

Case study | AGS' journey through the implementation of a PBA in Romania towards NRW reducing

October 2024

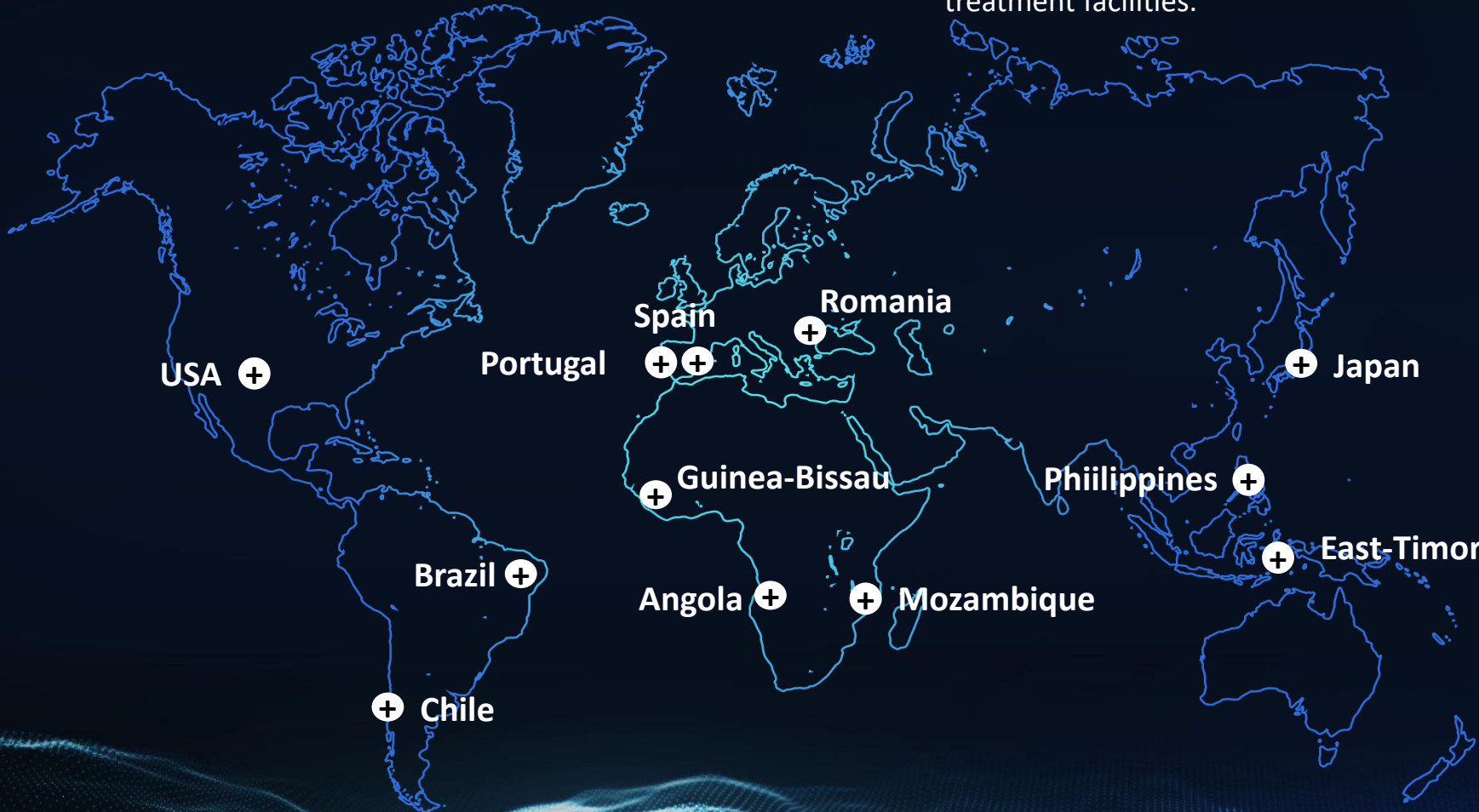


AGS presentation

MARUBENI 100%

AGS has been working in the water sector for more than 35 years, focusing its goal on the preservation of the environment and acting throughout the urban water cycle.

AGS activities range from consultancy and development of specialized engineering services to the management, operation and maintenance of urban water systems and treatment facilities.



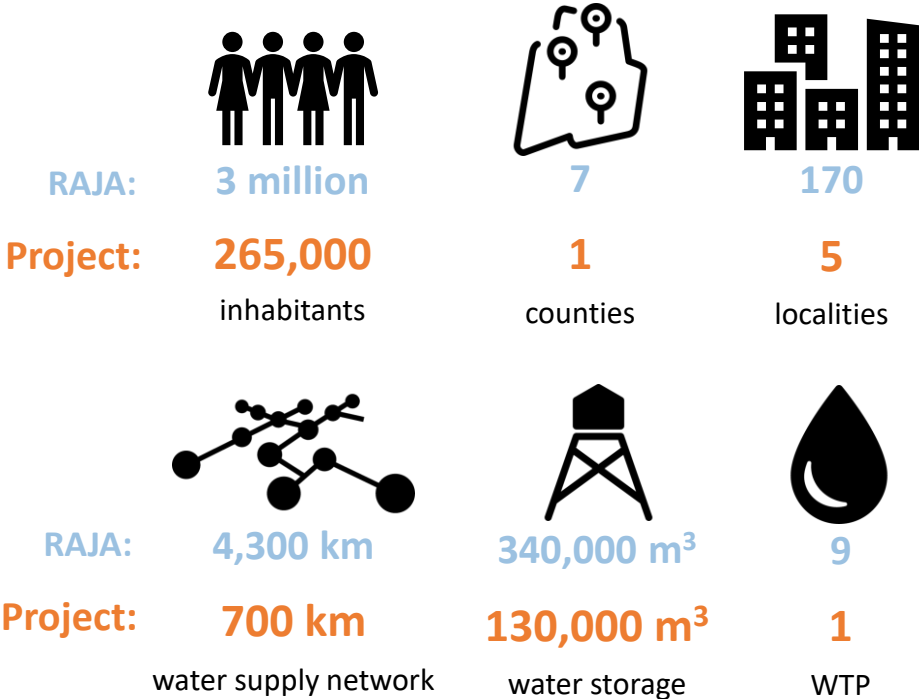
FRAMEWORK & SERVICES:

- Concessions and PPP
- Performance-based agreements
- Operation & maintenance contracts
- Engineering services provider
- IT services provider

RAJA – project area | Municipality of Constanța

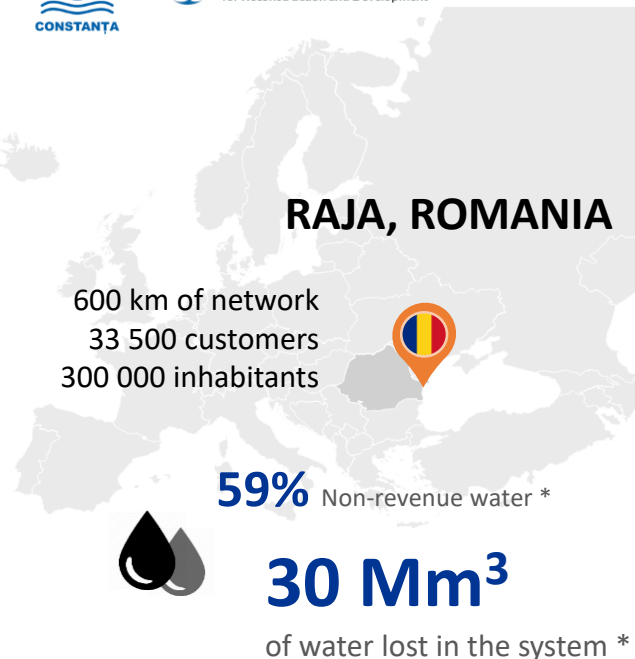


SC RAJA, S.A. is the **largest regional public operator in Romania** for water supply and wastewater drainage and treatment.



Performance Based Agreement

WATER EFFICIENCY IMPROVEMENT



Sharing risk and responsibilities

Utility responsibilities:

- Procurement process and construction works
- Coordination of operational teams

AGS responsibilities:

- Development of NRW strategy and identification of intervention priorities
- Definition of technical requirements to improve network and sectorization
- Improvement of operational procedures
- Installation of software support tools
- Performance evaluation and monitoring
- Teams' training

* figures available in the tender requirements

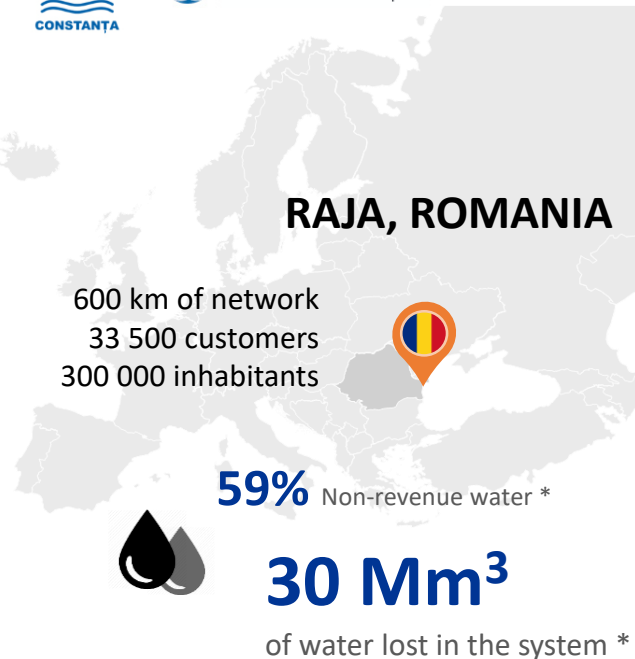
CRITICAL ASPECTS

- Quality of the project preliminary study
- Baseline definition accuracy
- Balanced sharing of savings
- KPI selection that will support project monitoring
- Capex execution constrains: investment and timely execution capabilities of the Utility
- Responsiveness of utility operational teams
- Utility maturity level must guarantee that basic tools are implemented (e.g. assets register, GIS, service orders' register, CRM and billing in place)



Performance Based Agreement

WATER EFFICIENCY IMPROVEMENT in the water supply system of the municipality of Constanta



Utility main goals
5-year project

Achievements
Project 3rd year

Remuneration
Model

Non-revenue water reduction plan
Infrastructure resilience improvement
Reduction of **water losses** in the network
Technical training to utility's staff

62 flow meters, **107** pressure meters and **17** monitoring areas
Development of a **hydraulic model**
Implementation of **3** AGS' software solutions
20 training sessions for more than **100** employees
Reduction of **6,0 Mm³** of NRW

Remuneration model based on a **fixed component** and a **variable component** depending on the results obtained on **4 performance indicators**

* figures available in the tender requirements

2021 | PT GLOBAL WATER AWARDS

PWP – Portuguese Water Partnership **Award on Technical Services category** --
Performance based agreement focused on non-revenue water project in one water utilities in Romania

2022 | BBC StoryWorks documentary

Project identified by International Water Association (IWA) to be part of the online **film series #BeneathTheSurface** produced by BBC StoryWorks

<https://www.bbc.com/storyworks/beneath-the-surface/the-city-below>



AWARDS & TECHNICAL RECOGNITION



Thank you.