

Water resources & Bioresources Bid Assessment Framework

Draft for consultation

Wessex Water

July 2022

Executive summary

For markets to develop bidders need to be confident that there is a level playing field and understand how bids will be assessed. We set out in this document how we are engaging with third parties regarding water supply/demand schemes and bioresources, and how our processes will build confidence.

This document builds on our first bid assessment framework (BAF) that covered water supply and demand activities and has been expanded to cover bioresources within the same document.

Wessex Water currently operates a competitive and auditable tendering process. Our processes are robust. When making changes to our process, we ensure that we comply with Ofwat's principles of transparency, equal treatment/non-discrimination and proportionality as well as the Utilities Directives.

In AMP7 we launched the Wessex Water Marketplace – marketplace.wessexwater.co.uk – to share our market activity. The Marketplace pro-actively engages the market to increase supplier awareness, sharing our challenges and opening up the market to potential new suppliers. Our approach to our marketplace challenges, which go beyond the scope of the BAF, mirror the principles detailed above, allow a simple way for suppliers to engage prior to formal tenders and provide new and innovative solutions and engage more openly than traditional procurement routes have allowed.

Our BAF details the approaches we follow for formal tenders, Marketplace challenges and speculative bids received. It will provide further confidence to third parties that any bids we receive will be treated in a non-discriminatory way. It is important to note that in procuring solutions to outcomes that it is possible a combination of solutions, rather than a single supplier, may be selected to ensure the best delivery of the outcome.

This continues to be an evolving process. We are asking the market to comment on this draft BAF, answering the questions in Annex 4 by the 2nd August and emailing responses to marketplace@wessexwater.co.uk. We will be hosting a webinar on the 12th July, 4-5pm to give an overview of our BAF and to allow participants to ask questions and provide feedback. The final BAF will then be published at the end of September, taking into account any comments received.

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Glossary

AMP – Asset Management Period - The five year financial plan which dictates the investment to be undertaken by water companies. This is agreed by Ofwat, the Environment Agency and Natural England. AMP8 runs from 1st April 2025 – 31st March 2030.

BAF – Bid assessment framework – this documents, detailing the approach we will take when receiving bids in the water resources and bioresources markets

PR24 – Price review 2024 – The business plan we will submit to Ofwat in October 2023 for the period 1st April 2025 – 31st March 2030.

PQQ – Pre qualification questionnaire - An information gathering exercise to qualify a company to enter the contract tendering process.

UCR – Utilities Contracts Regulations 2016 – These are the Procurement Regulations that apply to utilities companies for above threshold (a published contract value) procurements. The UCR's establish rules on how contracts must be advertised, the procedures that may be used to run a tender process and how the purchasing utility may evaluate tenders.

1. Background

1.1 Regulatory context

The purpose of the regulatory bid assessment frameworks (BAFs) is to support the bidding market for water resources (encompassing new sources of water, demand management and leakage services) and bioresources.

The bidding market is where third parties submit bids to incumbent water companies (like Wessex Water) to provide solutions to meet future water needs and other outcomes. Third parties can be independent entities, or other incumbents from outside the area.

Solutions can include new water resources (for example, reservoirs, boreholes, and abstraction licences), leakage reduction, and water efficiency measures, as well as new opportunities for market treatment and disposal of sludge, potentially creating synergies between companies and the wider market for co-digestion, treatment and disposal.

Bids' and proposals can be made to Wessex Water in two ways; as part of a process whereby Wessex Water goes to the market to request bids for delivering specific outcomes and schemes, or through other means (for example, third parties could propose options as part of the water resource management planning process, in response to the sludge data we share, or engage with us within-period regarding potential opportunities).

As part of its PR19 methodology and later their guidance on the bioresources BAF, Ofwat set a requirement for water companies to produce bid assessment frameworks (BAFs). These frameworks need to set out:

- how companies are complying with Ofwat's key procurement principles of transparency, equal treatment, non-discrimination and proportionality, in assessing any third party option; and
- provide third parties with confidence and clarity about the integrity of the procurement process, and in so doing, mitigate the risk of any actual or perceived bias towards 'in-house' solutions.

The bioresources guidance gives the option to have a separate document entirely for this area, or to have a single BAF encompassing both areas. We have chosen the latter, and the process remains the same for bids regardless of the market they are placed in. However, this document makes clear the differences that may be seen in the process in these two areas.

Since its inception in July 2018, we have had no approaches made under our water resources BAF.

Where possible we will make use of this BAF to influence our PR24 plan.

1.2 Our water resource management plan

We are currently developing a new Water Resources Management Plan (WRMP), a draft version of which we will submit to regulators in October 2022, with a final published version available in 2023/24. From work undertaken thus far on developing new supply and demand forecasts, and in related work produced as part of Regional Planning, we expect to show that we currently have a small supply deficit under a dry year scenario that will increase significantly into the future, thereby requiring interventions. This new position is driven by climate change, the need to give more water back to the environment to protect Chalk streams, and to plan for more extreme droughts.

To address our deficit, we have embarked on a large programme of options definition and assessment for both supply enhancement and demand reduction measures. After screening we identified over 100 options (two thirds being supply options and the rest being demand options).

On the demand side our Plan will include further leakage reduction, water efficiency, and metering scenarios.

For each supply option we have identified an appropriate level of scope and defined costs and carbon estimates, as well as lead times for implementation. Environmental assessments of these options are also being produced.

On the demand side, the Water UK led aspiration to reduce leakage by 50%, and to reduce per capita consumption to 110 l/p/d (both by 2050) have been factored into our option portfolios along with other scenarios.

We are continuing to formulate our future metering strategy which will explore areas such as compulsory metering and/or smart metering.

Whilst our WRMP is still in development at the time of writing it is highly likely it will include:

- Ongoing demand management through leakage reduction, PCC reduction (through metering and work on customer behaviour), and water efficiency measures.
- In the short term (AMP8) - maximising source output within our existing system and utilising remaining licence capacity through options such as yield enhancement, water quality improvements, and network improvements.
- In the long term (2030 to 2050) – development of a new regional strategic resource. Options being currently explored include new reservoirs (e.g. Mendip Quarries, Cheddar Two), effluent re-use, and strategic transfers. We will continue to investigate these options with our partners on the West Country Water Resources Group, with the potential to jointly promote and jointly utilise such schemes.

We will use a decision-making tool which will assist in the development of preferred programmes to meet our future supply deficit, which will be built from our identified investment options. Our overall approach is to identify solutions under a range of potential future scenarios, to account for future uncertainties such as climate change etc. For each of these future scenarios, the plan will identify a set of preferred programmes for investment based on best-value planning criteria that will include cost (and bill affordability), drought

resilience, carbon emissions, biodiversity net gain, natural capital, inter-generational equity (fairness in bill impact), and abstraction reduction in environmentally sensitive catchments.

Looking at a range of future scenarios/programmes will allow us to develop an adaptive plan so that our chosen investment programme can adapt to future uncertainties as required. In the development of our new draft WRMP we will engage with a large number of third parties including the Environment Agency, Consumer Council for Water, Citizens Advice, Age UK, Money Advice Trust, Natural England, academia, environmental NGOs and representatives from farming and local authorities.

1.3 1.3 Our Bioresources Strategy

We are currently updating our Bioresources strategy to account for recent and anticipated future changes in environmental regulation, and to align with the long-term delivery strategy approach required for the PR24 business plan submission.

Due to the wide-reaching impact of environmental regulatory changes a cross-industry National Bioresources Strategy is also being developed. This is being progressed through UKWIR, and is due to complete by the end of 2022.

In the interim, we anticipate that our strategy will focus on the following key points;

- Assessing solutions at a regional level in conjunction with neighbouring WaSCs
- Maximising the benefits offered by Bioresources through Anaerobic Digestion
- Improving the quality, and reducing the volume, of the end product for disposal
- Diversifying recycling/disposal routes (currently 100% of our sludge is recycled to land)
- Aligning with our 2030 Net Zero goal
- Adaptive planning scenarios to account for future risks and uncertainty

Options that are identified that align with our strategy will be assessed based on their respective whole life cost and carbon, and valuation of potential benefits and risks, to allow the best value solutions to be progressed.

2. Approaching the market – the Wessex Water Marketplace

Since April 2018 Wessex Water has been sharing business challenges with the wider market under the Wessex Water Marketplace hub - marketplace.wessexwater.co.uk. This sharing approach, outside of the formalities of normal procurement processes, allows us to detail the business challenges we face and explore potential solutions with the market before commencing, where appropriate, formal tenders.

This principle is not dissimilar to the BAF; it seeks to encourage innovation and new ideas that are not the 'status quo' of delivery in the industry, whilst sharing as much data and knowledge around the challenge theme as is reasonably practical to do so. This allows the market to make an informed decision over whether to engage, or indeed utilise that data and knowledge for further developing aspects of their business.

This builds on our existing procurement rules, which follow the five EU principals of public utilities procurement; integrity, objectivity, non-discrimination, fairness and transparency. The procurement process followed complies with all relevant UK Regulations and EU Directives, as well as Health and Safety, Construction regulations and Competition Act laws.

There are three different paths that a market solution to a challenge may follow depending on its size and type of solution:

- large contributors to outcomes or schemes (i.e. those above the Utility Contract Regulations threshold) will follow a more detailed path in the marketplace;
- smaller schemes will follow a more typical procurement process but with a market discussion phase to encourage innovation; and
- market participants may also propose solutions to Wessex Water.

Further details on each of these paths are set out in sections 2.1 to 2.3 below.

We believe that as viable solutions are found this will result in:

- more cost effective mechanisms for delivery;
- wider environmental and societal benefits beyond the water system improvement;
- developing innovative solutions that can be used elsewhere;
- identification of a 'market price' for outcomes and environmental improvements; and
- further opportunities for communities to engage with their water company.

This approach will continue to underpin our proactive engagement with the market for any challenges that fall under the bid assessment framework area.

In early 2022 we sought feedback from the market on our marketplace challenge approach to date. Feedback was positive, with participants advocating the approach. However, we have taken on board feedback where we can improve the process, and this is reflected in this BAF. In particular:

- **Market engagement** – our approaching to sharing data and contextualising this was highlighted as a positive, and something we will continue to do as we believe it delivers the best outcome for both parties. We will look to share as much data as is reasonably practical
- **Onboarding and discovery** – we will be clearer over the minimum requirements for organisations to subsequently secure a contract post challenge. This is detailed further in sections 3.1 and 3.2.
- **Timings and needs specification** - our approach to date has been to share the challenge with as few prerequisites on the solution as possible. This has, in the past, made it hard to forecast a likely timetable and requirements for success. As the number of challenges we have run have grown, we have a better understanding of what these processes will entail and seek to share that in the initial challenge launch. However, some deviation is to be expected on occasion should entirely new and innovative approaches be suggested that may require further review.

More generally, the market were keen to hear more from us. We will endeavour to keep our mailing list informed and be in more regular contact, balancing the number of challenges we run against the resource requirements to appropriately deliver them.

The following two sections explain the procurement process that is followed following any successful marketplace exploration.

2.1 Large tenders (primarily those above UCR thresholds)

Contract values currently above the thresholds listed in the Utilities Contracts Regulations 2016¹ follow the stages set out in detail in section 3 which comply with, and go beyond, the Utility Contract Regulations (UCR) requirements. Figure 2-1 illustrates the key stages in this process (including the market exploration phase pre-formal procurement. The intention of the market discovery phase is to understand whether there are ideas that are technically viable before commencing formal procurement to avoid significant abortive efforts on market participants) and indicates where in section 3 they are explained. We may choose to lower the threshold at which we follow the UCR process, but this will depend on the materiality, complexity and likely innovation available in any given contract.

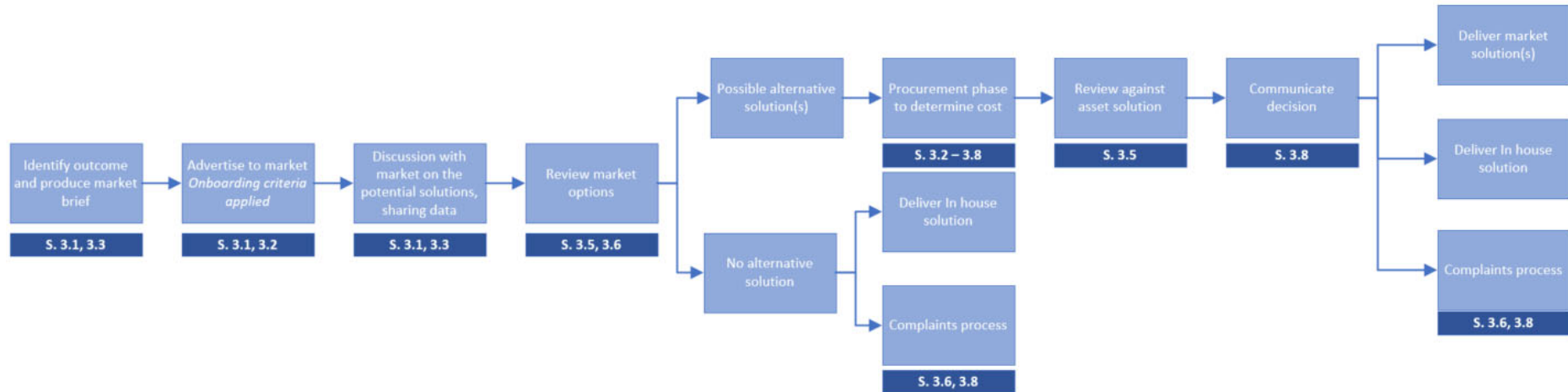
A large emphasis is placed on the market engagement and discovery phases to ensure that prior to any formal tender and procurement process commencing, market solutions are reviewed extensively to understand whether there are viable alternatives to in-house delivery. The discovery phase will also allow options that are unknown to Wessex Water to be evaluated before a more rigorous tender document is produced, allowing fair consideration to all possible solutions.

¹ Currently a bill going through Parliament to revise these, but from 1 January 2022 they are:

- Supplies and Services £426,955
- Works £5,336,937

Figure 2-1: Process flow detailing the key stages in the process to evaluate whether there are market alternatives to in house solutions (section references for this document included in dark blue boxes)

Note – this is primarily for large contracts. Small tenders may follow a similar exercise but with proportionate activity at each stage. The procurement phase will vary as detailed in this document depending on the size of the contract.



2.2 Small tenders

Procurements of any outcomes exceeding £100,000 for total contract value will be externally tendered with support from the internal Purchasing or Supply Chain Teams, with providers selected in a fair and justifiable manner and the reasoning behind the selection noted on the tender list form. The list of suppliers (which will be a minimum of three where potential suppliers exist) are approved by at least two members of staff, one from the Purchasing or Supply Chain Team, and at least one from an independent authorised team.

For contracts of value over £20,000, quotations must be obtained from a minimum of three providers (unless the work is specialist and less than three suitable providers are known or willing to enter, a similar quote has been obtained within the last 12 months where three quotes were sought, or a single option tender is permitted), who are selected in a fair and justifiable manner using the PQQ and onboarding criteria detailed in section 3.2 tailored to the requirement of the contract need. The providers selected will be approved by a member of the Purchasing or Supply Chain Team and registered, providing detail of the value of the quotations and reasons for award. In the case where a competitive tender between at least three providers is not undertaken, it is the responsibility of the Authorising Manager to demonstrate that best value is achieved.

For contracts where the value is not expected to exceed £20,000, there is no obligation to engage in a formal tender process. In this case, it is down to the discretion of the Authorising Manager to choose the method of procurement and to demonstrate that the best value is obtained.

If you'd like to be added to the list of potential contacts for future bioresources services, or indeed any other area, please visit the following page <https://www.wessexwater.co.uk/corporate/the-company/purchasing-and-supply-chain> and via the contact us section send us your details, selecting bioresources as the supply chain category.

The division of contracts into separate lots to avoid the need of compliance with our own procurement regulations or UK Regulations is prohibited.

All potential providers are subject to on-boarding and prequalification vetting to ensure they satisfy Wessex Waters minimum standards as well as the legal minimum, in areas including:

- For onboarding: Financial capacity; Insurances; Health and Safety statements; Modern Slavery policy, Environmental policy,
- For prequalification: Quality of previous work; Technical competence; Resource capability.

These criteria will be applied in proportionate way according to the item being tendered and may require registration on our online systems. Annex 3 contains our minimum on-boarding requirements (but these will increase proportionately to the contract value and risk which will be made clear in any procurement exercise).

The level of investigation into market engagement and discovery phases will be proportional to the spend proposed, but will be encouraged where possible to give full consideration to a range of market solutions, wider than the minimum three potential suppliers detailed above. Onboarding and prequalification are discussed further in section 3.2.

All suppliers invited to tender are provided consistent information at the same point in time. The complexity of the requirements are reflected in the tender process lengths.

2.3 External approaches for providing services

We encourage market participants to send in bids for services under the BAF at any point in time. In order to be able to effectively consider these bids, we ask that the proposals sent in contain an appropriate level of detail that allows us to conduct an informed review and constructively and efficiently engage with the bidder.

Annex 1 details questions that we would suggest third parties answer when proposing any solutions outside of any market exploration instigated by Wessex Water to ensure we are able to quickly do an initial review, with Annex 2 providing some example answers for guidance. Further information would be sought from companies that have potentially viable solutions later in the process.

We must flag that if bids are received for large tenders we will have to commence a procurement process and open the opportunity to the wider market. For those in the small tender category this will be subject to the rules stated above (with a tender structured in a manner to protect the bidders intellectual property or unique service offering) unless the bidder is deemed a sole supplier. We aim to strike the balance between encouraging innovation and protecting suppliers intellectual property, and compliance with procurement rules.

We will continue to use our Marketplace website as a mechanism to attract bids for water resources, and in line with the WRMP cycle. We are open to being approached at any point by third parties offering supply-demand opportunities, or if we become aware of any opportunities that deviate from the schemes that will be identified as part of our WRMP / business plan (and we would assess these against the criteria detailed in section 3.5). Any potential solutions will be considered relative to our planned schemes, and the outcomes that they deliver.

Likewise we are happy to receive bids for bioresources services; the questions in Annex 1 detail the information we require to do an initial review of any bids.

3. Our Assessment framework

3.1 Market engagement and discovery

Where appropriate, we will engage with the market prior to commencing the formal procurement process in order to gather market intelligence, ensure that there are viable market solutions to the challenges, increase competition by raising supplier and third party awareness, and to consider feedback on the process. When engaging with the market we will ensure that the engagement will not impact the fair and equal treatment of suppliers or third parties by ensuring information about our own requirements is published in an open way, including on our marketplace website (commented on further below), and by providing a senior point of contact within the Wessex Water Marketplace process that is independent of delivery for expressions of interest.

Our market engagement will take a variety of different forms. This will include sharing to those signed up to our marketplace mailing list, seeking interest via the Achilles Utilities Vendor Database (UVDB) and approaching known providers or innovators including groups such as universities and research organisations, including those who have approached Wessex Water and expressed an interest. We will also promote our BAF and opportunities, as well as those of our neighbouring water companies, through the West Country Water Resources Group and National Bioresources Strategy group of which we are a core member.

Where appropriate, advertisements for engagement may be published in subject specific publications and journals as well as more generic publications, for example ENDS, Utility Week and WWT with further information on our Wessex Water Marketplace platform (marketplace.wessexwater.co.uk).

When we are seeking specific responses to outcomes we will ensure that any notices will be available for a minimum of 30 days to ensure market participants are able to engage.

Depending on the size and complexity of the outcome, market participants will be provided with appropriate information to allow them to review the opportunity and establish whether they have an interest in providing an alternative offer. This could include:

- attending a challenge information session, where Wessex Water staff will give an overview of the challenge and the data available;
- access to supporting data via a website (marketplace.wessexwater.co.uk) for information sharing – the update frequency of this data will be made clear. This will include information required through regulation (e.g. information on the supply-demand balance position) as well as wider data relating to the challenges we are seeking to engage the market on; and/or
- face to face discussions and exploratory meetings;
- appropriate documentation and information detailing the outcome that is sought;
- the information required in any response to a discovery phase query (further details on the information that may be asked for initially is in Annex 1, with an example of potential responses for illustrative purposes in Annex 2); proportionality is a key theme here to ensure the process is not unduly onerous on either party at this stage relative to the size of the challenge and

- the criteria at this stage for understanding whether a solution will meet the required outcome and the anticipated timelines/stages for doing so
- Any disqualifying criteria will be made clear.

At the end of this discovery phase Wessex Water will be in a position to evaluate whether there are any likely market alternatives available using the criteria set out in section 3.5. If market solutions are identified then a formal tender process will commence following the principles in sections 3.2 to 3.7. If it is decided that a market solution is not available or appropriate, the relevant governance paths in section 3.6 will be followed.

Wessex Water is keen to support development of more innovative solutions to outcomes. We recognise that when we first approach the market, solutions may not be at a viable stage at that point in time to deliver our outcomes. Where this occurs, we will provide feedback and if appropriate, further support, to allow those suppliers or third parties to develop their offers further for future outcomes that we may offer. We may also consider the viability of partnering arrangements to take potential solutions on to the next stage of development. We partner closely with Bath University already demonstrating our commitment to supporting innovation. The Ofwat innovation fund is another route to look at the development of such opportunities.

We are also keen to encourage participation from new entrants to the water industry and are aware that these organisations, or indeed smaller existing industry participants, may need additional support or coaching through this process. We are happy to provide a proportionate level of support to discuss our needs and the potential offers these participants may have during the market engagement and discovery phase.

This support will be limited if we enter more formal procurement routes as we must ensure we comply with relevant procurement legislation. However, this is a key reason why our engagement phase commences prior to formal procurement to allow such discussions to take place.

3.1.1 Market engagement and discovery – bioresources specific commentary

The bioresources market has some nuances that may require a higher degree of engagement at this stage. As the Ofwat Bioresources BAF final guidance states *'the nature of the bioresources industry means that sewerage companies need to be confident that the sludge for which they hold responsibility can be properly treated and disposed of at all times. Maintaining operational resilience is therefore a key concern for companies'*.

We may therefore need to be more prescriptive in the requirements on potential market participants. Whilst this would be formally covered in pre-qualification stage, we will ensure that in our engagement and discovery sessions we are clear on, for example, the level of prior experience we would expect a company to have in this area (in contrast, in other challenges to date we have encouraged entry from those new to the sector to bring a fresh perspective but in this market the regulatory burden still sits with Wessex Water). We are still keen to receive submissions using innovative approaches which may be new, but the market participant must have experience in the bioresources area still.

The Ofwat Bioresources BAF final guidance also highlights the importance of sharing data on the quality of sludge as early as possible. We support this view, and will share as much information as is practically possible² in this discovery stage to allow market participants to make informed decisions about their ability to progress.

3.1.2 Market engagement and discovery – water resources specific commentary

Whilst we will share data specific to any challenges we launch in this area to support market engagement, to ensure that the availability of information on our water resource position is non-discriminatory we will always publish it on our website (and can also be accessed via the Marketplace website at marketplace.wessexwater.co.uk).

We will also share information with other companies about supply-demand water availability and potential trading opportunities through the West Country Water Resources Group.

3.2 Onboarding and prequalification

Our aim is that nothing in this formal PQQ stage is new to suppliers; it should all be made clear at the start of any market engagement stage to avoid abortive efforts from market participants.

Prior to engaging in the market discovery stage it will be highlighted to all potential and existing providers that they will be required to evidence that they meet the legal minimum obligations for:

- health and safety systems and performance;
- environmental and sustainability policy
- financial stability and insurance
- modern slavery policy.

For contracts above UCR thresholds market participants will have to conform with the relevant criteria that apply at the time; these are currently being reviewed and may increase in materiality in the coming months. We are flagging this here for completeness as it is outside of our control.

Annex 3 contains the minimum supplier guidance so that market participants are aware, from the start, the minimum levels we would expect them to meet for any contract (and as highlighted above, for large contracts or those of a high risk the requirements may be higher, but this would be made clear in any market exploration activity). This would also be highlighted in any challenge, but is included here as well for transparency.

² Available on our main website <https://www.wessexwater.co.uk/corporate/strategy-and-reports/regulatory-information/bioresources-assets> and also the Wessex Water Marketplace <https://marketplace.wessexwater.co.uk/>

Should we commence procurement in the prequalification process we will assess potential providers against the following criteria (this is not an exhaustive list, and will again be made clear in the market engagement stage):

- technical competence and expertise in the industry (noting that, as highlighted in 3.1.1, this may be mandatory depending on the level of regulatory risk that remains with Wessex Water in the event of a successful contract);
- resource capability and capacity
- quality systems and performance and
- geographical location.

The Achilles database may be used for prequalification but this will be made clear to potential suppliers during the market engagement and discovery, with enough time allowed for marketplace participants not on the database to add themselves if they wish. The criteria will be proportional and relevant to the outcome being sought and will be no more onerous than those already in place for other procurement processes.

Any specific disqualifying criteria will be stipulated clearly.

3.2.1 Onboarding and discovery - bioresources specific commentary

As highlighted in 3.1.1, prior experience is likely to be a key requirement of those who engage with challenges related to the bioresources market.

Should proposals have been submitted that involve interactions between multiple parties, assurance in the PQQ stage will be required on all parties involved.

3.2.2 Onboarding and discovery – water resources specific commentary

We do not envision any unique circumstances for the water resources challenges.

3.3 Needs specification

Standard specifications are used in the tender process (and in our initial market engagement and discovery), with care taken as to avoid over-specification of the outcome required to ensure that innovative solutions to challenges, rather than delivery of specific outputs, are proposed where possible. Specifications will be set by the Wessex Water Marketplace technical team assigned to the challenge (the make up of which is detailed in section 3.6 on governance) and will, once formal procurement commences, reflect any learnings and outputs from the market exploration phase. Assessment of the tender will take into account the significance of each requirement and will ensure that criteria are weighted appropriately.

In any specific challenge and subsequent tender we will share as much additional information as we practically can to allow participants to gain a greater understanding of our needs and their potential solution.

If the data we share is not sufficient we encourage participants to ask for further detail, being as specific as possible on the additional information they require. We will endeavour to

provide this in a timely fashion, noting that the complexity of the data requested may impact on challenge timelines if the data will take some time to compile. It is worth highlighting that:

- To maintain fairness and transparency, unless there is a clear reason why it would breach a company's intellectual property, the data would be shared with all participants in the market exploration phase

It must be shared with all companies in a formal procurement process

- Depending on the type of data that is requested, further security checks or contracts/confidentiality agreements may be required (the latter are unlikely in the realms of these challenges, but is flagged here for completeness in case GDPR or security becomes an issue).

3.3.1 Needs specification - bioresources specific commentary

As detailed in previous sections, we currently share data with the market on our sludge activities via the Ofwat data tables³. We go above and beyond the minimum levels required, attempting to share as much as possible whilst balancing the day to day requirement to keep this updated.

Our data on the quality of sludge imports to each site is currently limited. Should this be required for market explorations that make it beyond the initial enquiry phase we will look to increase our sampling to ensure we can provide this data.

3.3.2 Needs specification – water resources specific commentary

Our needs are not currently defined and will change and evolve, because, at the time of writing, we have not completed our new draft WRMP. Until this is completed and as a guide the following indicative needs could arise;

- a reduction in leakage of around 10 MI/d over 5 years
- reversing a rising trend in average per capita consumption and reduce it by more than 10 litres per head per day
- water efficiency savings amounting to 5 MI/d over a 5 year period.
- new water resource schemes, particularly those over 10 MI/d of dry year deployable output.

New stakeholder requirements may become apparent and where they are agreed we will update our market information to ensure that relevant parties are able to express interest in the delivery of requirements in excess of our existing plan proposals.

We will update this bid assessment framework when our final WRMP is published in September 2023.

3.4 Time limits and bid clarification

³ Available on our main website <https://www.wessexwater.co.uk/corporate/strategy-and-reports/regulatory-information/bioresources-assets> and also the Wessex Water Marketplace <https://marketplace.wessexwater.co.uk/>

All of Wessex Water tenders are time-limited (i.e. the time a tender offer has to stay open for acceptance is stipulated in the tender document) with indicative time frames explicitly stated in the tender information up front. This will include timeframes for post tender negotiations and bid clarification. These will vary depending on the complexity of the tender. Framework Agreements tend to be established where we require rates and prices to be available for a longer duration and subsequent projects may be awarded against a Framework Agreement using the agreed rates and prices.

We will seek to set these timeframes out at the start in our market engagement and discovery phase. However, it must be noted that depending on the suggestions received from participants at this stage, this may alter previously specified timelines.

Where there is a bid approach to deliver an outcome that has not been specifically tendered by Wessex Water, we will notify the bidder the outcome of the pre-qualification process within four weeks of bid submission and set out the subsequent steps and timescales, particularly if a feasibility study is required owing to an innovative bid proposal. As highlighted in section 2.3, we may have to commence a procurement exercise in certain circumstances.

There is no distinction between water and bioresources for this section of the BAF; the principles apply to both aspects of the market.

3.5 Evaluation

The solutions will be evaluated by the technical team assigned to the challenge (the make up of this technical team is detailed in section 3.6 on governance) with assistance from other staff where necessary.

As detailed in section 3.6, the technical team will only include staff who are involved in the delivery of in house alternatives if this is required for the assessment to be fair. In some instances, expertise may be required from delivery teams to evaluate a solution. The governance detailed in section 3.6 explains how we will ensure a level playing field between third party proposals and in-house solutions.

The evaluation will take place on the basis of the criteria specified before potential suppliers are invited to participate (as detailed in section 3.3), with criteria and appropriate weightings disclosed to those suppliers invited to tender. These same metrics will be used to evaluate any in house solution to allow the right solution to be selected.

These criteria will vary depending on the outcome sought but will likely include elements such as those detailed below.

Included in the table below are how these criteria map to the qualitative screening (scoring) criteria used in the assessment of the initial unconstrained option list for the WRMP to identify feasible options and how these will be applied to bioresources.

Once a solution has been identified, we will publish a summary report on our Marketplace website detailing the range of bids received and the reasons for the decision. We will also publish contract award notices or similar in accordance with the UCRs.

Risk considerations for bioresources

We recognise the need from Ofwat, and indeed market participants, to understand how risk will be evaluated.

When assessing the risk in the provision of bioresources we will consider the following likelihood and impact areas:

- Failing to provide the service over the long term without notice, or at short notice (the definition of 'short notice' depends on the lead/delivery times of the service provided)
- Periods of being unable to provide the service (short and long term) with notice
- Providing a poor service (for example late collection of products)
- Producing out of specification products
- Failing to have appropriate documentation and standards in place
 - o This would include the standards in the supplier information form, but also health and safety standards and others required by the regulations in place (such as the biosolids assurance scheme).

Examples of impact as a result of these events includes:

- Harm to employees (either the market participants or Wessex Water's), contractors or the public from unsafe practices.
- Environmental harm from applying sub-standard products to land or inappropriate disposal
- Loss of licence or a detrimental impact on relationships with the regulators as a result of environmental harm/inappropriate disposal
- Operational difficulties from a lack of bioresources services
- Reputational harm to Wessex Water
- Financial harm to Wessex Water from a breach of regulations or inefficient practice.

Likelihood will be assessed on:

- The market participants track record
- The maturity of any technology or supply chain involved in the service
- The size of the service provided compared to Wessex Water's full operational requirement.

Assessing the risk of speculative bids

When assessing speculative bids under the BAF, we will use the following:

- Their answers to the area specific questions in Annex 1
- The completed supplier information form in Annex 3
- A review of risk as per the outline above and relevant research and expert judgement within Wessex Water.

We will discuss the resulting decision with the market participant; if the decision is made to not take the proposed solution forward and the market participant feels the view of risk is inappropriate we are of course happy to discuss further and revisit our decision if we feel appropriate. If they are not happy with the outcome they are able to escalate following the complaints process in section 3.9.

Market exploration exercises

When Wessex Water approaches the market with a particular challenge, an initial review of risk will take place from the information submitted in the market discovery phase.

We will discuss the resulting decision with the market participant; if the decision is made to not take the proposed solution forward and the market participant feels the view of risk is inappropriate, we are of course happy to discuss further and revisit our decision if we feel appropriate. If they are not happy with the outcome they are able to escalate following the complaints process in section 3.9.

Passing this stage of the risk review does not guarantee that in any subsequent tender exercise the levels of risk may be explored further and deemed to be inappropriate as, for example, some mitigations to risk may be contractual that would only be discussed in any depth at this stage. However, every attempt will be made to ensure that any areas of potential concern are highlighted to avoid abortive efforts from the market participants.

Criteria summary	Detail	Screening criteria
Cost	Is the market solution cost effective when compared to alternatives?	<i>In the WRMP, the initial qualitative screening of the unconstrained options list does not account for scheme cost – that is assessed in the subsequent quantitative screening phase that accounts for average incremental social costs.</i>
Provider credentials	A large part of these will have been resolved as part of the pre-qualification section. However, Wessex Water may consider reviewing these depending on the risk/reward balance of the solution, as long as suppliers meet our statutory requirements.	<i>Not applicable in the context of the WRMP qualitative screening</i> <i>For bioresources, a proven track record will be required due to the regulatory risk that remains with Wessex Water.</i>
Solution scale	Does the solution provide a solution to a sizeable portion of the outcome (if not all of it) to invest further time in investigating?	<i>Not applicable in the context of the WRMP qualitative screening</i> <i>For bioresources, the bids will be considered against the overall size of our bioresources requirements.</i>
Certainty/efficacy and timescale	How certain is it that the proposed solution will deliver the required outcome, or proportion of, (and additional benefits as required) year on year? How measurable is the outcome/additional benefits? How complex is the solution which may add additional risk? How tested is the solution? Are there any pre-cursors required for the solution to be implemented? How important are these? How quickly (if needed) can the solution be implemented?	Yield/capacity uncertainty: Score to reflect the risk and uncertainty of the option delivering the estimated yield/capacity and savings identified within the option. Lead time: Score to reflect the likely time between scheme becoming the preferred solution and being fully commissioned or delivering the full savings. Technical difficulty: Score to reflect the technical complexity, engineering practicability and the difficulty of implementing the scheme.

Criteria summary	Detail	Screening criteria
		Suitability: Score to reflect how well the scheme meets the needs of any potential deficit or improving the supply demand balance.
Resilience, longevity and flexibility	How resilient is the solution to changes in things such as population increase, climate change, effluent make up change (where applicable)? How flexible is it to changes in these?	Flexibility: Score to reflect the adaptability of scheme e.g. for further enlargement or use in combination with other schemes. Security of supply: Score to reflect likelihood of scheme yield/capacity and saving varying over time due to potential licence reductions, reduced savings or water quality issues.
Market impact	How likely is it that the environment in which the solution works will change? E.g. changes to farming rules/finance, businesses failing to continue due to political or market changes.	
Regulatory context	Would regulators accept the solution as delivering the desired outcome?	Promotability: Score to reflect how easy it would be to promote the scheme to the public, regulators and to obtain the necessary consents and funding
Incentive and penalty opportunity	Does the funding of the solution ensure the long-term delivery of the outcome? How do we ensure long term compliance and provision of the solution? What is the route for resolving non-compliance, if any?	<i>Not applicable in the context of the WRMP qualitative screening</i> <i>For bioresources, compliance is critical due to the regulations in this area</i>
Wider positive impacts	What wider benefits does the solution provide beyond the required outcome for Wessex Water that may be of benefit to the environment or society such as reduced flood risk, enhanced biodiversity? Can a value be ascribed to these?	Environmental impact: Score to reflect magnitude of environmental impacts, based on high level assessment of the nature of the scheme and its location using a Strategic Environmental Assessment (SEA) approach.

Criteria summary	Detail	Screening criteria
Wider negative impacts	Are there any negative impacts of the solution that may be to the detriment of environment or society? Can a value be ascribed to these?	Sustainability: Score to reflect the impact of the scheme on wider sustainability, energy use, social impacts etc.

3.6 Governance

The technical teams will be led by a senior manager in the business with no direct delivery responsibility. The technical team is responsible for stating the terms of any challenge when market engagement commences to avoid a change in direction mid challenge due to new information coming to light, engaging with the market, reviewing the market solutions and advising the business on whether any appropriate solutions have been identified. They will be given access to all company financial and operational information necessary to appraise the solution against internal delivery if required.

The technical team will report recommendations to and have access to the Executive Director of Finance and Regulation and the Competition Group, who will ensure that it has sufficient resource available to it to fairly appraise solutions.

Members of the group will be made aware of competition law and licence requirements, including those related to information flows. Information that is submitted as part of the BAF will be treated in confidence, with access to only those involved in the review process (limited wherever possible to just the technical team) through SharePoint and any other appropriate systems. Commercial details of tenders remain confidential post contract award.

The technical team will follow Wessex Water procurement processes (summarised in the sections above) that are regularly audited to ensure legal and company compliance, and will itself be subject to audit and to ensure it is engaging fairly and openly with the market and in accordance with company policy and any wider regulatory requirements for the bid assessment framework.

A summary of the activity under the BAF will be published on an annual basis.

For certain outcomes the catchment panel that currently operates within Wessex Water (which brings together wider stakeholders in the water catchments in which we operate) may be informed as part of the process to ensure that opportunities to deliver wider outcomes are fully explored. The chair of the catchment panel will continue to sit on the Wessex Water's independent Customer Challenge Group.

Once a decision has been reached the suppliers will be contacted as per section 3.8. If the suppliers disagree with the result they may challenge initially via the named technical team lead and if necessary can escalate to the Executive Director of Finance and Regulation. The process for complaints will be made available to all participants at the start of the tender process and is also commented on in section 3.9.

Technical team make-up

These teams will have a core group of capabilities that will then be added to depending on the area of focus, but will include members with expertise in:

- asset strategy and long term planning;
- science and compliance;
- engineering and asset operation;
- environmental and regulatory compliance;

- risk management; and
- procurement.

To ensure the best outcome for the company and for customers third parties need to be confident that individuals with current in-house delivery responsibility will not have an undue influence on the process. Under this process we will limit the membership of these technical teams to those without a delivery responsibility. However, input and membership may be required from those with a delivery responsibility to ensure sufficient technical understanding and knowledge of the solutions posed. The processes detailed above, together with the core team members, will avoid undue influence. [Members of the group will also be of sufficient seniority and will have received training on the requirements of the BAF, Condition R, The Competition Act 1998 and level playing field issues, including those related to information flows.](#)

The Ofwat guidance also states that companies procurement functions in the wholesale part of the business should oversee the process and ensure it is carried out appropriately. Wessex Water's procurement functions sit within our Engineering and Sustainable Delivery directorate, and as a result whilst members of procurement will sit on the technical team and advise on procurement, it will be overseen by our Regulation directorate to ensure impartiality and equal treatment.

In-house delivery teams

As commented on above, the technical team may need to include members of the current in-house delivery teams to ensure appropriate technical knowledge and review of solutions posed can take place.

Wherever possible we will ensure that members of the in-house delivery teams who are involved in proposing an internally provided option are not on the technical team.

In some circumstances, for example for challenges about a certain size or of strategic importance, we may, after a market exploration phase that reveals potentially viable solutions, involve a third party with appropriate expertise to provide an independent review.

As detailed in section 3.3 (needs specification) we will share as much information as is practical with the market to allow participants to bid if they choose to. It is not possible for in-house teams to only have access to the data at the same time as third parties; it is highly likely that they will have been involved in the discussions and decision making that has highlighted a particular need.

Activities outside of our standard procurement routes

Our bid assessment framework is intended to cover non-standard contracts (i.e. those that are providing new services or a restructure of existing delivery).

For existing contracts and services (such as the example provided by Ofwat of low value sludge transport), these will follow the standard procurement process detailed in section 2.1

and 2.2, excluding the discovery phases pre-formal procurement. Suppliers are able to register with Wessex Water as detailed in section 2.2 to be involved in these processes.

For emergencies or unforeseen circumstances where there is insufficient time to run a full procurement exercise we will, where possible, utilise existing framework providers. Where framework suppliers do not exist, we will conduct a rapid market search to identify a small number of potential suppliers who will then go through an expedited procurement process to deliver the services. This will be approved by a company director and member of the procurement team.

It is also possible that we may need to run more limited tender exercises where security is concerned. Again, where framework suppliers do not exist, we will conduct a market search to identify a small number of potential suppliers who will then go a procurement process with a high degree of confidentiality to deliver the services. This will be approved by a company director and member of the procurement team. This route is not anticipated be one that we use regularly, but is included here for completeness.

There is no distinction between water and bioresources for this section of the BAF; the principles apply to both aspects of the market.

3.7 Contract award

Contract award will follow the processes set out by the UCR or our internal processes depending on the contract value. Our internal procurement processes are subject to internal audit and external audit.

There is no distinction between water and bioresources for this section of the BAF; the principles apply to both aspects of the market.

3.8 Communication of decision

Post tender, non-successful bidders will be provided with the opportunity for formal feedback on their unsuccessful submission. Feedback may also be requested to improve a supplier's offer for future schemes. This may be in the form of a telephone conversation, email, or face to face meeting at the request of the supplier. Where an 'above threshold' tender has been undertaken, feedback is provided in the form of a standstill notice that will be issued by email to the unsuccessful suppliers containing their own scores and that of the winning tenderer, with additional commentary on the reasons behind the scoring of the award criteria and why the winning supplier has been successful.

If the decision is made after the market engagement and discovery phase not to proceed, all suppliers will be given feedback on why the challenge will not progress; feedback on both their individual suggestions, but also more generally (protecting IP) as to why no viable solutions have been found against the criteria stipulated.

We will also publish feedback on the process on the Marketplace website, being mindful of sharing commercial information, but ensuring we report on how the engagement has progressed and learnings for future engagements.

Wessex Water is keen to encourage tenders from more innovative providers. Should such proposals fail to meet key thresholds, Wessex Water will highlight to the suppliers in the contract decision notice specific areas to improve their offerings for future tenders against the tender criteria.

There is no distinction between water and bioresources for this section of the BAF; the principles apply to both aspects of the market.

3.9 Appeals and complaints

Complaints during a market discovery and potential subsequent tender exercise

At any stage during the market exploration and tender process, a supplier may raise a concern or challenge the process taking place.

During the market discovery phase any supplier participating in the tender may raise a complaint initially with the senior manager identified as the lead contact for the procurement process who is a member of the technical team. If the complaint cannot be resolved, the complaint can be escalated using the guidance set out in our [Raising a concern](#) policy.

Complaints should be acknowledged within 3 working days and a timescale given for response; this would be proportionate to the complexity of the complaint made in relation to the exercise.

If the exercise reaches a formal procurement stage all suppliers will be informed of the complaints process at the start of each tender process. Where a tender is regulated by the Utilities Contract Regulations 2016, the process to be followed will be outlined at the start of the tender process.

Complaints made about speculative bids

If market participants are dissatisfied with the decision relating to any speculative bids they can in the first instance raise it with the senior manager who leads on the bid response. The senior manager will, where appropriate, involve the Executive Director of Finance and Regulation. If this does not address their issue they escalate it using the guidance set out in our [Raising a concern](#) policy

Complaints should be acknowledged within 3 working days and a timescale given for response; this would be proportionate to the complexity of the complaint made in relation to the exercise.

Our internal audit/legal team is in a separate reporting line to the Executive Director of Finance and Regulation and so provides an independent oversight of the complaints if escalated.

4. Checklist of compliance

This section summarises how our BAF aligns to Ofwat's principles, and the best practice recommendations set out in appendix 8 of the final methodology guidance from 2017, and key points from the bioresources specific guidance.

Requirement	How we comply
BAF principles	
Transparency	<ul style="list-style-type: none"> • We will undertake market engagement which should increase competition by increasing supplier awareness and considering supplier feedback. • We have set out within our BAF our assessment criteria. • The activity under the BAF will be subject to review on an annual basis if bids are received and a summary of resulting activity will be published on our Marketplace website. • Feedback will be provided to all suppliers upon request. • Indicative questions are included in Annex 1
Equality/non-discrimination	<ul style="list-style-type: none"> • We will apply the same assessment criteria to all potential options and these will be shared with market participants. • The technical team will only have essential in-house delivery members. Ideally there will be no such team members. • All suppliers invited to tender are provided consistent information at the same point in time.
Proportionality	<ul style="list-style-type: none"> • Specifications will be set by the technical team to ensure they are not prejudiced by in-house delivery teams. • We are committed to avoiding over-specification. Specifications will be proportional to the outcome being sought. • We have three different paths to market depending on the size and type of solution. The process for smaller schemes is less onerous and therefore proportionate to the schemes in question.

Best practice recommendations	
<p>We recommend that a separate procurement team – one that does not include individuals who have been involved in any pre-tender engagement, or in the development of the incumbent’s own in-house solutions – oversees the bidding process to:</p> <ul style="list-style-type: none"> • protect against conflicts of interest; • ensure there is no actual or perceived bias; and • safeguard against the misuse of commercially sensitive information disclosed by third parties as part of their bids. 	<ul style="list-style-type: none"> • The technical team will only include essential Wessex Water staff that are involved with the delivery of alternative in-house solutions. Ideally there will be no such team members. • All solutions will be reviewed by the senior manager leading the team who has no delivery responsibility, the Competition team and the Executive Director of Finance and Regulation and directors with no direct responsibility for delivery of alternative in-house solutions. • All members of the technical team will be reminded of their and the company’s responsibilities under law and the licence, in particular for the sharing of information • Information that is submitted as part of the BAF will be treated in confidence, with access to only those involved in the review process through SharePoint and Bravo. Commercial details of tenders remain confidential post contract award.
<p>We would expect the separate procurement team to apply the principles of transparency, equal treatment/non-discrimination and proportionality both when assessing third party bids against each other and when assessing the bids against the incumbent’s in-house solution.</p>	<p>We are committed to applying the principles of transparency, equal treatment/non-discrimination and proportionality, and have designed our processes to apply these.</p>
<p>We would also expect the procurement process to be documented and an audit of compliance to be retained and made available to Ofwat, should we require it. Incumbents should consider whether a separate compliance role is justified.</p>	<ul style="list-style-type: none"> • A summary of the activity under the BAF will be published annually. • Compliance with regulation, law and company policy is a BAU activity across our business. Assurance of compliance will be integrated into our three layers of defence framework. • Internal audit processes routinely identify new compliance requirements for review on a risk basis. • Should we receive bids under the BAF internal audit will review the process against the BAF on a risk-based priority.

<p>We consider that incumbents should publish a clear and transparent complaints and appeals process which is accessible to third parties. Third parties who have grounds for complaint or wish to challenge the award of a contract may, as a first step, have recourse to the incumbent's internal complaints procedure.</p>	<ul style="list-style-type: none"> • If the suppliers disagree with the result they may challenge initially via the senior manager lead of the Marketplace approach, and if necessary, can escalate to the Executive Director of Finance and Regulation. • The process for complaints will be made available to all participants at the start of the tender process. • An outline of the process is detailed in section 3.9.
<p>As part of the bid assessment framework, where procurement projects are not regulated by the UCR16, we propose that each incumbent voluntarily states in writing that it will comply with the principles of transparency, equal treatment/non-discrimination and proportionality.</p> <p>This written agreement would provide increased confidence in the framework, which could increase the likelihood of it achieving its aim: to stimulate the bidding market. This would have a positive impact on efficiency and affordability without being unduly costly or difficult for incumbents.</p>	<ul style="list-style-type: none"> • We will comply with the principles of transparency, equal treatment/non-discrimination and proportionality.
<p>To ensure the effectiveness of the company bid assessment framework, we consider incumbents should take ownership of decisions about when bids should be submitted, and so retain the flexibility to decide whether a particular bidding process should be 'open' or time limited. We expect incumbents to provide a rationale for these decisions. This is because we are mindful that while most bidding activity will occur when WRMPs are being prepared every five years, we want to encourage more bidding activity in-period, and an open bidding process will allow bids from new entrants who are able to submit a bid for a one-off trade.</p>	<ul style="list-style-type: none"> • All of Wessex Water tenders are time-limited (i.e. the time a tender offer has to stay open for acceptance is stipulated in the tender document). • Where there is a bid approach to deliver an outcome that has not been tendered by Wessex Water, we will notify the bidder the outcome of the pre-qualification process within four weeks of bid submission and set out the subsequent steps and timescales particularly if a feasibility study is required owing to an innovative bid proposal.

Annex 1 – Draft questions for market participants

The following sections detail the type of information that may be requested as part of the discovery phase. Criteria may be adjusted depending on the specific outcomes sought.

Section 1 – General information requirements

- Company name
- Company address
- Company reg number
- Details on any contracts held with WW in the last 5 years
- Lead contact details
- A completed version of the form in Annex 3
- Examples of two relevant instances where they have provided similar services (where possible)

Section 2 – Water resource outcomes

- Where is the resource located?
- What is the resource type (raw or potable water)?
- What is the volume (monthly and/or annual if there is seasonal variation)?
- What is the variability in volume? What effects it? What drought resilience does it have?
- How has this been assessed? under what drought events? has this been modelled for more extreme events?
- What hydrological records (length of record) are available for the source?
- Is there any indication that the resource volume may change in the future, for example climate/environmental impacts?
- What is the current licence situation, if any, for this resource?
- What is the current usage situation, if any, of this resource?
- Are there any environmental/sustainability issues that would arise as a result of Wessex Water using this resource?
- Are there any time restrictions on when this resource can be provided from?
- What assets are required to deliver this resource to the Wessex Water network?
- If you have one, please provide a full copy of your drinking water safety plan.
- Has your source been subject to a local authority risk assessment?
 - o If yes, please provide details including any notices.
- Please provide all the water quality sample results for the past 12 months from any tests you or the local authority have conducted.
- What is your proposed fee for this?

Section 3 – Leakage outcomes

- What is the solution proposed (technological, physical, community response or others)?
- What asset upgrades are required?
- What is the anticipated leakage reduction volume?
- What are the future risks that may influence the viability of this solution?
- What case studies are there in existence today?
- What data is produced in this solution? Who owns the data?
- How would the solution be implemented? What are the delivery times?
- Are there geographical restrictions on this solution?
- What assumptions have been made on the Wessex Water asset/estate status?
- Are there any additional benefits from this solution beyond the impact on leakage?
- What is the projected cost for this?
- Is this solution applicable to water companies outside of the Wessex Water area?

Section 4 – Demand side outcomes

- What is the solution proposed (technological, physical, community response or others)?
- What impact would this have on customer demand (l/day)
- What are the minimum asset / technology / infrastructure requirements that will be required to implement the potential solution?
- What case studies are there in existence today for this solution?
- How would the solution be implemented? What are the delivery times?
- Are there any reputational benefits or dis-benefits?
- What are the future risks that may influence the viability of this solution?
- What data is produced in this solution? Who owns the data?
- Are there any GDPR implications that need to be flagged?
- Are there any geographical restrictions on this solution?
- Can you demonstrate how this is scalable?
- Are there any additional benefits from this solution beyond the reduction in customer demand?
- What is the projected cost for this?
- Is this solution applicable to water companies outside of the Wessex Water area?

Section 5 – Bioresources Treatment outcomes

- What is the solution proposed (i.e. treatment technology type)?
- Is there a reference list of installations, either in the UK or abroad?
- What is the treatment capacity offered?
- Where would it be located (on an existing Wessex Water site / existing 3rd party site / new site)?
- Can the solution cover a regional need (ie serving more than just Wessex Water)?
- What are the requirements for the technology (acceptance criteria / services / treatment of waste products etc)?
- What are the environmental permitting and/or planning risks, restrictions or implications associated with the technology?
- What, if any, are the wider benefits associated with the solution (e.g. reduced carbon emissions, nutrient recovery, improved quality product)?
- Can Whole Life Cost & Carbon estimates be provided for typical / reference installations?
- What are the timescales for full scale implementation?
- Is the solution proposed patent protected, and/or are there any restrictions on sharing the information provided?
- What is the commercial / operating principle proposed – i.e. design / install / operate?
- If a solution is proposed to operate the treatment process, what would the gate fee / commercial terms be?
- What is your experience in this area?

Section 6 – Bioresources Disposal outcomes

- What is the disposal method proposed?
- What disposal capacity will be provided?
- What are the acceptance criteria for biosolids for disposal?
- What is the proposed disposal arrangement – ie production of a product for disposal and/or disposal of the product itself?
- Is the solution currently used elsewhere, either in the UK or abroad?
- Can the solution cover a regional need (ie serving more than just Wessex Water)?
- What are environmental regulatory requirements affecting the disposal route?
- Are there any current regulatory blockers for the proposed disposal route?
- Does the proposal include transport of the product for disposal to/from origin, intermediate and destination sites?
- What are the expected costs for the solution proposed?
- What are the benefits offered by the proposed solution?
- Are there any GDPR implications that need to be assessed?
- What is your experience in this area?

Annex 2 – Example answers to market participant questions

The answers below are provided as examples to illustrate the sort of information we would like to see in responses to the questions in Annex 1. These are for guidance where more information is available we encourage participants to submit it.

Water resource requirement example answers

These answers are illustrative of the sort of answers we might expect to see from a company such as a bottled water plant responding to a request for alternative resources.

Question	Example answer
<i>Where is the resource located?</i>	The resource is located near to Shaftesbury – grid ref: easting - 382617, northing 122486.
<i>What is the resource type (raw or potable water)?</i>	Potable water.
<i>What is the volume (monthly and/or annual if there is seasonal variation)?</i>	Please see the answer below
<i>What is the variability in volume? What effects it? What drought resilience does it have?</i>	8 MI/d (megalitres per day) in a normal weather year. Yield from the source is hydrologically constrained, meaning in dry years, yield and output is affected. In a dry year scenario, the source could output 5MI/d as an annual average, but would be constrained on output during dry periods and low groundwater levels. During a dry summer period following a dry winter), output would be constrained to 2 MI/d.
<i>How has this been assessed, for example under what drought events? Has this been modelled for more extreme events?</i>	The drought yield has been assessed under a modelled 1975/76 drought scenario.
<i>What hydrological records (length of record) are available for the source?</i>	Daily / weekly / monthly groundwater borehole level records going back to 1990.
<i>Is there any indication that the resource volume may change in the future, for example climate/environmental impacts?</i>	We have not yet assessed climate change impact.
<i>What is the current licence situation, if any, for this resource?</i>	The source is licenced for abstraction: 2920 MI per annum (1 st April to 31 st March), 10 MI/d maximum daily abstraction.
<i>What is the current usage situation, if any, of this resource?</i>	The source is currently in use, with current average use of 2 MI/d.
<i>Are there any environmental/sustainability issues that would arise as a result of Wessex Water using this resource?</i>	There are potential issues as Wessex Water using the sources could lead to a “no deterioration” issue under the Water Framework Directive, as abstraction from this source affects a nearby water course.

<i>Are there any time restrictions on when this resource can be provided from?</i>	Work would be required to upgrade the treatment facility to treat the licenced volume, which would need to be factored in to the date for availability.
<i>What assets are required to deliver this resource to the Wessex Water network?</i>	A new potable water main would be required to connect from the point of treatment into Wessex Water's network.
<i>If you have one, please provide a full copy of your drinking water safety plan.</i>	DWSP attached as part of this response.*
<i>Has your source been subject to a local authority risk assessment? If yes, please provide details including any notices served.</i>	Our risk assessment is attached. We have received no notices.*
<i>Please provide all the water quality sample results for the past 12 months from any tests you or the local authority have conducted.</i>	We have attached the most recent local authority test results and our own internal sample results taken daily.*
<i>What is your proposed fee for this?</i>	The CAPEX cost for upgrading our treatment facilities to provide the water is ~£5m. the ongoing cost for £100/MI.
<i>*For the purposes of these examples we have not included the documents as these would be standard and readily available for this type of response.</i>	

Bioresources Treatment Proposals - example answers

These answers are illustrative of the sort of answers we might expect to see from a company responding to a request for additional / alternative bioresources treatment capacity.

Question	Example answer
<i>What is the solution proposed?</i>	A bioresources treatment site will be constructed, consisting of an advanced anaerobic digestion, nutrient recovery and thermal destruction processes (further details to be provided on the processes used).
<i>Is there a reference list of installations?</i>	Yes, a full international reference list is provided, with details of the plant locations, treatment capacities and processes, and date of installation.
<i>What is the treatment capacity offered?</i>	The new plant will be capable of treating 10,000 t DS / year of sludge. Any limitations to be specified.
<i>Where would it be located?</i>	The plant will be a new site constructed on privately owned land, located in the [EXAMPLE LOCATION] area.
<i>Can the solution cover a regional need?</i>	Yes, as the site is conveniently located by the M4 motorway, the capacity could serve neighbouring Water Company needs.
<i>What are the requirements for the technology?</i>	The new plant can receive both liquid sewage sludge or dewatered raw sludge cake. Acceptance criteria for both are provided with the submission specifying minimum/maximum %DS, chemical concentrations, and screening/grit requirements. The new plant will treat any resulting liquors onsite, with treated effluent discharged to the adjacent watercourse, subject to the associated permitting requirements being completed.
<i>What are the environmental permitting and/or planning risks, restrictions or implications associated with the technology?</i>	The proposed technology is permissible within current Environmental Regulation. Environmental permits and planning applications have not yet been applied for, but the site has been secured for development.
<i>What, if any, are the wider benefits associated with the solution?</i>	The plant will be carbon negative, and with the nutrient recovery processes provided will provide a 'circular economy' solution. A net reduction of [X] t CO ₂ /year equivalent will be provided.
<i>Can Whole Life Cost & Carbon estimates be provided for typical / reference installations?</i>	Yes, calculations are attached with the proposal showing the initial capital and ongoing operational costs for equivalently sized reference sites. Embedded and operational carbon calculations are also provided.

<i>What are the timescales for full scale implementation?</i>	An estimated delivery programme is included with the submission. A total timescale of 4 years is assumed from order placement to operation.
<i>Is the solution proposed patent protected, and/or are there any restrictions on sharing the information provided?</i>	The treatment plant utilises proprietary technology, with agreement of a Non Disclosure Agreement required prior to sharing of detailed information.
<i>What is the commercial / operating principle proposed?</i>	The solution is for a new treatment to be designed, built and operated by [SOLUTION PROVIDER].
<i>What are the commercial terms?</i>	A gate fee will be charged on a £/t basis, with a contract committing to a minimum weekly quantity of sludge for treatment.
<i>Are there any specific inclusions / exclusions to highlight?</i>	The solution is proposed under the current environmental regulatory framework. Any subsequent changes to the regulations may require a review of the gate fee, depending on the need for additional treatment processes / operating costs.
<i>What is your experience in this area?</i>	We currently operate a plant of this type in the north of England. A summary of the service provided, including the duration and details of any regulatory/compliance issues, is attached to this response. We have also included comments from XXX company to whom we provide this service endorsing our offering.

Annex 3 – Supplier requirements form

Wessex Water Services Ltd



Supplier information form

Wessex Water Services Limited will not bear any liability nor be responsible for any incorrect and/or falsified information disclosed on this form. Where information is found to be inaccurate, Wessex Water Services Limited reserves the right to suspend or terminate any existing order, contract or agreement and participation in tender exercises. This information can also be submitted via wessexwater.bravosolution.co.uk

SECTION A – Declaration

I confirm that I am authorised to provide and submit this information, and that all the information entered on this form is accurate and correct.

Name

Position in company

Wessex Water shall not work with organisations that have certain convictions as detailed in the Utilities Contract Regulations 2016 (UCR) Regulation 80 and the associated regulations within the Public Contract Regulations 2015 (PCR).

Questions

- Under the guidance in the document "User guide to the SME Definition" Do you class yourself as a Small or Medium Enterprise?

Yes No (See <https://ec.europa.eu/docsroom/documents/15582/attachments/1/translations/en/renditions/native> for further information)
- I can confirm that none of the convictions in PCR Regulation 57 (1) and (2) or breach of (3) are applicable to the organisation..

Yes No (which is a fail unless Regulation 57 (13) to (15) or (5) have been satisfied as appropriate)
- Does your business have adequate policies, processes and systems of work in place, as appropriate, to prevent any of the offences outlined in the Utilities Contracts Regulations Regulation 80.

Yes No (If No the application will not be considered)

SECTION B – Compliance with the Modern Slavery Act

The supplier must confirm the following questions to be eligible to submit this form for assessment.

- Please give your website address and link to your Modern Slavery Act statement.
Or
If your global turnover is less than £36 million, as an alternative to the above, you can attach a copy of your Anti-Slavery statement
- Has your organisation been convicted of breaching the Modern Slavery Act 2015, or had any notice served upon it, by any regulator or authority (including local authority)?

Yes No (If Yes the application will not be considered)
- Does your recruitment process in the UK include a Right to Work check?

Yes No (If No the application will not be considered)
- Do you require any employees or contract workers to lodge deposits of money with you, surrender their identity papers, work under debt bondage or work under any conditions that could constitute exploitation (labour, domestic, sexual, or criminal)?

Yes No (If Yes the application will not be considered)

SECTION C – Insurances

Please provide copies of policies clearly showing the following: name and address of insurers, policy number, expiry date, indemnity limit (any one incident), any restriction of limitation in cover (details to be provided), the amount of excess.

Insurance policy	Level of cover (£)
Employers' liability (including indemnity to principal clause)	
Public liability (including indemnity to principal clause)	
Product liability (please state if combined with public liability)	
Contractors all risk (not required if only providing professional services)	
Professional indemnity (required if providing professional services)	

SECTION D – Health and safety

Please provide a copy of your valid UKAS (or equivalent) certificate for OHAS 18001 or ISO 45001 or SSIP membership and enter the date it is due to expire. This is mandatory for any supplier undertaking site work from 31/1/2020.

Or

Attach copies of your health and safety policy that have been authorised by the chief executive officer or equivalent and shows the latest review date, together with your risk assessment process, and an example risk assessment.

The policy provided should be relevant to the anticipated nature and scale of activity to be undertaken and set out responsibilities for H&S management at all levels in the organisation.

Copies included Yes No

Please state the number of Health and Safety prosecutions existing (during the past 5 years) or pending.

Please state the number of HSE enforcement action or notices (during the past 5 years) including any Prohibitions, improvements or fees for intervention.

SECTION E – Environment

Please provide a copy of your valid UKAS (or equivalent) certificate for ISO 14001.

Or

Provide evidence that you or your organisation have an environmental management policy authorised by the chief executive officer or equivalent and regularly reviewed. The policy/description provided should be relevant to the nature and scale of the activity and set out the responsibilities for environmental management throughout the organisation.

Copy included Yes No

SECTION F – Quality

Please provide a copy of your valid UKAS (or equivalent) certificate for ISO 9001:2015.

Or

Please attach a copy of your quality management policy that has been authorised by the chief executive officer or equivalent and shows the latest review date.

The policy provided should be relevant to the anticipated nature and scale of activity to be undertaken and set out responsibilities for Quality management at all levels in the organisation.

Copy included Yes No

Annex 4 – Market consultation questions on the draft BAF

Thank you for taking the time to read our draft bid assessment framework.

We welcome feedback on this document. Please provide answers to the following questions by the 2nd August to marketplace@wessexwater.co.uk :

1. Does this BAF provide clarity on how we will treat speculative bids? If not, why not?
2. Does this BAF provide clarity on the procurement routes we follow should a service be externally provided?
3. Are the criteria for evaluation and risk comprehensive?
4. Do you have any other comments on this BAF?