



REPUBLIC OF THE PHILIPPINES
CAGAYAN DE ORO CITY WATER DISTRICT

Corrales Avenue, Cagayan de Oro City
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COWD QUALITY MANUAL

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QUALITY POLICY Statement

The Quality Policy of the Cagayan de Oro City Water District (COWD) is focused on satisfying the water needs and requirements of every customer in accordance with the District's vision and reason for being. Said Policy is consistent with the core values that define the COWD as an institution. Thus, the following Quality Policy Statement of the COWD:

“The Quality Policy of the Cagayan de Oro City Water District is to provide safe, clean, adequate and reliable water for a healthy life and sustainable environment and economy.

We are committed to meet customer requirements and continually find ways to improve and enhance customer satisfaction.

As a major extractor of a limited resource, that is water, for the consumption of the public, we provide environmental stewardship through integrated watershed management and efficient septage management program.

Our commitment is to ensure efficiency in our operations and keep the Non-Revenue Water (NRW), at least, at acceptable level according to recognized industry standards.

We pledge strict and full compliance with statutory and regulatory requirements related to water quality and environmental processes.

Through workforce development and training, we guarantee that every employee has the awareness, skills and knowledge necessary to carry out this Policy in a manner that optimizes effectiveness and continuity through regular and sustainable documentation of its implementation and the conduct of continuing review of this Quality Policy.”

SCOPE of this QUALITY MANAGEMENT SYSTEM (QMS)

This QMS includes the essential and basic activities and processes involved in NRW and Water Quality Management:

1. District Metering Area (DMA) Design
2. District Metering Area (DMA) Maintenance
3. GIS Data Management
4. Zero-Pressure Test (ZPT)
5. Minimum Night Consumption Calculation
6. Pressure Regulating Valve Operation and Maintenance
7. Step Test
8. Data Logging
9. Water Meter Accuracy Testing
10. Leak Detection
11. Leak Repair
12. Service Connection Installation
13. Receiving and Attending to Customer Complaints and Requests
14. Water Treatment
15. Water Quality Monitoring

MANAGEMENT SYSTEM PROCESSES

The Cagayan de Oro City Water District has recognized the crucial impact of the Non-Revenue Water (NRW) into its operations. The NRW is significantly related to the overall efficiency of the COWD, in general. Therefore, it is imperative for the Water District to establish, document and implement an effective QMS as a means of ensuring that safe, clean and adequate water is delivered to every customer. In order for this QMS to translate into

value added outputs that satisfy our customers' needs and expectations, this system comprises the Core Processes, Support Processes and the Assessment Processes

Core Processes

The core processes describe all the processes, both technical and administrative in nature that have direct influence on the reduction of the NRW level and keeping the drinking water quality standards at all times throughout the water supply network. The accurate and proper execution of these processes has a direct effect on the water service reliability in terms of water quality, adequacy and consistency. The following processes include the following:

1. Pressure Regulating Valve Operation and Maintenance
2. Leak Repair
3. Service Connection Installation
4. Water Treatment

Assessment Processes

Regularly and continually, monitoring, review and evaluation of the various Departments' implementation of the approved quality targets and initiatives that are embodied in the District's annual Plan are ascertained. During this process, priorities can shift depending on the perceived needs of the customers and the COWD itself. It is also within this context that the District conducts risks and opportunities evaluation considering prevailing environmental, political and economical situations. Specifically, these processes include the following:

1. Conduct and review of Vulnerability Assessment (VA)
2. Formulation and review of the Water Safety Plan (WSP)
3. Establishment and review of the Emergency Response Plan (ERP)
4. Conduct and review – evaluation of Annual and Short - Term Plan
5. Formulation and implementation of the Water Conservation Plan
6. Conduct and Assessment of the Customer Feedback Survey

Support Processes

The support processes are those that describe other management and operational requirements that are necessary to manage and control resources and/or activities for the sustenance, reinforcement and orderly execution of the core processes. These support processes are the following, to wit:

1. District Metering Area (DMA) Design
2. District Metering Area (DMA) Maintenance
3. GIS Data Management
4. Zero-Pressure Test (ZPT)
5. Minimum Night Consumption Calculation
6. Pressure Regulating Valve Operation and Maintenance
7. Step Test
8. Data Logging
9. Water Meter Accuracy Testing
10. Leak Detection
11. Receiving and Attending to Customer Complaints and Requests
12. Water Quality Monitoring

APPROVED QUALITY OBJECTIVES

The Cagayan de Oro City Water District conducts annual planning beginning June and presents it for approval by the Board of Directors along with the passing of the COWD Budget, normally in December of every year. The implementation and accomplishment of such is reviewed by the Board of Directors towards the year end, usually late November or early December. On the otherhand, the Management team monitors and reviews the Plan on a quarterly basis to ensure that such is carried out according to schedule.

As a planning tool for strategy performance management, the District has used the Balanced Scorecard (BSC) in formulating it's business plan. This has been aligned with the Strategic Performance Management System (SPMS) of the Government. Similarly, the strategic

quality goals and respective Department initiatives pursued in the annual plan are derived from the District's Quality Policy.

The COWD Management is committed to the development and implementation of an effective Quality Management System. This is demonstrated by the District's prioritization of strategic organizational goals. Based on the BSC framework, COWD has focused on the Customer's perspective as the ultimate stakeholder whose satisfaction is the primary goal to attain. The 7 departments and 2 separate units identify and commit initiatives that will help support the attainment of each strategic goal. The other 3 perspectives of the BSC are so structured with strategic goals in a manner that each goal leads to customer satisfaction. The other 3 perspectives are the Financial, Internal Processes and the Learning and Growth perspectives. The Learning and Growth perspective keeps the most basic goals that address the overall human resource development and access to appropriate technology and information. The District believes that the entire workforce is the greatest asset of the organization whose overall development coupled with appropriate information and technology are crucial to a successful implementation of an effective Quality Management System.

The District has established its Customer Service Standards that could lead to excellent customer satisfaction rating. The key measures of customer satisfaction are the customers' ratings on COWD's manner of treating customers and its facility of service and the provision of a reliable 24 – hour water supply. From a target of only Good satisfaction rating in 2012 to Excellent in 2016. Due to a very high level of NRW, it has been a very big challenge of the District to meet the customer's requirement of a reliable 24 – hour water supply. As such, the target service was only about 13 hours, on the average in 2012 and still short from 24 hours in 2016, which target has only been up to 21 hours of supply, on the average.

For the last 2 years, NRW reduction has taken a major spot among the lineup of goals. This thrust has transcended from just goal that takes up cost efficiency to one that addresses operational efficiency, in general. This is the strategic goal that carries the most number of initiatives over the years as this up the moment, materially deters and encumbers the District's realization of its customer satisfaction goals.

To ensure that strategic goals are responsive to the the requirements and needs of the customers, review of the annual Plan is carried out every year while the medium – term goals

are re-evaluated within 3 to 5 years. For instance, climate impacts on water supply safety took a space in the list of strategic goals only beginning in 2015. In the previous years, efforts related to addressing water safety were subsumed in goals like NRW Reduction and Delivery of Reliable 24 – Hour Water Supply.

Official rating scheme and scoring procedures for every strategic goal, initiative and overall ranking of various departments are being reviewed and established prior to the start of the next rating period. This is approved by the Board of Directors and is communicated to all Departments for clear understanding and to avoid conflicts during the actual rating and evaluation period.

Annex 2 summarizes the initiatives committed by the various Departments in support to the goals in each perspective of the Balanced Scorecard from 2012 to 2016. These are then translated into the respective Office Performance and Commitment Review (OPCRs) of the Departments in consonance with the SPMS of the Bureaucracy. Part of the Annexes are the Rating schemes used of each year and the accomplishment reports.

OTHER INTERNAL DOCUMENTS

This Quality Manual demonstrates and documents COWD's commitment to deliver water services to the utmost satisfaction of the consuming public. At the same time, the institution, while performing its mandate, ensures that the safety of its workers, its consumers and its water sources are given top priorities. Due to the fact that the water resources and water facilities can be very vulnerable to intensifying climate variations and workforce is exposed to potential hazards during water pipeline maintenance activities and severe climate and weather conditions, the District makes it sure to establish and activate the following other Plans and operating procedures:

Table 1
List of Other Internal Documents

Name of Document	Sorce of Document	Effective Date	Approval Reference	Version Code
1. Vulnerability Assessment (VA)	Engineering Dept	01 January 2017	Reso 166, S-16	Ver 1
2. Water Safety Plan (WSP)	WSP Team	01 January 2017	Reso 167, S-16	Ver 1
3. Emergency Response Plan	ERP Team	01 January 2017	Reso 168, S-16	Ver 1
4. Water Demand Management - Water Conservation Plan (WDM – WCP)	WDM Team	01 January 2017	Reso 169, S-16	Ver 1
5. NRW Strategy	NRW Team	01 January 2017	Reso 170, S-16	Ver 1
6. Business Plan (BP)	MSD	01 January 2017	Reso 171, S-16	Ver 1

These documents and procedures are not necessarily forming part of this Quality Manual documentation but are made reference with for a more responsive and effective Quality target setting and formulation of the Quality Manual

The VA, which first version was formulated with the aid of the USAID – BeSecure Project, is a documentation of a process that determines the risks due to both climatic and non – climatic conditions that may impact the water supply system. The other most important output of the process is the identification of the corresponding adaptation measures that are most appropriate and economical to invest in order to improve the vulnerability of the system as a whole. Finally, the outcome of this whole course is to strengthen the water security measures of the COWD, thereby, safeguarding and ensuring reliable water supply today and the future.

To ensure compliance with the Philippine National Drinking Water Standards (PNDWS) at all times at any point within the water supply network, COWD has formulated, established and implented in integration with the District’s annual Plan a WSP. The process is in compliance with the standards set by the World Health Organization (WHO) and the Department of Health (DOH) of the Republic.

After having established and addressed the vulnerabilities of the District, the USAID – BeSecure Project assisted again in the formulation of the ERP. The ERP is a documentation of the standard procedures to be followed and executed by identified groups of personnel in leading the entire workforce to safety during emergency situations. The conduct of the

regular drills form part of these procedures and shall be integrated in the annual Plan of COWD.

The USAID – BeSecure Project also assisted the District in the establishment of a Water Demand Management system where the final output is a Water Conservation Plan (CSP) based on a more comprehensive and detailed approach to analysing water consumption patterns of the COWD customers. The CSP maps out both in detail and general terms the appropriate methods to conserving water with the end view of keeping, in a more sustainable manner, the water supply and the water resources for today's and the future's generation. In drafting the WCP, the District is fully aware of the essence and necessity of the organization to demonstrate, observe the best and efficient practices of utilizing the water resources through efficient operational systems.

The biggest aid that the USAID – BeSecure Project and the Coca – Cola Foundation has shared with COWD in the last 2 years is the formulation and implementation of the NRW Strategy. This document illustrates the basic and needed practices and procedures for the COWD to attain operational efficiency manifested in the reduction of water wastage or NRW.

As a final point, the COWD has been able to integrate these quality targets, committed initiatives and annual appropriations in a comprehensive document, which is the Business Plan of COWD. This includes the performance evaluation standards to be employed over a specific rating period gets reviewed as a whole annually.

EXTERNAL DOCUMENTS

Being a Government – owned and – controlled Corporation, COWD is duty-bound to follow and comply with regulatory requirements and standards set by the Philippine Government. These instructions and regulations come in the form of Memorandum Circulars from regulatory agencies, Executive Orders from the Office of the President and issuances of Republic Acts and other laws and jurisprudence. These are the important external documents that the District need to refer and be consistent with in formulating Quality Targets and Standards to be integrated in this QMS. These can also change at any time when so determined by the appropriate authorities. The major regulatory agencies

include the Civil Service Commission (CSC), the Commission on Audit (COA), the Government Procurement Policy Board (GPPB), the Department of Budget and Management (DBM) and the PhilGeps.

RELEVANT INTERESTED PARTIES and their REQUIREMENTS

As a part of the whole system and society that needs the water services and operating as part of the Philippine bureaucracy, the District necessitates the close coordination with these institutions. This is imperative in order to comply with their standards as required to facilitate the grant of excavation permits, water rights and other permitting requirements. These Offices include the following in the list:

1. Local Government Units (LGU)
2. Department of Public Works and Highways (DPWH)
3. National Water Resources Board (NWRB)
4. Local Water Utilities Administration (LWUA)
5. Department of Environment and Natural Resources (DENR).

Local Government Unit (LGU)

A LGU is a Province, City or Municipal Government that has powers over the roads, bridges and drainage lines within the locality, which are funded by the Unit. The Water District has to secure excavation permits in order to lay pipelines along and traversing public roads. The District is required to post bonds to ensure that roads and drainage lines are restored according to infrastructure standards upon completion of the pipelaying activities. In the case of the COWD at the moment, the involved LGU is the City Government of Cagayan de Oro.

Department of Public Works and Highways (DPWH)

DPWH, a national agency with regional offices, has jurisdiction over roads, highways, bridges and drainage systems that are sourced from national funding. The Water District needs to secure permit for excavation during pipelaying and leakage repairs and/or erection of a water facility or structure. Such permit shall be granted upon posting of a bond equivalent to the cost of the restoration of the excavation. Similarly, the District is required to restore the road, bridge or drainage line in accordance with the standards of the Agency, otherwise, the bond shall be applied for the purpose.

National Water Resources Board (NWRB)

A Water District secures water right permit and the permit to operate a water utility for public service from the NWRB. In addition, the District remits annual payment to NWRB for every cubic meter of water withdrawn from wells and other water sources.

Local Water Utilities Administration (LWUA)

As a Water District, COWD submits for approval to LWUA all application of water rates adjustments. It is LWUA also that sets the metrics of evaluating the performance of every Water District in the country. In consequence, COWD submits monthly financial and other reports to LWUA.

ORGANIZATIONAL CONTEXT

When COWD held its strategic planning in 2011, a SWOT analysis was conducted and the summary is shown in Table 2a and Table 2b that follow. Table 2a lists down the strengths and opportunities of the District then. It could be glimpsed from this summary that COWD is equipped with the most important and basic resources to sustainably operate and provide water services to the public. These resources are indicated in the list of strengths and opportunities and include adequate water source, financial viability, wide market and large area of expansion.

Table 2a

2011 S-W-O-T SUMMARY			
	STRENGTHS		OPPORTUNITIES
1	Adequate water source	1	Capacity to supply
2	Facilities	2	Improved relation with LGU
3	Established organization	3	Wide market
4	Skilled/ well-trained manpower	4	Easy access to to financial requirement for development
5	Financially viable		
6	Captive market	5	Political connection
7	Bulk water supply available	6	Media
8	Increasing number of service connections	7	Growing business community
9	Government support	8	Large area of expansion
10	24/7 service	9	Growing population
11	Adequate reserve supply for expansion	10	Good source of manpower
12	Self Reliant	11	increased revenues
		12	Collaboration with the academe
		13	Reclassification/Re-categorization to very large

In the table that follows, Table 2b, it could be seen that the list of weaknesses and threats identified in 2011 far outnumbered the strengths and opportunities. It is notable that, for instance, Media, is listed both under “Opportunities” and “Threats.”

Table 2b

2011 S-W-O-T SUMMARY			
	WEAKNESSES		THREATS
1	Communication gap between BOD-GM; AGM-GM / BOD- Mgt	1	Take-over by interested parties
		2	Presence of illegal tappers
2	Differing expectations-understanding organizational procedure & command	3	BIR Problems
		4	Political interference
3	Less communication opportunities/ less openness	5	Resistance to increasing water rates
		6	Contractor road projects - leakages
4	Board interference on management matters	7	Dissatisfied customers
5	Low productivity	8	Various govt agencies not paying promptly
6	Maintenance	9	City government unpaid accounts
7	Indecisiveness	10	Unresolved BWSP Contract
8	High NRW	11	Media
9	Inferior Technology (Working LAN, better communication facilities,CD, filing system, modern meter reading device)		
10	Increasing number of unfit workers		
11	Inefficient manpower utilization		
12	Untimely reports		
13	No regular schedule of staff meetings		
14	Inferior corporate image		
15	Low collection efficiency		
16	Bureacratc processes/Slow procurement		
17	Slow response to complaints/reports		
18	Lose in legal collections		
19	No clear goals as an organization		
20	Disharmony between mgt & board		
21	Working environment-non employee friendly		
22	Lacking political will in enforcing violators		

Fortunately, upon review of these lists, it is encouraging to note that practically, all of these weakness, maybe not fully improved at the moment, but have been constantly addressed and given due measures in every year of quality target setting and planning. This is clearly shown in the annual Balanced Scorecard – Quality Targets – SPMS – COWD Plan from

2012 up to present. For instance, the USAID and Coca-Cola assisted NRW strategy and implementation has taken place in 2015 and shall continue in the next 3 to 4 years with the objective of cutting off water wastage volume up to about 10 to 15% within the period. Another funding shall be sought after 4 years from now to continue the efforts of improving operations efficiency through NRW reduction. Also, a huge amount has been invested already in improving technology support like the implementation of structured cabling, fiber optics connectivity, data restoration and back – up plan, documangement management system and the GIS. In essence, these weaknesses have been worked out to become the strengths of the District through quality target setting using the BSC tool as a framework.

CONCLUSION

While working on the certification for ISO, COWD has prepared and planned for the impenetation of this Quality Manual where quality targets are agreed and decided upon during the conduct of a comprehensive annual planning. This planning cycle forms part of this Quality Manual. The entire exercise is duly documented in support to the District’s preparation for an ISO certification. Alongside this Quality Manual is the formulation and implementation of the Procedures and Work Instructions Manual (PAWIM). With this direction, COWD is confident and optimistic that it shall be able to live by its Mission and reach its Vision marked with the core values that the District uphold as an institution. Specifically, COWD is guided by the following statements in serving the public the best way it can:

MISSION: “We provide excellent water service to the community we serve.”

VISION: “To be an outstanding Water District in the country.”

CORE VALUES:

“We demand accountability in all our decisions”

“We are result – driven”

“We work as a team at all times”

“We have faith in One Almighty”