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Award

## **Supply of Second line STS Support Services**

UNITED UTILITIES WATER LIMITED

F15: Voluntary ex ante transparency notice

Notice identifier: 2022/S 000-005075

Procurement identifier (OCID): ocids-h6vhtk-031a6f

Published 23 February 2022, 3:06pm

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

UNITED UTILITIES WATER LIMITED

Haweswater House, Lingley Mere Business Park, Lingley Green Avenue, Great Sankey

WARRINGTON

WA53LP

#### **Email**

[RegulatoryProcurementTeam@uuplc.co.uk](mailto:RegulatoryProcurementTeam@uuplc.co.uk)

#### **Country**

United Kingdom

#### **NUTS code**

UKD61 - Warrington

## **Internet address(es)**

Main address

<https://www.unitedutilities.com>

## **I.4) Type of the contracting authority**

Other type

Utilities

## **I.5) Main activity**

Other activity

Water

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Supply of Second line STS Support Services

Reference number

PRO004559

#### **II.1.2) Main CPV code**

- 72261000 - Software support services

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

United Utilities (UU) Strategic Telemetry System (STS) is a mission critical system deployed to enable the remote monitoring and control of UU assets from the ICC. UU's current install is Schneider's GeoSCADA system.

The scope of the agreement will be the support and maintenance of our STS. The agreement allows for a 24x7x365 incident coverage. UU will provide the first response with 2nd Line support being provided. The scope covers:

- Software Services - Bug fix and test
- Service management
- Incident management
- Monitoring and support - Master System to enable remote diagnosis for chronic remote telemetry unit (RTU) failure.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £3,550,000

## **II.2) Description**

### **II.2.3) Place of performance**

NUTS codes

- UKD - North West (England)

### **II.2.4) Description of the procurement**

United Utilities (UU) Strategic Telemetry System (STS) is a mission critical system deployed to enable the remote monitoring and control of UU assets from the ICC. UU's current install is Schneiders GeoSCADA system.

The scope of the agreement will be the support and maintenance of our STS. The agreement allows for a 24x7x365 incident coverage. UU will provide the first response with 2nd Line support being provided. The scope covers:

- Hardware Services - repair/return services
- Software Services - Bug fix and test
- Service management
- Incident management
- Monitoring and support - Master System to enable remote diagnosis for chronic remote telemetry unit (RTU) failure.

Services include:

- 24x7 service desk contactable by telephone, email and via web interface
- 24x7 support for all components including any required on site engineering attendance
- Incident management in line with UU procedures
- Problem management in line with UU procedures
- Provision of Service summary and detailed service level report to an agreed calendar

- Compliance to agreed KPI's and/or Service levels
- Provision of monitoring of all supported components
- Provision of a secure portal for UU to access providers services and reporting

Offer fault fixing to the response times as follows:

Priority Level Description

P1 Business Critical

Major services unavailable.

Single service unavailable affecting many users.

Many users unable to use system.

Loss of business or impact on revenue.

Lingley Mere Business Park or Davyhulme unavailable irrespective of the number of users on site

Director impacted by availability of systems

Users unable to run critical work.

P2 Serious

Partial loss of major services.

System usable but if the problem is not resolved promptly a business critical situation will occur.

Many users unable to use the system for more than half a day

P3 Degraded Service

Single user problems and issues.

Complete service is available but performance is impaired.

Problem causes inconvenience but it is not a major concern.

Slow response.

A service is not working correctly but does not affect any critical work.

P4 No Service Impact

Any problem where no service impact is being incurred and no urgent action is required.

Problem causes inconvenience or nuisance but has little effect on the users.

Requests for information.

Priority Level Response Time Incident Resolution Time

1 30 minutes 4 hours (work until fixed)

2 1 hour 8 hours (work until fixed)

3 4 hours 1 Working Day

4 24 hours 5 Working Days

### **II.2.11) Information about options**

Options: No

### **II.2.14) Additional information**

Type of procedure: Award of a contract without prior publication of a call for competition

Explanation:

This procurement falls under Regulation 50 (e).

- Following a market intelligence exercise United Utilities is not aware of any other suppliers within the market who can undertake the second line support of the system. The current system provides our ICC with data 24x7 this is both a mix of real time process alarms and logged regulatory data at 15 minute intervals, this data covers both our water and wastewater sites to enable us to have a full view of what is happening at the site level. The system is covered by the NIS Directive and is reportable to the DWI. The system is 24/7 and used for remote monitoring and control of assets. Any loss of the system for any prolonged period of time would have widespread effect across United Utilities business with impacts from potential flooding or pollution incidents to the loss of our ability to supply clean water.

- If United Utilities does not have this maintenance service this would represent an impact in areas such as compliance with EA and DWI, customer service and operation. A failure at site and its equipment could mean that parts or elements of our sites will need to be replaced. Depending on the size of the site and the level of damage, this could cost £500,000. If this was a large scale failure of the system currently United Utilities wouldn't have the man power to cover every site.
- The incumbent supplier Schneider was contracted via a competitive tender in 2013 to build a telemetry system for United Utilities within this contract a Support element was also included which expires 4th April 2022. If a new system was introduced this would cost approximately £40-50 million as a base cost for the system this is not inclusive of the disruption to sites and internal costs of managing and switching to a new system. This is also not inclusive of system training for members of staff

#### Due Diligence:

Although the scope of services falls under regulation 50(e), in good faith United Utilities voluntarily performed the following due diligence:

- Through a user group forum, Stakeholders reviewed other customers of Schneider who advised that similar exercises had been undertaken to find 3rd Party Suppliers for the second line support of the system. However, they never found any alternative providers who can operate within this space.
- A Periodic Indicative Notice was issued to all the market via Merrell UK (EU Supply) and only three providers responded to this PIN. After reviewing their submissions and some discussions with the suppliers, it was concluded that the responses were not in line with the scope that we were looking for and that they were unable to support an enterprise telemetry system of this criticality and complexity of UU's STS.

United Utilities conclusion is that Schneider Electric Ltd is the only provider in the market that is able to undertake the scope of the maintenance support that we require, as evidenced by the fact this is Schneider's own propriety software, the engagement of the User Group Forum in which other companies have received no adequate responses from similar exercises and the PIN issued to the market had no responders who were able to undertake the scope of works detailed, as highlighted above United Utilities have acted in good faith prior to coming to this decision based on the due diligence that has been conducted.

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## Section IV. Procedure

### IV.1) Description

#### IV.1.1) Type of procedure

Negotiated without a prior call for competition

- Additional deliveries by the original supplier

Explanation:

This procurement falls under Regulation 50 (e).

- Following a market intelligence exercise United Utilities is not aware of any other suppliers within the market who can undertake the second line support of the system. The current system provides our ICC with data 24x7 this is both a mix of real time process alarms and logged regulatory data at 15 minute intervals, this data covers both our water and wastewater sites to enable us to have a full view of what is happening at the site level. The system is covered by the NIS Directive and is reportable to the DWI. The system is 24/7 and used for remote monitoring and control of assets. Any loss of the system for any prolonged period of time would have widespread effect across United Utilities business with impacts from potential flooding or pollution incidents to the loss of our ability to supply clean water.

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- The incumbent supplier Schneider was contracted via a competitive tender in 2013 to build a telemetry system for United Utilities within this contract a Support element was also included which expires 4th April 2022. If a new system was introduced this would cost approximately £40-50 million as a base cost for the system this is not inclusive of the disruption to sites and internal costs of managing and switching to a new system. This is also not inclusive of system training for members of staff

Due Diligence:

Although the scope of services falls under regulation 50(e), in good faith United Utilities voluntarily performed the following due diligence:



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- A Periodic Indicative Notice was issued to all the market via MerCell UK (EU Supply) and only three providers responded to this PIN. After reviewing their submissions and some discussions with the suppliers, it was concluded that the responses were not in line with the scope that we were looking for and that they were unable to support an enterprise telemetry system of this criticality and complexity of UU's STS.

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#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: No

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## **Section V. Award of contract/concession**

### **Contract No**

PRO004559

### **Lot No**

1

### **Title**

PRO004559-Contract-Supply of Second line STS Support Services

A contract/lot is awarded: Yes

## **V.2) Award of contract/concession**

### **V.2.1) Date of conclusion of the contract**

23 February 2022

### **V.2.2) Information about tenders**

The contract has been awarded to a group of economic operators: No

### **V.2.3) Name and address of the contractor/concessionaire**

Schneider Electrical Systems UK Limited

Faraday Close, Worthing

West Sussex

BN13 3PL

Country

United Kingdom

NUTS code

- UKD - North West (England)

The contractor/concessionaire is an SME

No

### **V.2.4) Information on value of contract/lot/concession (excluding VAT)**

Initial estimated total value of the contract/lot/concession: £3,550,000

Total value of the contract/lot/concession: £3,550,000

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

High Court of England and Wales

London

Country

United Kingdom