



South Staffs Water

incorporating

CAMBRIDGE
WATER
COMPANY



Bid assessment framework



1 April 2019

Contents

1. Introduction	3
2. About South Staffs Water	5
3. Our bid assessment framework processes	6
3.1 Option appraisal process.....	8
3.2 Criteria for assessing bids.....	11
3.3 New technology/innovation process	13
3.4 How we will handle information	16
4. Our procurement process.....	17
4.1 Stage 1: understand the need	17
4.2 Stage 2: develop the strategy	18
4.3 Stage 3: competitive procurement process	18
4.4 Stage 4: contract management.....	18
4.5 Stage 5: end of life/new process.....	18
5. Making our bid assessment framework process ‘business as usual’	19
5.1 Assessing bids within the WRMP cycle	19
5.2 Assessing bids outside the WRMP cycle	21
6. Feedback process.....	22
7. Appealing our decisions	23
8. Engaging with us	24
8.1 Contacting us.....	24
8.2 Checking our requirements.....	24
8.3 Transporting water using our network	25
Appendix 1: Bid assessment framework template	26
Objective	26
Company background	26
Previous experience	27
Quality, health, safety and environment	27

Option appraisal	28
Appendix 2: Feedback policy	30
About our feedback process	30
Feedback as part of a procurement process.....	30
Asking us for feedback	30
Appealing our decisions	31

1. Introduction

This bid assessment framework sets out guidance for third parties wishing to engage with South Staffs Water (incorporating Cambridge Water) about:

- providing a solution to a potential water deficit;
- making us aware of an innovation that will drive efficiency in the processes around producing and distributing water;
- making us aware of an innovation that will drive efficiency in water usage; and
- using our network to transport water.

It explains how our processes support the principles of:

- transparency;
- equal treatment/non-discrimination; and
- proportionality.

These are outlined in [appendix 8](#)¹ to Ofwat's [methodology](#) for the 2019 price review (PR19)². We have had regard to this appendix in developing our bid assessment framework.

This document also aims to give third parties a clear understanding of our processes, providing simple explanations of the stages involved, including:

- pre-qualification;
- specifications; and
- evaluation criteria.

Our intention is to give interested parties an early opportunity to determine if a solution will be automatically rejected by clearly setting out our minimum requirements. This will enable us to consistently identify more efficient providers of water resources, demand management and leakage services, thereby reducing costs for our customers.

To ensure our bid assessment framework remains current and effective, we will continue to review and update our processes. As such, we welcome the views of third parties and other stakeholders on any aspect of this document. Please email us at procurement@south-staffs-water.co.uk. We will issue formal reviews in line with (and noted within) Condition R of our licence on 1 April each year. We will issue our next review on 1 April 2020.

¹ 'Delivering Water 2020: Our final methodology for the 2019 price review. Appendix 8: Company bid assessment frameworks – the principles', Ofwat, December 2017. www.ofwat.gov.uk/publication/delivering-water-2020-final-methodology-2019-price-review-appendix-8-company-bid-assessment-framework-principles/

² 'Delivering Water 2020: Our final methodology for the 2019 price review', Ofwat, December 2017. www.ofwat.gov.uk/publication/delivering-water-2020-final-methodology-2019-price-review/

This bid assessment framework applies equally to our South Staffs and Cambridge regions. It should be read in conjunction with our water resources management plans for both regions³.

Why have a bid assessment framework?

Ofwat, the economic regulator of the water sector in England and Wales, is keen to encourage an effective bidding market for water resources, demand management and leakage services by promoting bids for innovation. This includes schemes proposed by third parties. We fully support this approach.

Ofwat's view is that this market is not working as well as it could as potential third parties are often deterred by:

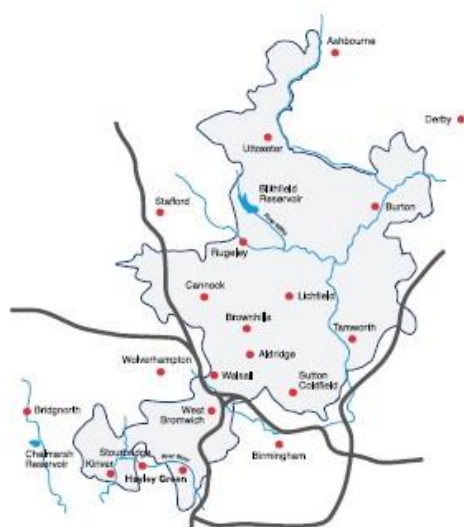
- a lack of information;
- search/bidding costs; and
- a bias within water companies towards their own in-house solutions.

So, along with all the other water companies in the sector, it has asked us to produce and publish a bid assessment framework that gives third parties confidence and clarity about the integrity of our procurement processes and ensures a level playing field in the bidding market.

³ Our South Staffs region water resources management plan can be found at www.south-staffs-water.co.uk/about-us/our-strategies-and-plans/our-water-resources-plan; our Cambridge region water resources management plan can be found at www.cambridge-water.co.uk/about-us/our-strategies-and-plans/our-water-resources-plan.

2. About South Staffs Water

We supply clean water services to around 1.7 million people in Staffordshire, parts of the West Midlands, and in and around Cambridge. Our South Staffs region covers an area of 1,500 km² and extends from Ashbourne in the north to Halesowen in the south, and from Burton-upon-Trent in the east to Kinver in the west. Our Cambridge region covers an area of 730 km² and stretches from Ramsey in the north to beyond Melbourn in the south, and from Gamlingay in the west to the east of Cambridge city.



South Staffs region



Cambridge region

Note: Maps are not to scale.

We are part of a larger group of companies – South Staffordshire Plc – which is, in turn, owned by infrastructure investors.

WHO ARE OUR INVESTORS?

55.1%

44.9%

Long-term pension scheme and institutional investors, advised by Arjun Infrastructure Partners which acquired a majority controlling interest in the Group from KKR in July 2018

Mitsubishi Corporation, a global integrated trading business, which acquired a 25% equity interest in the Group in March 2016 and now manages a 44.9% stake in the Group following a further 19.9% investment by Mitsubishi UFJ Lease & Finance Company in July 2018

3. Our bid assessment framework processes

We have designed our bid assessment framework to operate as a business as usual approach, alongside our regular procurement/tender processes. As well as providing clarity about the integrity of our approach, it also gives stakeholders confidence that all third parties will be treated fairly and that there will be no unfair advantage to an in-house solution. We fully document all our processes in line with standard best practice.

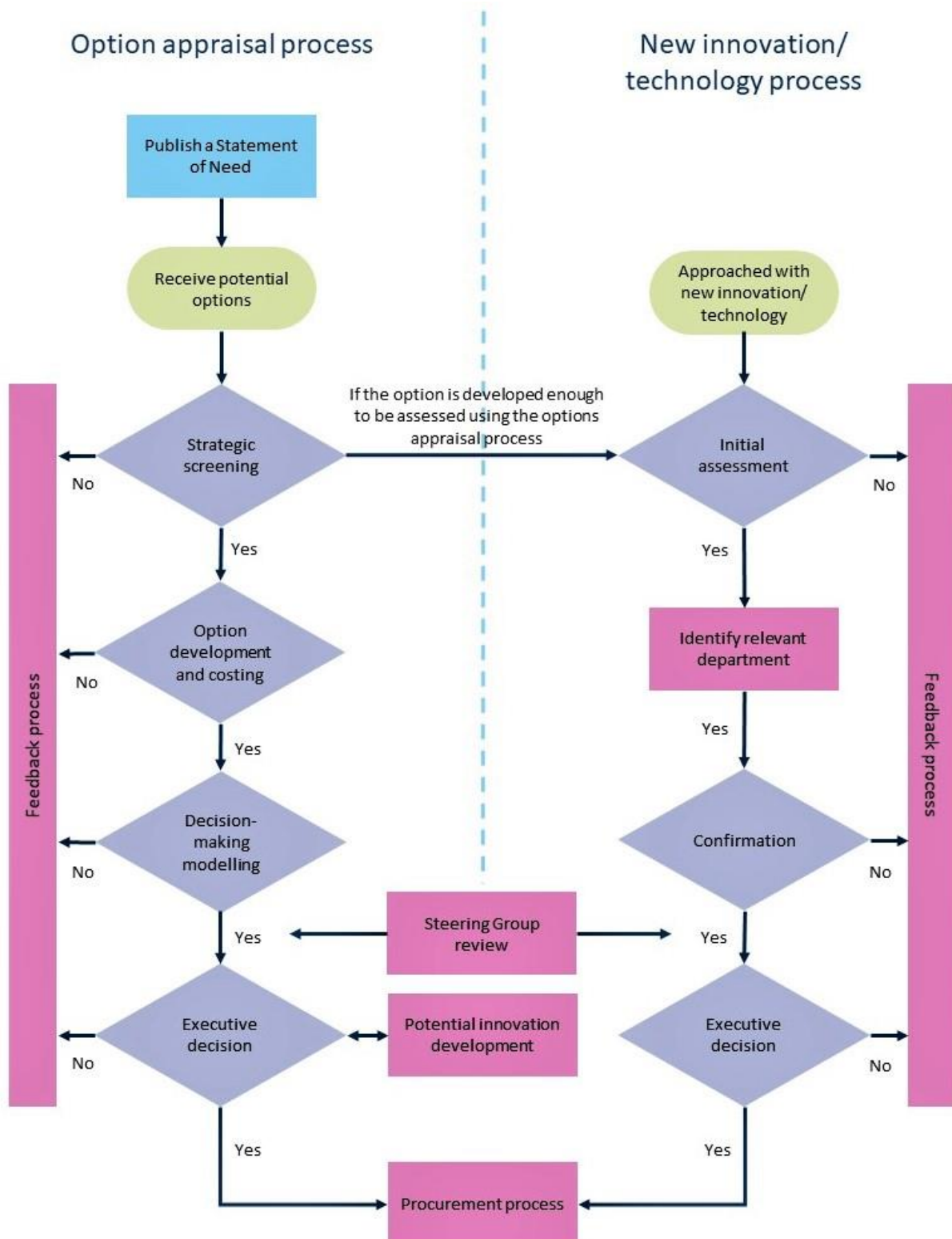
In this way, we can ensure that our bid assessment framework complies with Ofwat's principles of:

- transparency;
- equal treatment/non-discrimination; and
- proportionality.

Our bid assessment framework encompasses the following processes.

- An **options appraisal** process submitted in response to a 'Statement of Need'.
- A **new innovations/technology** process to evaluate potential new innovation and/or technology options that are generally submitted proactively and not necessarily in response to a Statement of Need.

This enables us to identify the best option for future procurement. We illustrate these processes below and discuss them in more detail in the following sections.



3.1 Option appraisal process

We will publish a Statement of Need on our [South Staffs](http://www.south-staffs-water.co.uk)⁴ and [Cambridge](http://www.cambridge-water.co.uk)⁵ websites when we identify a new requirement. This enables us to make as wide an audience as possible aware of our specific requirements.

The Statement of Need will clearly define the challenge we are facing and explain the:

- timescales;
- complexity;
- scale; and
- requirement.

From the outset, it will also clearly specify the detail of the requirement, including:

- water sources (including volumes);
- costs;
- environmental aspects; and
- quality requirements.

Examples of the questions we will ask when appraising options

Does the option fulfil the requirement we have identified?

Will the option help us to deliver our strategic objectives?

Is the option proportionate to the needs of our business? Is it adaptable/scalable/operationally flexible?

How difficult is the option to deliver?

What is the timescale for delivering the option?

What is the total cost of the option? Is it financially viable?

Is the option robust? Does it deliver resilience in terms of secure and reliable supplies?

Are there environmental impacts associated with the option? If so, what mitigation is in place to address this?

Are there wider sustainability impacts associated with the option? If so, what mitigation is in place to address this?

Do customers/other stakeholders support the option? Are there customer/stakeholder impacts associated with it? If so, what mitigation is in place to address this?

For options around addressing a deficit, are there any water quality issues we should be aware of? If so, what plans are in place to mitigate this?

⁴ www.south-staffs-water.co.uk

⁵ www.cambridge-water.co.uk

This is to ensure third parties understand the needs, assumptions and total expenditure (totex) requirements of fulfilling the contract. We want them to be fully informed so that they can avoid potential rejection from the process. We will publish the timescale for the assessment as part of the Statement of Need.

As required, the Statement of Need will be reviewed and published for at least 30 days. We may also publish some aspects in other locations appropriate to the specific needs, such as the Achilles⁶ procurement tool. We will set this out clearly in the Statement of Need when this is the case.

We will assess all the options we receive in response to the Statement of Need using the option appraisal process. We have not specified any minimum requirements as we are keen to encourage bids from a wide range of third parties. We will treat all bids equally.

Using the option appraisal process will help us to determine which options are the most effective and efficient methods to tackle the identified requirement/need. The process will take the unconstrained list of options through the following stages.

- Strategic screening.
- Option development and costing.
- Decision-making process.
- Executive decision.

We discuss each of these in more detail below.

3.1.1 Strategic screening

This initial stage is designed to filter and identify those options from third parties that could potentially satisfy or assist the specific business need and are economical to pursue further. After initial screening, we assess options against a range of criteria outlined within our decision-making tools. These include:

- resilience;
- environmental sustainability; and
- certainty of output/deliverability.

3.1.2 Option development and costing

We use this stage to carry out a more detailed assessment of the options against the following criteria.

⁶ Achilles UVDB is a community which helps buyers to find the right pre-qualified suppliers, manage their relationships, and enjoy increased levels of visibility and control over their entire supply chain, with assurances provided by rigorous audit processes.

- Suitability.
- Flexibility/adaptability.
- Technical difficulty.
- Timescale for delivery.
- Cost.
- Resilience (security of demand balance).
- Environmental impact.
- Sustainability.
- Stakeholder and customer support/impact.
- Quality issues.

Options that do not meet the evaluation criteria will be rejected. Where this is the case, we will provide feedback to the third party, in accordance with the policy set out in appendix 2. In some instances, we may look to work further with third parties to understand and resolve potential issues. So, feedback could mean further engagement similar to any standard procurement process.

3.1.3 Decision-making tools

We have a dual approach to using modelling tools to support our decision-making process within the bid assessment framework. These are aligned with our wider strategic processes to understand risk and identify investment needs. We will apply these tools where appropriate and take a proportionate approach in assessing the need for them when appraising different options.

To consider those options where we believe a cost-benefit approach is more appropriate, we use our Investment Optimisation tool. This gives us a common platform to compare the costs of an investment against the service benefits it will provide to our customers. We have made extensive use of this tool in developing our capital expenditure programmes since 2008. The outputs of this approach enable us to see how particular investments would deliver against our performance commitments over time, all of which feed into our decision-making process.

As well as our Investment Optimisation tool, we also use a multi-criteria analysis (MCA) model to analyse different options over the short and long term that impact on our water resources. We consider each option in terms of its:

- operational resilience, which is the degree to which the option would improve the reliability, flexibility and diversity of our supply capability;
- deliverability, scoring the option to assess the operational certainty of the solution and if any third party consents are required;

- environmental sustainability, scoring the option on things like carbon levels and the impact on natural capital costs (during both construction and implementation);
- social sustainability, which considers the disruption the option could have on local communities; and
- customer preference, if required, which is based on engagement we carried out in developing our business plan for 2020 to 2025.

Both approaches enable us to trade off against a ‘do nothing’ position and also to enable a number of potential options to be analysed, within the context of our wider investment programme.

3.1.4 Executive decision

Our Executive Team – or individual members of our Executive Team – will take the decision for preferred options to be formally considered by the procurement process. Our Executive Team is agile and flexible; we consider that this approach is proportionate to the size of our business and the resources and expertise we have available.

The decisions our Executive makes will be independent to ensure all options are treated equally and without discrimination. The key areas the Executive will consider when reaching a decision are:

- practicality;
- strategic fit;
- financial viability;
- environmental implication; and
- customer impact.

The options that perform best against these criteria will then go through our established procurement process. Options that do not meet the criteria will be rejected. We will provide feedback in a timely manner, in accordance with the policy set out in appendix 2.

3.2 Criteria for assessing bids

We will use the following criteria to assess bids from third parties.

Pre-qualification	
Ofwat’s requirement	Our approach
Gateway criteria – mandatory requirements (for example, the financial viability of the company). This ensures the third party supplier does not commit resources to a bid if it will be automatically rejected.	We will publish a ‘Statement of Need’ on our South Staffs and Cambridge websites and in other locations as appropriate once a new requirement is identified. This will clearly define the challenge we are facing. It will also explain the requirement, timescales, complexity and scale.

Need specification	
Ofwat's requirement	Our approach
<p>The specification should be made clear at the outset, including the environmental aspects, water source and quality, and costs and reliability.</p> <p>Third party suppliers must understand the needs, assumptions and capital requirements of fulfilling the contract.</p>	<p>The Statement of Need will specify our detailed requirements from the outset, including the environmental aspects, costs and water sources, and quality requirements.</p> <p>This will ensure third parties understand the needs, assumptions and total expenditure (totex) requirements of fulfilling the contract, to avoid them being rejected from the process.</p>
Time limits and bid clarification	
Ofwat's requirement	Our approach
<p>Bids must be considered within a reasonable time of being submitted. Ambiguities should be clarified before evaluation and communicated to all bidders through authorised channels.</p> <p>All bids must be treated equally, with non-discrimination in relation to in-house solutions.</p>	<p>We will publish the timescale for the assessment as part of our Statement of Need. We will support this with regular contact with third parties and a feedback process for each stage.</p>
Evaluation	
Ofwat's requirement	Our approach
<p>Evaluation criteria must align with specifications and be made clear at the outset. For each criterion, the company should make clear the relative weighting in the bid request to reflect its importance to the process.</p> <p>This ensures a transparent, rule-based decision-making process that ensures equal treatment and non-discrimination.</p>	<p>We have set out our evaluation criteria in our 'option appraisal' process and our 'new innovation/technology' process. This includes our consideration of practicality, strategic fit, financial viability, environmental implications and customer impact.</p>
Governance	
Ofwat's requirement	Our approach
<p>The company should develop processes to ensure objective and independent evaluation of bids. It should document the process, giving reasons for accepting/rejecting bids.</p> <p>This ensures fairness, transparency and equal treatment.</p>	<p>Our process is compliant with the water resources planning guidelines, EU Regulations and general competition law.</p> <p>We will document each stage of the process and any decisions made.</p> <p>For major tenders that we deem high value or high risk, we usually form an internal Steering Group comprising a range of technical and operational stakeholders, as well as a member of the Executive.</p> <p>We report and review progress each month, and ratify the key decisions.</p>

	The Steering Group acts as impartial governance to the process.
Contract award	
Ofwat's requirement	Our approach
The company should prepare and make available to Ofwat an audit report of compliance with the bid assessment principles and its own framework. Having an embedded process ensures the validity of the evaluation's conclusion. Independent oversight encourages equal treatment; it will also limit discrimination.	The award proposal is reviewed by either the Executive or Board, depending on the value or risk profile of the tender. This approval is to award the contract, or to seek additional clarification prior to approval. We will make the compliance audit report available to Ofwat if requested.
Communication of decision	
Ofwat's requirement	Our approach
Decisions must be communicated to all third party suppliers and should include the reasons for acceptance/rejection and the bid scores. This encourages improvements in the quality of the bids by ensuring future potential bidders can see the quality of successful bids.	Once the proposed contract award has been approved, we will formally notify the participants, explaining the outcome of the process. We will provide feedback to all participants, in accordance with the policy set out in appendix 2.

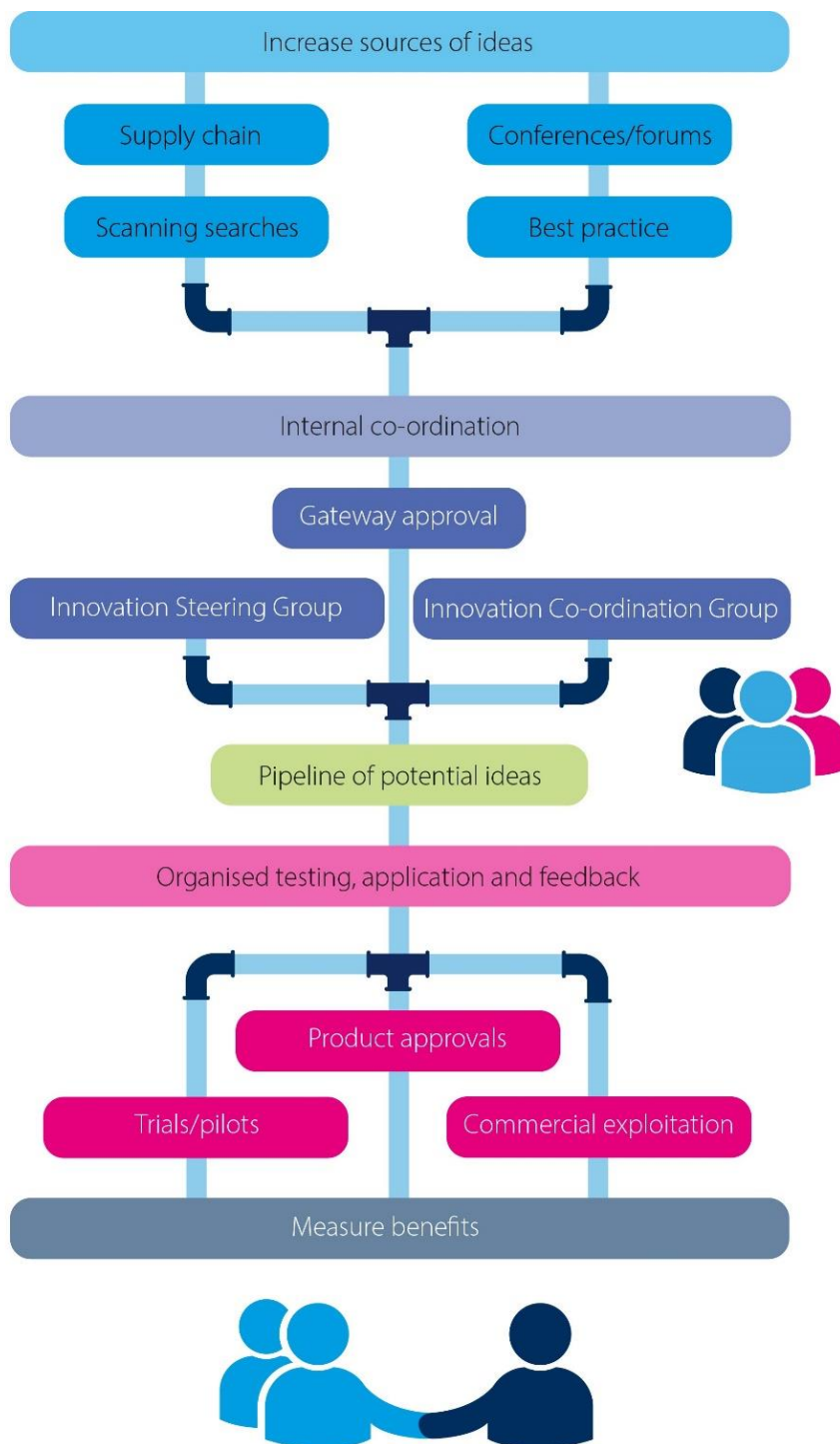
3.3 New technology/innovation process

We welcome approaches from third parties with new innovations and/or technology. We are keen to encourage and support innovation of alternative and new solutions for the water sector. In particular, we welcome opportunities that drive efficiency in the processes around:

- water production;
- water distribution;
- monitoring;
- instrumentation; and
- skills.

We understand that these ideas may fall outside our usual tender processes, and welcome engagement at any time. Indeed, we already receive pitches from our supply chain on areas of innovation that could be of interest to us (see section 3.3.5 below). Third parties that wish to discuss their ideas with us can email us at procurement@south-staffs-water.co.uk. We check this email address several times a day.

Below, we illustrate how we will assess innovative ideas within the business.



The stages for the new innovation and/or technology process are as follows.

- Initial assessment, using the process outlined in the diagram above.
- Identifying the relevant department.
- Confirmation.
- Executive decision.
- Developing a potential innovation.

We discuss each of these in more detail below.

3.3.1 Initial assessment

So that we can make sure any new innovation reaches the relevant department within our business, third party submissions should contain a concise description of the new innovation or technology, including the potential benefits it offers to new or existing business solutions. We will assess the submission for its viability and sustainability, enabling us to identify whether the options could potentially assist the business.

3.3.2 Identifying the relevant department

We will then identify the relevant department, which will carry out a more detailed assessment of the submission based on specific criteria. The purpose of this stage is for us to gather all the necessary information to demonstrate how potential options could be implemented and over what timeframe. It also helps us to identify any potential risks. We will refer submissions that satisfy this stage to the relevant Head of Department or Subject Matter Expert within our business for confirmation.

3.3.3 Confirmation

The relevant Head of Department or Subject Matter Expert will assess the immediate and long-term prospect of the submission in terms of its:

- practicality;
- strategic fit;
- financial viability;
- environmental implications; and
- customer impact.

We will also consider costs at this stage. If the Head of Department or Subject Matter Expert still considers the submission to be viable, it will be passed to the Executive for a decision. Submissions that do not meet the set criteria will be rejected and feedback provided.

3.3.4 Executive decision

The Executive Team – or an individual member of the Executive Team – will review submissions for potential new innovations and/or technology to ensure all options are treated fairly and without discrimination. As we explained in section 3.1.4 above, we consider this approach to be proportionate to the size of our business.

As part of the review, the Executive will revisit the areas outlined in section 3.3.3 above.

If successful, the submission will then go through our procurement process. Any submissions that do not meet the criteria will be rejected. We will provide feedback in a timely manner, in accordance with the policy set out in appendix 2.

3.3.5 Developing a potential innovation

We are interested in discussing innovations that relate to the provision of reliable drinking water supplies and enhancing the service to our customers. But we can only take a small number forward at any one time. That said, we do not wish to constrain which these might be as this would potentially restrict the creative flow. So, we welcome offers to collaborate to drive innovation for the water sector forward.

The case study below describes one example of this collaborative approach.

Collaborating to re-use waste from water treatment processes



We are currently collaborating with Green Science UK Ltd on a pilot study that looks at re-using waste from one of our water treatment processes. This innovation has the potential to develop into a product that we can use to assist our business, and that may have further commercial value and environmental benefit.

Initially, a representative from Green Science approached one of our treatment works managers with this idea, which was then brought to our Executive Team for discussion. (In future, approaches such as this will follow our bid assessment framework process.) As it was both unusual and had the potential to reduce costs in an environmentally friendly manner, we agreed to give the idea further consideration.

Working with colleagues from our Finance Team, we then developed the idea into a short business case. After further discussions, we agreed to provide funding and an operational site for a pilot production run. We have also got interest in the project from a leading UK university.

Speaking about the project, Bob Rushton, Director and Environmental Scientist at Green Science said: "Our co-operative working with South Staffs Water has meant we are able to develop our innovation, which we believe could have a global impact on biodiversity, water quality and pollution prevention. Without their support, it would have taken much longer. We appreciate the interest and co-operation we have been given by South Staffs Water throughout the first development phase."

This pilot study is still at an initial stage of development and patents for the product are currently being registered.

3.4 How we will handle information

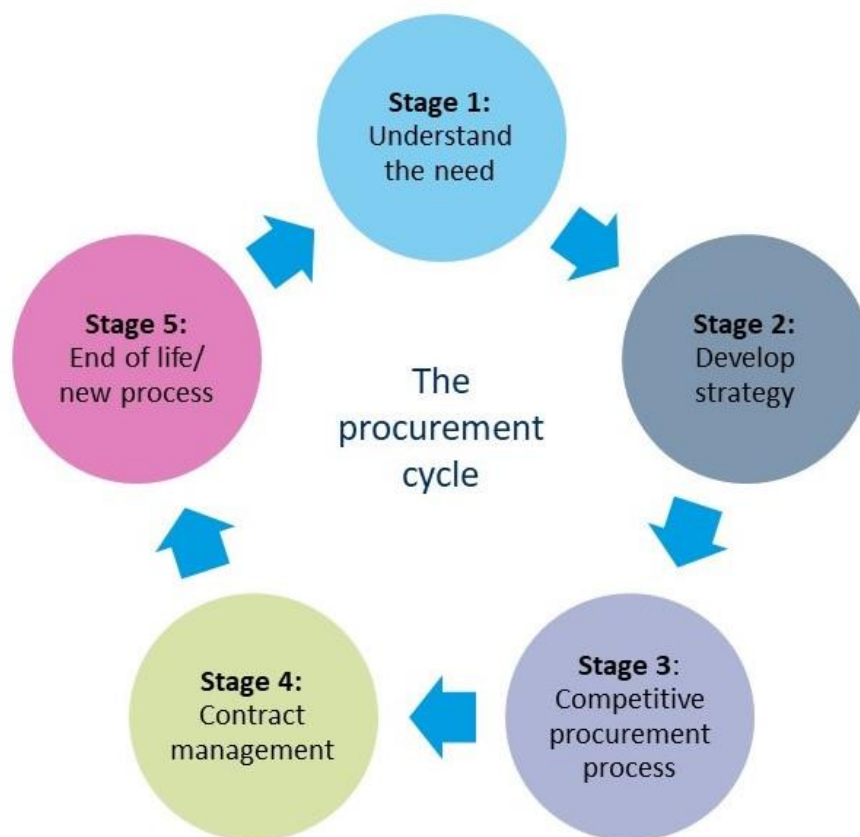
We understand the importance of holding confidential and personal data securely. We will only hold data for its required purpose and in line with our retention policy, which aligns to ISO 27001:2013.

Where possible, data is anonymised and stored for the appropriate time period as defined by applicable regulations and laws, such as financial governance. When paper-based data is identified as appropriate for destruction, it is done safely and securely on site to remove the risk of a data breach. All hardware is stored securely by the business once it has been decommissioned. It is then collected for WEEE disposal by a third party with the appropriate certification for the secure destruction of the assets.

4. Our procurement process

All options that are authorised by our Executive will be considered through our procurement process. This is an established, fair, equal and proportionate process that sits alongside our bid assessment framework. We will use it to assess potential options further, ensuring that the process complies with our legal requirements and that appropriate contractual arrangements are put in place.

Our procurement process comprises five stages. We illustrate these below.



4.1 Stage 1: understand the need

This stage includes engagement with all relevant stakeholders to:

- fully understand the requirement;
- consider both a performance- and specification-based approach; and
- identify impacts and risks.

4.2 Stage 2: develop the strategy

This stage is about understanding and agreeing the best route to market, ensuring competition and driving innovation within the business. The tools we can use during this stage are:

- full EU tenders;
- pre-qualification questionnaires (PQQ);
- invitations to tender (ITT); and
- the request for quotation (RFQ) process.

4.3 Stage 3: competitive procurement process

During this stage we discuss and agree the procurement plan. We also detail the various key stages of competition, including evaluation and feedback.

4.4 Stage 4: contract management

After a contract has been awarded, we hold regular contact meetings with the third party. As part of this, we review:

- performance;
- quality;
- risks; and
- budget.

We also use this stage to identify potential innovation or efficiencies.

4.5 Stage 5: end of life/new process

At this stage we review the requirement and agree the process to either re-tender or end the contract if there is no longer a business need.

5. Making our bid assessment framework process ‘business as usual’

As we discussed earlier, this bid assessment framework is designed to operate as a business as usual approach and describes how we assess four main categories of bids. One of these categories, for example, is for bids that provide solutions to forecast future water deficits.

Every five years, we produce separate water resources management plans (WRMP) for our South Staffs and Cambridge regions. The main purpose of these plans is to assess factors such as climate change and population growth to project whether future demand for water will exceed future supply.

If the predicted demand is greater than the water available for supply and an allowance for ‘headroom’, this will result in a water deficit. Bids from third parties that could provide solutions to these deficits include new sources of water, such as:

- new reservoirs;
- new boreholes;
- new river abstractions;
- new abstraction licences that would allow water to be taken (or ‘abstracted’) from any of the above water sources; or
- schemes which provide a route or other means of transferring water from a location where water is available to a location where it is not.

These bids could also include new or improved ways in which we could reduce demand for water – such as lowering the volume of water that household or non-household customers use, or by helping us to tackle leakage in an improved or cheaper way.

In practice, the way we assess bids of this type will depend on whether they align with our five-yearly WRMP cycle or occur at other times. We discuss each of these in more detail below.

5.1 Assessing bids within the WRMP cycle

To demonstrate how this route will work in practice, we describe the way we have approached this while preparing our latest WRMPs.

Producing a WRMP usually takes around two years. We started the pre-consultation phase in early 2017 and submitted our draft proposals to Defra in December 2017. During this pre-consultation phase we engaged with various organisations, including neighbouring water companies and local interest groups – such as the Canal and River Trust. These stakeholders can give us any feedback that they think will help us when preparing our WRMPs.

In developing our draft WRMPs, we considered options from these stakeholders and published a Statement of Response to all the feedback we received. This set out, in an open and transparent way, the reasons why particular third party options had or had not been selected as part of our preferred plan.

We illustrate the process below, using schemes proposed by the Canal and River Trust. The first excerpt is taken from our draft South Staffs WRMP and shows the criteria we used to assess the Canal and River Trust's proposed schemes.

Option	Gateway: Does the option give a quantity and quality of water benefit?	Does the option breach any statutory and/or regulatory constraints?	Is the option environmentally and socially sustainable/ does it meet customer and stakeholder expectations?	Is the option deliverable and/or does it increase resilience?	Have we selected this option?	Primary reason
CRT option: 15 Ml/d from the Wolverhampton levels with abstraction from the Trent and Mersey Canal near Blithfield reservoir	Major concerns regarding raw water quality. Has potential to increase yield but quantity unclear.	Need certainty that discharge of canal water into Blithfield would not cause WFD deterioration or INNS transfers.	The use of canal provides social and environmental benefits. Also likely to meet expectations of several stakeholders to use water more collaboratively.	Deliverability is unclear but has potential to increase resilience.	Not in preferred plan but it was in our constrained list of options.	Water quality and associated environmental concerns.
CRT option: release from Chasewater reservoir via Wryley & Essington Canal to augment Crane Brook, thereby allowing further catchment utilisation for South Staffs Water	Yes, it could potentially give both. We consider the water quality in Chasewater to be good.	We are not aware of any.	Yes	Deliverability depends on negotiations with the Canal and River Trust and the Environment Agency but could give resilience benefits.	Not in preferred plan but it was in our constrained list of options.	Our preferred plan selected more deliverable options and/or options with greater customer preference.

The second excerpt is from our Statement of Response.

Consultee	Comment	Our response	How have we addressed and where is our response?
CRT	<p>Conclusion</p> <p>It is the Trust's opinion that South Staffs Water have produced a comprehensive draft plan that highlights the issues they face and how they plan to address them. Whilst we don't necessarily agree with all their findings, we've been supportive of their inclusive approach.</p> <p>The Trust would like South Staffs Water to consider the following summarised key points in preparation of their revised draft and final plans:</p> <ul style="list-style-type: none"> - Inclusion of quantified social and environmental costs and benefits for all feasible schemes; - Provide greater transparency on the yield assessment of canal schemes and the assumptions made, ensuring that the optimum supply solutions are developed for South Staffs Water's customers; and - Ensure the full utilisation of the option benefit is used in the scheme evaluation. <p>We look forward to continuing to develop these options further with South Staffs Water.</p>	<p>We are glad that the CRT thinks we have an inclusive approach and that our dWRMP is comprehensive. On the key points:</p> <ul style="list-style-type: none"> - As described earlier, we have not included monetised environmental and social costs for any feasible option regardless of who proposes it. This aligns with guidance and is part of our qualitative, non-monetised assessment of all PR19 options - We have added a third party option log to our rdWRMP in response to CRT's request for more transparency - In our DMF modelling we base the likely costs and benefits on the normal year scenario as this is the most likely one to properly show utilisation i.e. how much we will use different assets. We have also ensured that we include the proper utilisation of options in our dry year and critical period scenarios. <p>We also look forward to continuing to develop and refine options with CRT in the future.</p>	<p>We have responded both in this SoR and also in section 10.4 of our rdWRMP.</p>

In summary, both excerpts show that while we did not select the schemes proposed by the Canal and River Trust for our WRMP, we remain open to engagement with the Trust and discuss any future options it proposes.

5.2 Assessing bids outside the WRMP cycle

When we receive bids that could solve potential water deficits outside the WRMP cycle, we will take a proportionate and non-discriminatory approach. This means that the level of detail and certainty we expect to see will vary according to things like cost and the risks involved in delivering the solution.

For example, in February 2019, we were approached by a third party with which we had held preliminary talks before consulting on our draft WRMPs. While it did not have any schemes that were well-developed enough to be considered using our options appraisal process, we welcome their continued interest and engagement. If their revised bids offer additional environmental or financial benefits, we will consider them either for our next WRMPs or before.

When we discuss bids with any third party, we will not disclose their details if they ask us not to. We also have non-disclosure agreements in place that we can use if it is appropriate for us to do so. This is one way in which we keep commercial or personal information confidential. But if a third party approaches us and is happy for details of our discussion to be made public, we will also adopt this approach.

6. Feedback process

If we reject an option, we will provide feedback in accordance with our feedback policy, which is set out in appendix 2.

Our feedback will provide a thorough explanation, including how we have scored the option against the criteria set out on pages 11 to 13 of this bid assessment framework. We will document this process and record information in line with our policies and legal requirements.

7. Appealing our decisions

We understand that some third parties might be unhappy if their options are rejected and that they may want to appeal our decisions as a result.

While we believe the criteria set out in this framework provide sufficient clarity to ensure all third party bids are assessed fairly, transparently and in a non-discriminatory manner, in certain circumstances we will ask the Internal Auditor for South Staffordshire Plc to provide an independent assessment of our decisions. We think this is proportionate to our size and the nature of the bids we receive.

The process for requesting an appeal is as follows.

- Step 1:** Send an email to procurement@south-staffs-water.co.uk in the first instance setting out the reasons for requesting an appeal.
- Step 2:** The person within the business who has handled the bid from the third party or another manager within the business will attempt informal resolution.
- Step 3:** If the issue cannot be resolved to the third party's satisfaction through informal resolution, we will escalate the complaint to Internal Audit for independent review.
- Step 4:** Internal Audit will review the third party's complaint, along with our view of how the proposal performed against our assessment criteria.
- Step 5:** Internal Audit will reach a decision that is binding on both us and the third party.

8. Engaging with us

8.1 Contacting us

We are keen to engage with any third party with an idea or a solution to a requirement. Please email us at procurement@south-staffs-water.co.uk.

Or contact our Procurement Team at:

South Staffs Water
Green Lane
Walsall
WS2 7PD

Phone: 0845 345 1399

Cambridge Water
90 Fulbourn Road
Cambridge
CB1 9JN

Phone: 01223 403115

8.2 Checking our requirements

Every five years, we produce WRMPs for our South Staffs and Cambridge regions. We review these plans each year. Alongside these plans, we publish water resources market guidance, again for our [South Staffs](#)⁷ and [Cambridge](#)⁸ regions. This sets out key information about our water supplies, demand, any deficits we may have in either region and areas where we have unused treatment capacity. We will update this information when we have finalised our WRMPs.

Where our requirements are in line with the EU Regulation threshold, we will use the Achilles procurement tool, following our standard procurement procedures. For further information, contact Achilles through its website at www.achilles.com.

⁷ www.south-staffs-water.co.uk/environment/managing-water-resources/water-resources-market-information

⁸ www.cambridge-water.co.uk/environment/managing-water-resources/water-resources-market-information

8.3 Transporting water using our network

Across our South Staffs and Cambridge regions, we have networks of pipes that transport large volumes of drinking water to our customers. We are able to consider transportation of water by third parties as long as it meets Drinking Water Inspectorate (DWI) requirements. We have a [network access code](#)⁹, which sets out guidance for third parties that are interested in gaining access to our water supply network. Alongside this, we publish [indicative access prices](#)¹⁰ each year.

Please email us at procurement@south-staffs-water.co.uk to enquire about using our network to transport water.

⁹ 'Network access code for South Staffs and Cambridge regions', South Staffordshire Water Plc, October 2018. www.south-staffs-water.co.uk/media/1735/sst-and-cam-network-access-code-oct18.pdf

¹⁰ 'Indicative access pricing for South Staffs Water and Cambridge Water', South Staffordshire Water Plc, October 2018. www.south-staffs-water.co.uk/media/1739/sst-and-cam-indicative-access-pricing-oct18.pdf

Appendix 1: Bid assessment framework template

Objective

We are keen to engage third parties that may have water resources or innovative products as part of the PR19 bid assessment framework to support our water resources management planning over the period 2020 to 2025.

The type of works we are interested in include, but are not limited to:

- potable water resources;
- capital maintenance and electrical engineering;
- civil engineering; and
- design.

Potential suppliers should familiarise themselves with the detail on our website at www.south-staffs-water.co.uk (South Staffs region) or www.cambridge-water.co.uk (Cambridge region) to understand more about the challenges we face as a business and our strategy for addressing these challenges now and over the long term.

Company background

Information required	Response
Organisation/company name	
Address	
Phone number	
Website	
Company registration number (if applicable)	
Key contact name	
Phone number	
Email	
Annual turnover (three years' figures)	
Value of works your organisation will be able to carry out for South Staffs Water (£m/year)	

Information required	Response
Has your organisation been notified of any breach of its banking or loan terms/covenants/undertakings in the past 12 months? If so, please provide brief details.	
Has your organisation or any director, partner or member been involved in insolvency, bankruptcy, winding up proceedings or receivership? If so, please provide brief details.	
Has any director, partner or member been convicted of a criminal offence relating to business or professional conduct? If so, please provide brief details.	

Previous experience

Information required	Response
Please list the water companies that your organisation has worked with over the past three years, or with which your organisation currently has frameworks/contracts in place. If your organisation currently has frameworks/contracts in place, what is the duration and value of these (£m/year)?	

Quality, health, safety and environment

Information required	Response
Does your organisation have a certified quality assurance system in place? If so, please detail to what level (eg, ISO 9001).	
Does your organisation have certification OHSAS 18001?	
Please provide the executive summary of your organisation's current health and safety policy and a copy of the certificate. Please tick if these are attached.	
Please describe how your organisation identifies, evaluates and manages health and safety risks associated with its principal activities (maximum 500 words).	

Option appraisal

Information required	Response
Please provide a brief summary of the option explaining how it fulfils the requirement we have identified (maximum 500 words).	
What is the total whole-life cost of the option? Please provide evidence to demonstrate that the option is financially viable.	
How will the option help us to deliver our strategic objectives? Can it be adapted to fit the needs of our business and the requirement we have identified?	
Please demonstrate the robustness of the proposed option, including an assessment of whether it will deliver resilience in terms of secure and reliable supplies (max 500 words).	
Please identify and explain any risks associated with delivery (maximum 500 words).	
What is the timescale for delivering the option?	
Does the option depend on the delivery of any other schemes?	
Are there environmental impacts associated with the option? If so, please provide brief details of the mitigations in place to address this (maximum 500 words).	
Are there wider sustainability impacts associated with the option? If so, please provide brief details of the mitigations in place to address this (maximum 500 words).	
Are there any other factors or constraints specific to the option (eg, abstraction licences or the risk of transfer of invasive non-native species)? If so, please provide brief details of these (maximum 500 words).	
Is there customer/stakeholder support for the option? Please provide evidence to demonstrate levels of support from customers or other stakeholders.	

Information required	Response
For options around addressing a water deficit, are there any water quality issues we should be aware of? If so, please provide brief details of the plans to mitigate this (maximum 500 words).	

Appendix 2: Feedback policy

About our feedback process

We aim to give all third party suppliers the best possible service. When any organisation takes part in a competitive process we understand how important it can be to gain feedback if their bid is unsuccessful. We know that sometimes things can go wrong, and we will always do our best to put them right.

This policy sets out guidance for third parties that wish to engage with us about seeking feedback to our competitive procurement processes, including the bid assessment framework. It also sets out the routes for requesting feedback, along with additional information third parties may find helpful.

Feedback as part of a procurement process

We will provide feedback as part of our procurement process that is in line with the appropriate regulations. For example, responses under EU regulations must be provided to all participants in the process at the point at which a contract is awarded, observing the ten-day standstill period. In such cases, feedback must be within 30 days of receiving a request, following the award of a contract.

The information we will provide in our feedback will be relevant and useful to individual third parties. But we will not disclose other third parties' confidential information.

We appreciate that it may be disappointing if an approach to us is unsuccessful and that third parties may need to fully understand the reasons for this. We will arrange for feedback to be in a format that best suits their individual needs, such as by:

- phone;
- email;
- letter; or
- face-to-face meeting.

Asking us for feedback

Contacting us by phone

To get things sorted quickly, it is best to call us. It is easier for us give the right feedback if we can speak to third parties directly to understand their requirements or concerns. This can include by face-to-face meeting. We can be contacted by phone on the following numbers.

- South Staffs region: 0845 345 1399.
- Cambridge region: 01223 403115.

Writing to us

Alternatively, third parties can write to us, using either the form on our website at www.south-staffs-water.co.uk/contact-us or at the addresses below.

South Staffs Water
Green Lane
Walsall
WS2 7PD

Cambridge Water
90 Fulbourn Road
Cambridge
CB1 9JN

We will respond within ten days of receiving a written request for feedback. Third parties should include a contact number and a reference number relating to the process they are writing about. These are usually the contract references quoted on competitive adverts such as OJEU or Achilles.

Appealing our decisions

We aim to resolve any requirements fully after the first contact. But we understand that, in some cases, third parties may be unhappy with either our decision or the way that we have handled their request.

In such cases, we will use informal resolution to try and sort out the problem, followed by an independent review by the Internal Auditor at South Staffordshire Plc. This would involve a formal review of the process we have carried out, including the contact made and the responses given as part of the feedback process. We will carry out the independent review within ten working days. We will also produce a report that explains the actions we have taken and identify any areas of concern.

We are committed to learning from the outcomes generated by the appeals process.