity of water supplied.

An aspect that the customers often comment on is the cost of water. This is understandable, given the monopoly nature of our business. The cost of water has reduced significantly in real terms over the last few years, but pressure for further reductions remain. Our view is that comparison by benchmarking against similar organisations is the most meaningful way of judging the cost effectiveness of our business, and this view is reflected in the Quality Policy.

#### **6. Certification**

A re-certification audit is scheduled for our ISO 14001 Environmental Management System in July this year. At that time we will also submit the Quality Management System for audit against ISO9001:2000, so that the two systems will be aligned. As with any new management system, it is unlikely that it will fully meet the requirements of the external auditors immediately, and two or three months work to tidy up any short-comings is anticipated. Nonetheless we are confident that the new system will be fully certified before 31 December 2003.

#### **7. Recommendations**

*That the report be received and its contents noted.*

Report prepared by:

Report endorsed by:

Report approved by:

**Alastair McCarthy**  
Asset and Quality Manager  
Greater Wellington Water

**Murray Kennedy**  
Strategy and Asset Manager

**David Benham**  
Divisional Manager, Utility  
Services