

Case Study: Driving Supply Chain Resilience through Strategic Procurement at Northern Ireland Water

Context

Northern Ireland Water (NI Water) delivers critical water and wastewater services across Northern Ireland. With a c.£320 million per annum Capital Works Programme, NI Water relies heavily on an extensive supply chain of consultants and contractors to design and deliver infrastructure improvements. Ensuring resilience across this supply chain is essential to maintaining service continuity, programme delivery, and value for money.

To align with the **Northern Ireland Supply Chain Resilience Procurement Policy Note (PPN 03/21)**, NI Water's Capital Procurement Team has embedded resilience planning throughout its procurement and contract management processes—particularly in its approach to procuring and managing **professional services** and **capital works framework agreements**.

Approach

1. Embedding Resilience in Pre-Procurement Planning

At the pre-market engagement stage, NI Water conducts comprehensive **market engagement** exercises to understand supply chain capacity, key dependencies, and potential vulnerabilities. This early engagement informs procurement strategies that:

- Diversify the supply base to reduce overreliance on individual suppliers or geographies.
- Promote opportunities for SMEs and local suppliers to increase adaptability and proximity.
- Identify potential pinch points in labour, materials, or specialist expertise that could impact service continuity.

Example: During the early market engagement for the IF182 Professional Services Framework, NI Water used supplier feedback to inform the development of lotting structures that not only promoted healthy competition and supply chain resilience but were also strategically aligned to deliver efficiencies across the Capital Works Programme. This approach ensured that the framework was both commercially robust and operationally effective in meeting programme demands.

2. Resilience Criteria in Tender Evaluation

In line with PPN 03/21, resilience considerations are integrated into the selection and award criteria, such as:

- Demonstrated business continuity planning and risk mitigation measures.
- Financial stability assessments.
- Robustness of supply chains and subcontracting arrangements.

Example: During the evaluation of technical submissions across capital works frameworks, bidders were assessed on their ability to manage subcontractor risk and maintain service delivery in the event of disruption (e.g., labour shortages, insolvency, or Brexit-related challenges).

3. Strategic Use of Framework Agreements

NI Water structures its professional services and capital works frameworks to build in flexibility and mitigate supply risk:

- **Multi-supplier frameworks:** The use of multiple consultants and contractors per lot provides continuity in case one supplier fails.
- **Call-off mechanisms:** Mini-competitions encourage ongoing performance and competition, while direct awards are used for continuity and urgent requirements.
- **Pipeline visibility:** NI Water provides long-term programme visibility to framework suppliers where possible, to aid their resource planning and recruitment.

Example: Within a number of capital works frameworks, NI Water ensure restrictions are put in place in terms of the number of Lots a supplier can be successfully appointed to which reduces the over reliance on any one supplier.

4. Ongoing Performance and Risk Monitoring

The Capital Procurement Team works closely with project managers and supply chain partners to monitor and mitigate risk through:

- Regular performance reviews and KPIs.
- Financial health monitoring of key suppliers.
- Early warning and risk registers to identify emerging issues.

Example: Under the NEC4 contract administration model, early warning mechanisms are actively used to track resource constraints, rising costs, and material availability challenges across the frameworks.

5. Driving Innovation and Local Economic Benefit

As part of its social value commitment and to align with PPN 03/21, NI Water encourages:

- Use of local SMEs and social enterprises to strengthen regional supply chains.
- Innovation in delivery methods that reduce reliance on critical materials or improve efficiency.
- Skills development and apprenticeship initiatives that support a resilient future workforce.

Example: Suppliers under professional services and capital works frameworks are scored on their ability to deliver social value outcomes, including commitments to local job creation and upskilling within Northern Ireland.

Outcomes

- **Reduced supply chain interruptions** through diversification, proactive risk management, and alternative delivery mechanisms.
- **Stronger supplier relationships** and better programme visibility, leading to improved capacity planning.
- **Enhanced local resilience**, with increased participation from Northern Ireland-based SMEs and investment in skills development.

Conclusion

By operationalising the principles of PPN 03/21, NI Water's Capital Procurement Team has established a model of **resilient, flexible, and forward-looking procurement**. This ensures that essential infrastructure programmes can be delivered sustainably, even in the face of external shocks such as Brexit, hyperinflation, and supply disruption.

The team's approach to managing professional services and capital works frameworks offers a replicable blueprint for other public sector bodies seeking to embed resilience into their procurement strategies.