

Management Review Meeting ISO 9001:2015

Emarat Aloula



AGENDA:

- Actions from previous MRM
- Changes to the Management System
- Internal Quality Audits and its Results
- Review of Quality Policy and Objectives
- Customer Feedback
- Process Performance and Product Conformity
- Risk & Opportunities and review of actions
- Changes affecting IMS
- Improvement of the product & services
- External Providers Performance
- Resource Needs
- Opportunity / Continual Improvements Actions

Actions from previous MRM.

- QA department shall coordinate with the respective department to revise the procedures to cover the effect of company new management and the Company Name change expected in the first quarter of 2019.

Present Status:

- 74 out of 82 QMS Procedures (90%) amended in line with the present organization structure and to effect the Company Name Change
- Remaining 8 procedures are in final review process and planned to be completed by Dec 2019

Changes to the Management System

- Revised the IMS manual in line with the ownership change and Company Name change
- 74 Nos. of QMS Procedures amended to meet the changes of Company name change and ownership.
- Company corpnet revised to Rev No.134 to upload the revised documents.

Internal Quality Audits

Internal Audits:

- Totally 31 internal audits conducted in the year 2019 covering all cost centers of Emarat Aloula Contracting and Emarat Aloula Industries.

Operations (Projects):

- Audits Conducted – 14 Nos.
- NCRs Issued – 02 Nos.

Operation Services & Support Facilities (Departments):

- Audits Conducted – 17 Nos.
- NCRs Issued – 03 Nos.

Results of Internal Quality Audits

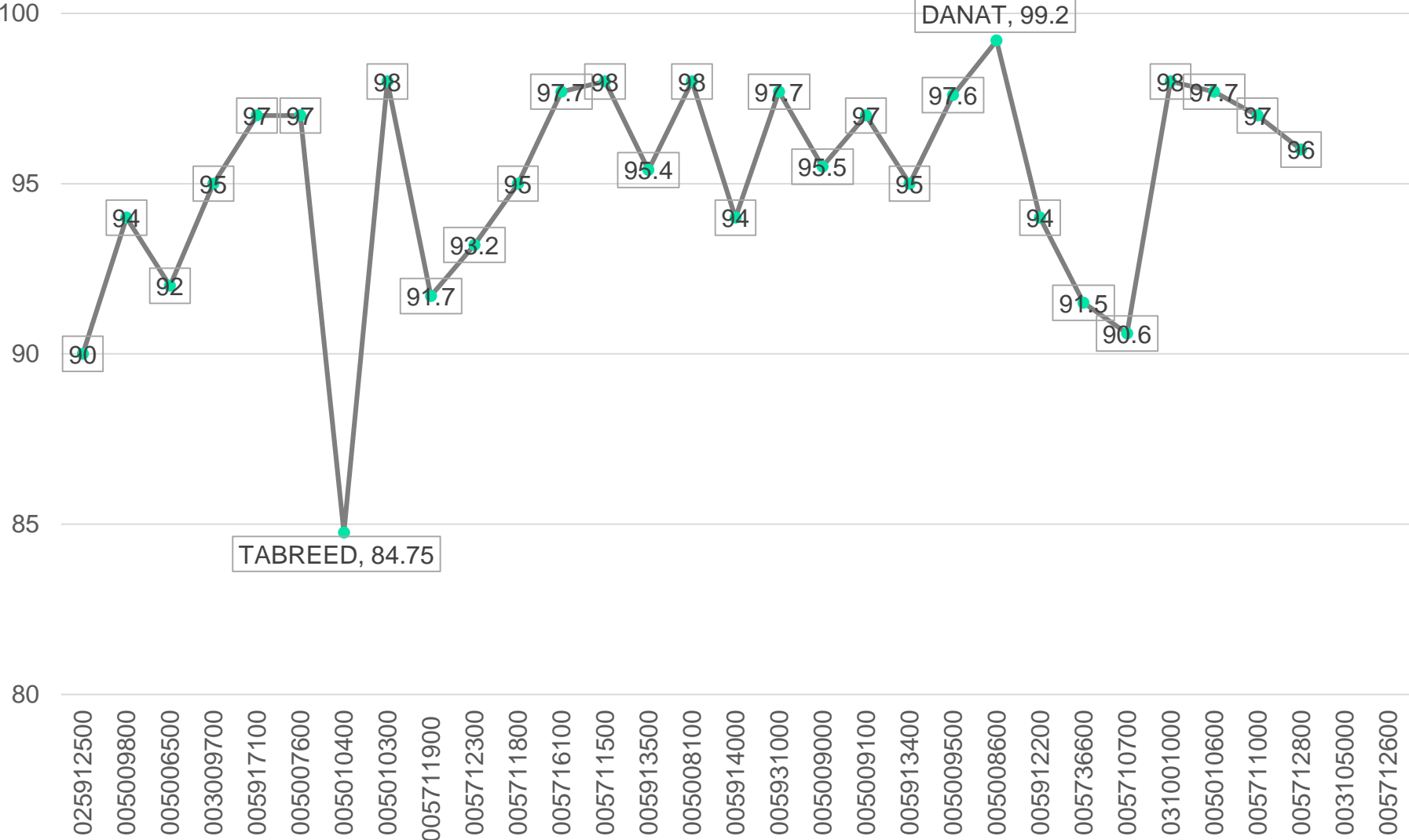
Overall Company Score : 95.06%

- **Best Score – FM Hard Services for DANAT Hospital 2 - 99.20%**
- **Least Score - TABREED-Abu Dhabi-Expansion of AD06 - 84.75%**

Results of Internal Quality Audits

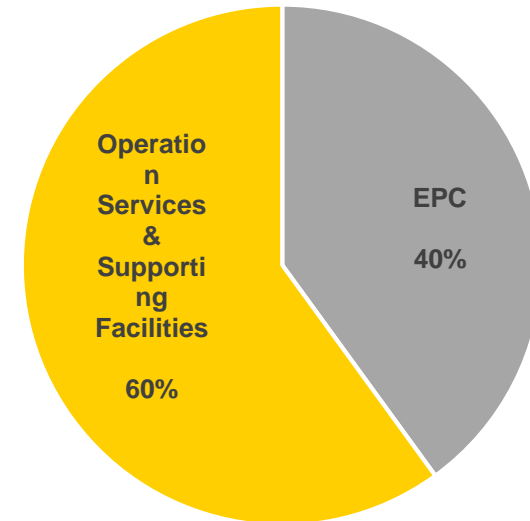
	Highest	Score	Lowest	Score
Department	Administration Department	98	Proposals Department	90.6
Service Unit	Scaffolding Unit	97	Emarat Aloula Industries	90
EPC Projects	Upgrade of Storm Water Drainage (MEP Works for Pumping Stations).	95	TABREED-Abu Dhabi-Expansion of AD06	84.75
Facility Management	Abu Dhabi-FM Hard Services for DANAT Hospital 2	99.2	O&M of Vehicles & Equipment for Borouge Plants	92

Results of Internal Quality Audits



Internal Quality Audit NCRs

Business Line		NCRs	%
CONSTRUCTION			
EPC		2	40%
Sub Total		2	40%
FM	FM – Institutional & Commercial	-	-
	FM - Industrial Services (Sewage Works & Water Networks)	-	-
	FM –Industrial Maintenance	-	-
	Sub Total	-	-
Operation Services & Support Facilities		3	60%
Total		5	100%



The overall NCR indicator (total number of non-conformances to the total number of actual audits) of Emarat Aloula has improved from 0.2 to **0.16** in the year 2019 as to the result of year 2018.

01 NCR (Equipment Division) is still **OPEN** for which actions are under progress and need to be closed before the External Surveillance Audit scheduled on 08th Dec 2019.

Feedback on Internal Quality Audit

- **During audit a common concern was received and observed in all the projects irrespective of the business line;**

All the projects highlighted performance outage on account of shortage of materials at projects. Even lot of LPOs are found to be in open condition for more than six months.

Cost Centers are making more Cash purchases as material procurement is getting delayed through LPOs .

Lot of LPOs are being cancelled as the material being procured through cash in different stages.

Review of Quality Objectives

- The current **Quality Objectives** are in line with the present requirement and being reviewed and revised annually as per the directions of AWI 110.
- **Project specific KPI** (*Key Performance Indicators*) are developed during project commencement execution phase inline with Scope of Project.

Quality Policy

- The Organization's Quality Policy is amended as per latest ISO requirements and distributed.



The Organization's Quality Policy is a commitment to comply with the requirements of the quality management system and continually improve its effectiveness.

The principles of the Quality Policy are:

- To ensure that Projects and Operations are executed in accordance with Customer / Contractual requirements, meeting applicable codes, standards, statutory and regulatory requirements, thus providing a reliable performance for the purpose intended.
- To involve all employees in the improvement of the quality system and train them and develop their skills in order to get the job done 'Right First Time' thereby eliminating rework.
- To ensure that the quality objectives established by the management are pursued and reviewed.
- To maintain and continually improve a Quality System that conforms to the requirements of ISO 9001:2015.



HAYTHAM ABOULHASSAN
CHIEF EXECUTIVE OFFICER

IMS-QAC Issue 2 App. 4 Rev. 0 30 Jan. 2019

www.emarataloula.com

Customer Feedback

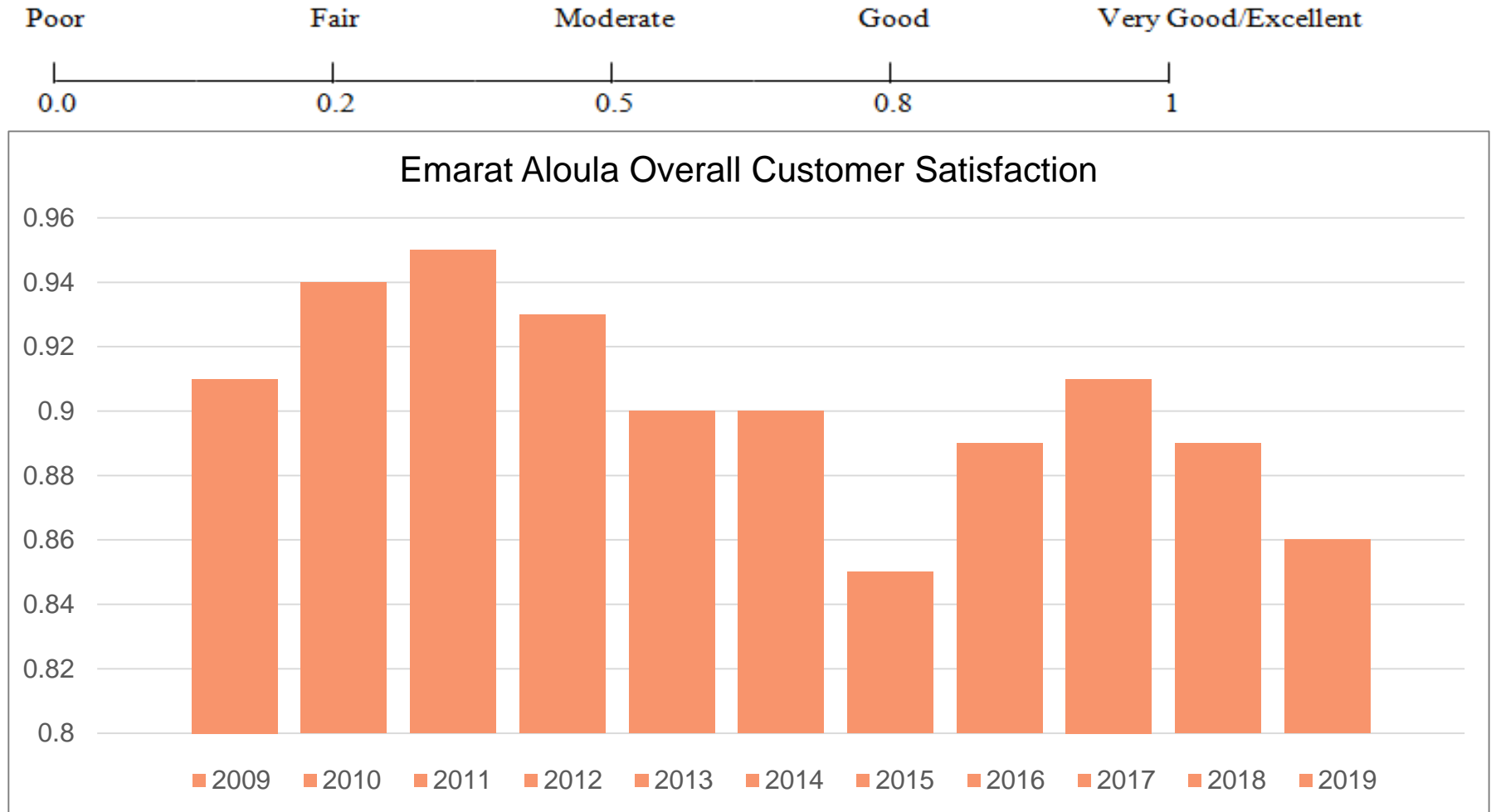
- Customer Satisfaction Index achieved for Year 2019 is 0.86 Vs 0.89 in Year 2018.
 - *15 Customer Satisfaction Assessment received from various projects.*
 - *FM (I&C) – 10 Nos. with average CSI Index of 0.80.*
 - *FM (I&S) – 05 Nos. with average CSI Index of 0.91.*

Main concern for the lower rate for customer satisfaction level was because of delay in on time arrangement of the required materials & tools and in turn delay in the execution

- 17 Customer appreciation letters/Certificates were received in Year 2019.
- 11 Non-conformities received from the Clients to various projects of Emarat Aloula. Majority of NCRs were noted to be received for EPC Operations.
- *(Details are as given in the QMS annual report 2019)*

Customer Feedback

Overall Customer Satisfaction Index (CSI) of Emarat Aloula for the year 2019 is **0.86**.



Process Performance and Product Conformity

- The process performance and product quality are ensured at the project sites through implementation of technical work instructions and stage wise inspections.
- Operational NCRs are issued for recording and implementing the corrective actions for improvement.
- The status of NCRs issued in 2019, related to product conformity are as follows;
 - **Operational NCRs – 11 Nos.**
 - **NCRs to subcontractors – 01 No.**
 - **NCRs to suppliers – 06 Nos.**

Note :The summary and analysis of Nonconformities are available in QMS annual report -2019.
- Operations are requested to follow up and close all the NCRs within the stipulated time.

Process Performance and Product Conformity

- The distribution of NCRs for the year 2019 by areas of operations is as follows:

	Business Line					TOTAL
	EPC (O&G)	EPC (MEP)	FM – I&S	FM – I&C	Support Services	
Internal	-	2	-	-	3	5
Operational	-	-	1	2	8	11
Issued by Clients		11	-	-	-	11
Issued to Supplier		3	-	-	3	6
Issued to Subcontractor	-	1	-	-	-	1
Issued by External Auditors	-		-	-	-	-
Total	0	17	1	2	14	34

Risk & Opportunities and review of actions

- Orientations were conducted for AWI 272 (*Organizational Context & Management of Risks and Opportunities*) implementation in Project operations and Department level.
- Risk and Opportunities Control Matrix with actions were identified and implemented through out the Project operations and Department Functions.
- Compliance towards implementation of risks and opportunities actions were monitored regularly during the operations as well as during the Internal Audits.
- Risk & Opportunity Control Matrix and its actions are reviewed yearly basis or any major scope change accordingly.

Risk & Opportunities and review of actions

RISK & OPPORTUNITY CONTROL MATRIX										Revision No:	1		
										Date of Last Update:	01/07/2019		
										Next Review Date:	01/06/2019		
Department / Project: Procurement Department				Cost Center No: 00571100									
Sl. No.	Risk / Opportunity Description	Risk / opportunity	Discipline Responsible	Impact Assessment (Risk/Opportunities)	Risk Evaluation Before Control Measures / Mitigation			Control Measures/ Mitigation action	Risk evaluation after control measures / Mitigation			*Frequency Of Measurements/ Evaluation/	Remarks (Last Year Status)
					Likelihood	Severity	Ranking		Likelihood	Severity	Ranking		
1	Supplier Capability in providing the services	Risks	PO	Risks on delivery of unacceptable product & Services	3	4	12	Supplier evaluation and taking them to carrying approved vendor list before placing order	1	4	4	Regular	Approved Suppliers -211 Nos.
2	Delay in delivery of critical Project Materials	Risks	PD/Project	Risks project Delay	5	5	25	Penalty clauses in PO terms for delayed delivery. Production program file up the from projects on the different manufacturing stages.	2	5	10	Annual/Project wise	Status of Major equipment Delivery - 80.75 % delivered and accepted
3	Additional cost impact on Technical Modifications during Manufacturing. For major Equipments	Risks	PD/Project	Risks on cost	3	3	09	Special condition on Purchase order for starting the production only after receiving Manufacturing Clearance or client/consultant approval	1	5	5	Annual/Project wise	No revision of Po's placed with Approved Material validated from Client
4	Ensure Supplier to conform the production activities to the requirements of ISO 9001 & ISO 14001	Risks	PO	Risks on not meeting the requirements	3	3	9	Ensure to maintain the QMS & EMS requirements in Purchase order.	1	3	3	Regular	QMS, EMS & OHSAS requirements are attached as separate Addendum to the PO and included in the special agreement terms and conditions
5	Legal Dispute at outside country	Risks	PO	Risks unknown Laws & Conditions	5	5	25	Specify in Purchase order that any arbitration shall be as per UAE Laws	3	2	6	Regular	Completed
6	Logistics	Risks	PO	Risks logistics operations/Cost, (right ownership)	3	4	12	Specify the special terms on the delivery terms in purchase order and implement all cost required in the order (DDP as available) or to the organization (DDP/EXW/FOB)	2	2	4	Regular	Completed
7	Receipt of defect material/Equipments at site	Risks	PD/Project	Risks on material rejection	2	4	8	Specify in Purchase order that the acceptance of material is subject to IQC/Client/Consultant approval.	2	2	4	Annual/Project wise	Completed
8	Failure of vendor to provide after sales services for Major Equipments	Risks	PD/Project	Risks on not completing the defect liability period commitments	2	3	06	Bank Guarantee/performance bond shall be included in Purchase order for all major equipments, applicable up to a signed contract defect liability period and/or up to the required production warranty period based on specific client requirements in the contract or specifications	2	2	4	Annual/Project wise	Completed
9	Handling a favor of produced by organization operation	Risks	PO/Sup D	Risks on environmental due to risk handling	3	4	12	Disposal of Used Oil through approved ISPS	1	3	3	Regular	Completed
10	Identify New Vendors/Suppliers for Competitive Pricing, improvement of contractual conditions and product quality	Opportunities	PO	Reduction on the cost, improve quality, improve the payment terms & Conditions and other legal/contractual conditions.								Regular	Ongoing
11	Preference to local vendors	Opportunities	PO	Reduce Costed on the Manufacturing Process. Less manufacturing period. Improve the In Country Value sourcing				Monthly Contact and source from local suppliers with better production lead time and holding the ADPIC/ E-Y certification				Regular	Ongoing
12	Partial Delivery based on project Progress	Opportunities	PO	Reduce cash Flow, Faster delivery for project Progress				Identify in Purchase Order that Partial Delivery is allowed.				Regular	Ongoing
Prepared By:		Reviewed By:		Approved By:		Notes:							
Name: HUSSEIN AL-HAMMOURI		Rajeev Radhakrishnan		Mohammad Tahirun									
Designation: SR. PROCUREMENT ENGINEER		SARFIC Manager		Technical Support Manager									
Signature: [Signature]		[Signature]		[Signature]									
Date: 01/07/2019		02/07/2019		01/07/2019									
** The review period is once in year/revision will be done as & when major changes identified.													
Legends:													
Likelihood:			Severity:			Ranking:							
Low			Low			Low							
Medium			Medium			Medium							
High			High			High							

Changes affecting IMS

- The Company IMS procedures revision is under progress. 74 Priority Procedures has been revised out of 82 procedures, in line to meet the new management structure.
- 3 DWIs are under final review.
- QA department is coordinating with the respective department to revise the procedures to cover the effect of management change.
- Further action has been planned to complete the same by last week of December 2019.

Improvement of the Product & Services

- No customer complaint was received in 2019.
- 11 NCRs received from Clients during project execution. Follow up actions are under progress to close out the same.
(The summary and analysis of Nonconformities are available in QMS annual report -2019).
- AWI 217 –Lessons Learnt identification and implementation actions are initiated both a project operations and department function level to identify the improvement action for the products and services *(part of EAC's organizational knowledge improvements).*
- Customer feedbacks on improvements of products and services are also collected and verified for identifying the improvement actions.
- IMS training provided for all the Newly joined employees. All attended the training except one cost engineer working with DCP/DIA project.

External Providers Performance

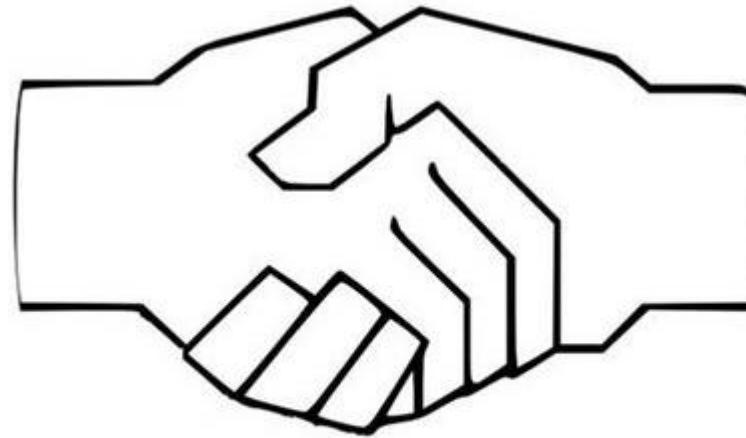
- 06 Nos. NCRs issued to Supplier in 2019.
- 1 No. NCR issued to subcontractors in 2019.

Resource Needs

- The resources requirements are planned in line with the requirements of operations and being completed through the Supporting Departments & Service Units.

Opportunity / Continual Improvements Actions

- The internal audit results of year 2019 indicates an average audit score of 95.09% (Excellent Performance) which is an indication of improvement in the IMS performance.
- Customer Satisfaction Index achieved for Year 2019 is 0.86 Vs 0.89 in Year 2018.
 - Operations shall take corrective action to improve the customer satisfaction level
- As per AWI 217 Lessons Learnt identification and implementation action both at Project Operational and Department Function level shall be initiated for improvements.



THANK YOU