



Asia Water Forum 2022

O&M Contracting

Timor-Leste: District Capitals Water Supply Project

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Project background

- Civil works contract: \$5.00 million
 - Transmission pipes: 16.2 Km
 - Distribution network: 26.1Km
 - Reservoirs: 3 (total capacity 220m³)
 - Sources: 2 intakes and 1 infiltration gallery
 - Household connections: 1,015
- 2-years O&M contract: \$2.00million



The Challenges



Highly intermittent water supply

- Ingrained in the Timor-Leste water sector culture
- Approach is to increase the supply of water:
Unsuccessful, as intermittent supply is O&M & community awareness issue

Institutional level

- Water sector under direct state administration; no incentive for staff to perform well as salaries are low
- Most customers not charged for water supply => lack of financing for O&M, particularly in secondary towns

...the challenges

O&M

- Challenging to convince govts to allocate funds for O&M
- Govts prefer using funds for physical infrastructure
- For secondary cities, water department staff unexposed to daily operation and preventive maintenance routines and instead focus on emergency repairs.



Setting up the 2-years O&M contract

- Past experience: 24x7 water supply at the time of construction completion but deteriorated due to absence of O&M
- **District Capitals Water Supply Project** Included 2-year O&M contract but was a long and difficult journey; it took almost three years to finalize the bidding documents



...setting up the 2-years O&M contract

- Performance-based O&M contracts should run at least 5-years for consolidation of NRW programs, putting in place billing and collection systems, and operationalizing preventive maintenance routines
- Due to limited funds and govt desire to control assets, agreed O&M contract was only 2 years
- Govt agreed to O&M contract as it provided a way for local staff to learn from experienced water supply operators
- Govt preferred input-based, rather than performance-based contract, based on a fear that the operator would rely on its own staff, rather than local staff, which would reduce opportunities for knowledge transfer

...setting up the 2-years O&M contract

The 2-year hybrid contract includes payment for inputs provided plus some performance-linked payments. The arrangement reduces the perceived risk for the private sector, minimized international experts required, and increased scope of work for local staff



The Pathway

- Focus on demand management, rather than increased water supply, including:
 - Installation of bulk flow meters for the water sources and reservoirs
 - Ensuring proper functioning of household water meters
 - Putting in place a billing and collection system
- Institutionalization of routine O&M
- Developing clear and concise O&M manuals and standard operation procedures (SOPs)

...the pathway

- Developing clear and concise O&M manuals and standard operation procedures (SOPs)
- Competency certificates for individual recognition



The Results

End of the 2-year O&M contract:

- Govt built foundations to continue paradigm shift to sustainable 24x7 water supply
- Staff with improved technical skills got better salaries.
- Simple payment options for water services and streamlined procurement procedures for chemicals and spare parts were established
- Consumers in Manatuto city now:
 - Conscious to use water efficiently and wastage leads to higher bills;
 - Used to reliable water supply and intermittent water supply is unacceptable





Thank you

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