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Tender

Digital Directorate Partner – Networks, Security & Applications Management

Scottish Water

F05: Contract notice – utilities

Notice identifier: 2025/S 000-011810

Procurement identifier (OCID): ocds-h6vhtk-04fa27

Published 28 March 2025, 2:45pm

Section I: Contracting entity

I.1) Name and addresses

Scottish Water

The Bridge, 6 Buchanan Gate, Stepps

Glasgow

G33 6FB

Contact

Paul McDonald

Email

paul.mcdonald@scottishwater.co.uk

Country

United Kingdom

Region code

UKM - Scotland

Internet address(es)

Main address

<https://www.scottishwater.co.uk/>

Buyer's address

<https://www.scottishwater.co.uk/>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

https://atamis-scottishwater.my.salesforce-sites.com/ProSpend_CS_PublicLandingPage?SearchType=Projects

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

https://atamis-scottishwater.my.salesforce-sites.com/ProSpend_CS_PublicLandingPage?SearchType=Projects

I.6) Main activity

Water

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Digital Directorate Partner – Networks, Security & Applications Management

Reference number

SW24/DIG/1478

II.1.2) Main CPV code

- 72222300 - Information technology services

II.1.3) Type of contract

Services

II.1.4) Short description

Scottish Water Digital Directorate is dedicated to delivering digital and technology services that provide measurable value to our core business operations. Collaborating closely with our business partners, we focus on supporting our three strategic objectives. We have successfully implemented a cloud-first strategy, replacing many of our legacy enterprise applications with evergreen SaaS solutions. Our primary cloud platform, Microsoft Azure, serves as the foundation for building and running innovative solutions.

Analytics and data science are at the heart of our offerings, and data and information management is a key capability of the Digital Directorate.

Scottish Water is also modernising our network offerings, adopting a software-defined network approach. To meet emerging business, customer, and regulatory demands, we require a digital supply chain that facilitates rapid solution delivery while supporting the ongoing maintenance and modernisation of our infrastructure. We adhere to industry best practices, ensuring compliance with data and technology regulations applicable to a public body in the water sector, a critical component of national infrastructure.

The convergence of IT, Smart IoT Technology, and Operational Technology (OT) is accelerating. Our assets are increasingly connected to the internet through a growing array of sensors, offering opportunities to enhance services, improve data analytics, and reduce costs and carbon emissions via an intelligent asset base. Compliance with regulatory

standards, is essential and supplier partnerships that seamlessly integrate these complex digital innovations with engineering practices across capital investments are crucial.

Scottish Water seeks supplier partnerships that operate at scale, with extensive experience and expertise. We value suppliers who can manage a broad supply chain and engage with niche providers as needed. Our partners should be integrators and expert advisers in AI, automation, digital twins, and other relevant technologies.

We aim to establish relationships with partners who have strategies supporting modern engineering practices like Platform Engineering, DevOps, CI/CD, Automation, Software Defined Networking, Zero Trust, and IT/OT convergence, ensuring secure technology transformation.

Scottish Water is inviting partners to collaborate with us in the following areas, which align with the offerings we will present to the market:

Networks & Security (Master Service Agreement)

Our preference is for converged network and security services in line with our approach to exploit software defined networking. Bidders with capabilities in security services or network services only are however encouraged to pre-qualify. Scottish Water will determine direction on converged or discrete services post PQQ. Bidders for these lots will be assessed on their ability to deliver change projects.

This category also includes a requirement for interim on-premises data centre support. However, the specific arrangements for this will be decided after the PQQ process, and bidders without data centre support capabilities will not be at a disadvantage.

Applications Management (Master Service Agreement)

Service includes applications management for core line of business (LOB) applications along with a service that supports business critical Azure cloud applications, integrations and analytics solutions, along with the enterprise-scale platform they consume. We also require a service that supports our M365 platform and its components. Bidders may pre-qualify across all Lots under this service or select the LOB services only or the Microsoft Azure and M365 support services only.

Scottish Water are considering insourcing the Service Desk function, but remain interested in the opportunities that the market can offer before finalising decision.

II.1.5) Estimated total value

Value excluding VAT: £230,000,000

II.1.6) Information about lots

This contract is divided into lots: Yes

Tenders may be submitted for all lots

Maximum number of lots that may be awarded to one tenderer: 1

II.2) Description

II.2.1) Title

Azure Products & M365 services

Lot No

2B

II.2.2) Additional CPV code(s)

- 72222300 - Information technology services

II.2.3) Place of performance

NUTS codes

- UKM - Scotland

Main site or place of performance

Scotland

II.2.4) Description of the procurement

Scottish Water is seeking partners who have capability in managing digital and data products that have been built iteratively using CI/CD principles in an Azure DevOps environment. Some of these products require a level of support (break-fix) outside of what our internal DevOps team can offer.

We are also seeking expert capability in managing the M365 platform supporting internal teams implementing best practice and utilising the platform to its full capability whilst managing platform costs, data compliance and risk.
To effectively support our cloud and M365 initiatives, we seek partners who can meet the

following requirements:

- **Azure Proficiency:** Deep understanding of Azure services, including Infrastructure-as-Code (Bicep), Azure landing zones, and Databricks.
- **Integration and Automation:** Proven experience with Power Automate and integration standards, templates and patterns specifically using Azure Integration Services.
- **Legacy Migration:** Capability to assist in migrating legacy applications to the new Azure platform, addressing challenges with IaaS and previous generation technologies.
- **Pro-Code and Low-Code Development:** Ability to support both pro-code and low-code development within the Azure and M365 environments.
- **Citizen Development Support:** Experience in fostering and managing citizen developer ecosystems, ensuring proper guardrails and quality control.
- **Cloud Enablement:** Commitment to driving cloud adoption and DevOps practices across the organisation.
- **24x7 Support:** Provide 24x7 support for our Azure Landing Zones as well as critical applications and services built upon them to ensure the continuous operation and reliability of digital platforms.
- **Collaboration:** Collaborate closely with in-house teams to provide added value and expertise, constantly challenging our thinking by staying abreast of new and emerging technologies and showcasing these as appropriate.
- **Productivity:** Enhance productivity and efficiency through the implementation of best practices and innovative solutions.

The provision of project delivery services as may be required from time to time by Scottish Water, these services where required will be commissioned through a work order contract.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £15,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

96

This contract is subject to renewal

Yes

Description of renewals

The MSAs will be awarded for an initial term of 4 years with up to 4 years worth of extension options (split into 2x2 year terms) available at the sole discretion of Scottish Water. The total MSA contract duration will be for a maximum term of 8 years.

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged minimum number: 3

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

II.2) Description

II.2.1) Title

Combined Line of Business & Azure Application Management

Lot No

2C

II.2.2) Additional CPV code(s)

- 72222300 - Information technology services

II.2.3) Place of performance

NUTS codes

- UKM - Scotland

Main site or place of performance

Scotland

II.2.4) Description of the procurement

This Lot brings together services for LOB applications management services, Azure & Microsoft 365 services to be delivered by one partner.

Applications management LOB as described in Lot 2A should be considered in the scope of this combined service.

Service desk as described in Lot 2A should be considered in the scope of this service.

Azure and M365 services as described in Lot 2B should be considered in the scope of this service.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £100,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

96

This contract is subject to renewal

Yes

Description of renewals

The MSAs will be awarded for an initial term of 4 years with up to 4 years worth of extension options (split into 2x2 year terms) available at the sole discretion of Scottish Water. The total MSA contract duration will be for a maximum term of 8 years.

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged minimum number: 3

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

II.2) Description

II.2.1) Title

Converged Networks and Security Operations

Lot No

1C

II.2.2) Additional CPV code(s)

- 72222300 - Information technology services

II.2.3) Place of performance

NUTS codes

- UKM - Scotland

Main site or place of performance

Scotland

II.2.4) Description of the procurement

As we adopt cloud applications and services, along with software defined networking and virtual cloud-managed firewalls, we see a natural convergence between network and security operations and are looking for partners who can provide alignment and scalability of a UK-based network and security operations centre which will work closely with Scottish Water on the management and resolution of all aspects of networks and security in IT and OT functions.

Network services as described in Lot 1A should be considered in the scope of this combined service

Data centre services as described in Lot 1A should be considered in the scope of this service.

Security services as described in Lot 1B should be considered in the scope of this service.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £130,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

96

This contract is subject to renewal

Yes

Description of renewals

The MSAs will be awarded for an initial term of 4 years with up to 4 years worth of extension options (split into 2x2 year terms) available at the sole discretion of Scottish Water. The total MSA contract duration will be for a maximum term of 8 years.

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged minimum number: 3

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

II.2) Description

II.2.1) Title

Line of Business Applications

Lot No

2A

II.2.2) Additional CPV code(s)

- 72222300 - Information technology services

II.2.3) Place of performance

NUTS codes

- UKM - Scotland

Main site or place of performance

Scotland

II.2.4) Description of the procurement

Scottish Water has invested over the current regulatory cycle in removing its dependence on legacy, on-premises applications with a strategy to move to SaaS for LOB enterprise applications. This has been mostly achieved with the exception of a small number of outlying applications that will continue to be hosted on IaaS in the short to medium term. Some business applications may remain hosted in our data centres for between 1 and 3 years from the outset of this contract. These may include the following, amongst others, and we expect

the applications management service to extend to these whether on-prem or hosted in Azure under an IaaS model:

- Labs Information Management System from Labware
- Open Enterprise Telemetry System from Emerson
- Geospatial Management System from ERSI

Our SaaS applications estate includes MS Dynamics 365 for CRM, Salesforce for Field Services, Oracle Fusion (Financials) Workday (HCM), Oracle CCB (Billing) Oracle Primavera (Capital Investment), ERSI GIS (geospatial) and IBM Maximo (asset management) amongst others. There are other applications that are plug ins to the main technologies, common to similar organisations. LOB applications management is accountable for transaction and data flow through the applications estate as well as the management of the individual applications.

As we transition towards a new Application Management Service model by September 2026, we aim to significantly enhance the efficiency and reliability of our application management.

The Application Management Partner will be required to:

- Deliver services such as proactive and preventative maintenance
- Provide front-line functional support
- Ensure fast, high-quality responses to improve customer service and satisfaction
- Aim to minimise incidents that disrupt business processes
- Operate with a commitment to "Zero Preventable Incidents"
- Handle all IT-related incidents and requests with full ownership
- Profile and reduce service desk tickets over time by implementing solutions to mitigate the need for tickets
- Manage applications and analytics built under DevOps principles, offering support beyond the DevOps team's capabilities
- Provide expert management of the M365 platform, supporting internal teams with best practices and utilizing the platform fully while managing data compliance and risk

The Service Desk Partner will be required to:

- Understand the context of incidents to make informed decisions quickly
- Address key improvement needs unmet by existing shared services
- Include a resilient, multi-channel Customer Service Hub
- Provide proactive, seamless support with necessary skills and experience across all channels
- Offer services encompassing proactive maintenance
- Deliver front-line support
- Communicate effectively about system outages

Project and Product Delivery Services

As a key supplier you will have access to providing competitive programme, project and product Delivery Services. These will include:

- Choose the best delivery model: Waterfall, Agile, Lean, or DevOps for efficient delivery

- Develop value propositions aligned with outcomes and objectives to secure funding
- Design initiatives that meet Scottish Water standards and policies
- Build secure, compliant solutions fulfilling strategic goals
- Test solutions thoroughly, using automated testing for defect-free results
- Launch new releases into production under Change/Release Management

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £85,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

96

This contract is subject to renewal

Yes

Description of renewals

The MSAs will be awarded for an initial term of 4 years with up to 4 years worth of extension options (split into 2x2 year terms) available at the sole discretion of Scottish Water. The total MSA contract duration will be for a maximum term of 8 years.

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged minimum number: 3

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

II.2) Description

II.2.1) Title

Networks Operations

Lot No

1A

II.2.2) Additional CPV code(s)

- 72222300 - Information technology services

II.2.3) Place of performance

NUTS codes

- UKM - Scotland

Main site or place of performance

Scotland

II.2.4) Description of the procurement

During the next contract period there will be clear areas of crossover with the SOC function, supporting Scottish Water ambition to merge the NOC and SOC functions.

The network operations function will be required to:

- Oversee WAN connectivity across the estate, managing services from fixed, cellular, and satellite providers
- Handle LAN connectivity, ensuring routing, switching, and wireless services. Utilise WLAN tools for optimal user experiences, supporting QoS and SLA monitoring
- Facilitate Scottish Water's transition to SDWAN, managing edge connectivity and devices alongside security services
- Ensure network availability through hardware lifecycle management, compliance, and innovation
- Support transitional projects in legacy data centres and office LANs until the Network

Strategy Execution project completes

- Manage inbound number routing for contact centres and Teams voice, and monitor VoIP devices as needed
- Maintain internal and external IP networking schemes
- Provide management for Westermo routers and other communication devices at the control centre
- Oversee lifecycle management for firewall, gateway, and load balancing in the cloud OT domain, coordinating with SOC on security
- Manage VPN provisioning and act as Certificate Authority, moving away from PSK certificates
- Ensure NOC understands the operational impact and response to OT network incidents
- Support ICC and field services teams in network and communication coordination
- Manage point-to-point communication technologies, engaging in replacement projects
- Assist remote users in accessing Scottish Water applications and maintain Secure Remote Access platforms
- Oversee services connecting loggers, IoT devices, and smart meters to OT applications, managing device lifecycles
- Provide regular network performance and incident reports to meet regulatory obligations
- Ensure network availability across Scottish Water environments, enforcing SLAs with carrier providers

Data Centre – support service outcomes

The objective of ongoing data centre managed services is to provide the following outcomes:

- Operate and maintain highly resilient infrastructure to support Scottish Water's on-premise business systems and applications;
- Ensure all data, systems and applications are highly available and resilient;
- Maximise availability, quality, integrity and efficiency across Scottish Water's hybrid data centre platform and support migration to cloud;
- Ensure all data, systems and applications are backed up and can be recovered in the event of disaster, highlighting those that cannot alongside possible mitigating recommendations;
- Managed capacity and performance in alignment with Scottish Water requirements;
- Maintain the security and availability profile required to support Scottish Water regulatory obligations;
- Ensure Scottish Water's infrastructure is operating cost effectively. In the case of hardware and firmware, this may require operation outside of manufacturer support on an informed risk/benefit basis.

The provision of project delivery services as may be required from time to time by Scottish Water, these services where required will be commissioned through a work order contract.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £75,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

96

This contract is subject to renewal

Yes

Description of renewals

The MSAs will be awarded for an initial term of 4 years with up to 4 years worth of extension options (split into 2x2 year terms) available at the sole discretion of Scottish Water. The total MSA contract duration will be for a maximum term of 8 years.

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged minimum number: 3

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

II.2) Description

II.2.1) Title

Security Operations

Lot No

1B

II.2.2) Additional CPV code(s)

- 72222300 - Information technology services

II.2.3) Place of performance

NUTS codes

- UKM - Scotland

Main site or place of performance

Scotland

II.2.4) Description of the procurement

The following is an outline of Scottish Waters key requirements, present and future, for the Security Service. The Security Partner candidate should consider all points in this section as part of their response.

- Support Scottish Water in meeting multiple regulations, including those related to technology, cybersecurity and data regulation. To meet these challenges, we not only require strong governance, risk and compliance systems an but robust technological solutions and dedicated strategic support. Any Digital Partner is required to support Scottish Water to not only comply with and improve our regulatory compliance but also to detect and mitigate potential security risks
- Operate in an ISO/IEC 27001 and where appropriate an ITIL compliant manner, and use ISO/IEC 27001 compliant processes to deliver a security services environment focussed on protecting Scottish Water and promoting effectiveness and efficiency;
- Clearly define responsibilities and accountabilities and ensure processes are streamlined and/or automated and hand offs are minimised;
- Ensure there is an integrated approach to security Incident management across the Services which supports a coordinated approach to continual improvement and innovation which drives Incident prevention and high levels of Services availability;
- Develop a relationship with the other Digital Partners, Frameworks and third party suppliers that shall promote security co-operation and co-ordination through effective knowledge management and sharing;

- Provide security service delivery models that provide service and commercial flexibility;
- Proactively propose, within an agreed process, service and technology innovation and identify opportunities for continuous improvement in the delivery of the Security Services;
- Play a key role in the Scottish Water Change Management Procedures, providing reasonable support to Scottish Water to ensuring that approved security changes are effectively tested, prioritised, planned and released through all environments through development, test and into production and business continuity;
- Directly manage third party supplier warranties detailed within software schedules or specified in the Agreement or any Work Orders;
- Work closely with the other Digital Partners and Frameworks providers to enable the Security Management Partner to achieve an overall view of the security, health and performance of the technology estate and services. ;
- Proactively advise and contribute to Scottish Water's future thinking and help to shape the Security Services to meet new demand and leverage industry best practice and strategic direction for the benefit of Scottish Water.
- Support Scottish Water's functions and business units in exploiting new innovative technologies such as Internet of Things (IoT) devices, sensors, smart meters, intelligent networks etc which are capable of real-time monitoring and control. In supporting the development of these technologies, the Security Partner helps us to ensure that they are based on strong secure by design principles and governance, allowing data, analytics and control benefits of these systems to be fully realised.
- Scottish Water expects the Security Partner to carry regular reviews of the service with Digital and provide security and performance reports, in order to understand areas of focus and improvement.
- To support the service, Scottish Water expects the Security Partner to provide appropriately skilled and effective people resources.

The provision of project delivery services as may be required from time to time by Scottish Water, these services where required will be commissioned through a work order contract.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £55,000,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

96

This contract is subject to renewal

Yes

Description of renewals

The MSAs will be awarded for an initial term of 4 years with up to 4 years worth of extension options (split into 2x2 year terms) available at the sole discretion of Scottish Water. The total MSA contract duration will be for a maximum term of 8 years.

II.2.9) Information about the limits on the number of candidates to be invited

Envisaged minimum number: 3

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.2) Economic and financial standing

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

Selection criteria as stated in the procurement documents

III.1.4) Objective rules and criteria for participation

List and brief description of rules and criteria

See Procurement Documentation for further information.

III.2) Conditions related to the contract

III.2.2) Contract performance conditions

See Procurement Documents for further information.

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Negotiated procedure with prior call for competition

IV.1.3) Information about a framework agreement or a dynamic purchasing system

The procurement involves the establishment of a framework agreement

Framework agreement with several operators

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

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

28 April 2025

Local time

12:00pm

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.2) Information about electronic workflows

Electronic ordering will be used

Electronic invoicing will be accepted

Electronic payment will be used

VI.3) Additional information

To access this opportunity, please register using the following link :

https://atamis-scottishwater.my.salesforce-sites.com/ProSpend_CS_PublicLandingPage?SearchType=Projects

VI.4) Procedures for review

VI.4.1) Review body

Glasgow Sheriff Court

1 Carlton Place

Glasgow

G5 9DA

Country

United Kingdom

VI.4.2) Body responsible for mediation procedures

Scottish Water

The Bridge, 6 Buchanan Gate, Stepps

Glasgow

G33 6FB

Email

help@scottishwater.co.uk

Country

United Kingdom

Internet address

<https://www.scottishwater.co.uk/>