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Contract

Wholesaler/Retailer Risk Allocation Model

The Water Services Regulation Authority

UK7: Contract details notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2026/S 000-013577

Procurement identifier (OCID): ocds-h6vhtk-065444

Published 13 February 2026, 4:01pm

Scope

Reference

PROC.0195

Description

Undertake modelling work and produce quantitative models of the costs and risks of different credit and collateral arrangements in the business retail market, together with supporting documentation.

The Supplier shall provide the following Deliverables to the Customer as part of the Services:

(1) Review the 2016 model of credit support costs to understand principal inputs, outputs and parameters, taking into account any relevant feedback Ofwat may have received regarding that modelling and updates to the modelling documentation. This shall be a Word document.

(2) Develop and produce an understanding of prepayment and post payment timelines

regarding Retailer payments to Wholesalers, as specified under the Wholesaler Retailer Code The Supplier shall provide the following Deliverables to the Customer as part of the Services:

(1) Review the 2016 model of credit support costs to understand principal inputs, outputs and parameters, taking into account any relevant feedback Ofwat may have received regarding that modelling and updates to the modelling documentation. This shall be a Word document.

(2) Develop and produce an understanding of prepayment and post payment timelines regarding Retailer payments to Wholesalers, as specified under the Wholesaler Retailer Code (WRC) business terms (WRC Schedule 1 Part 2 Business terms §9 Billing and terms of payment - Available at: Market Codes - MOSL).

(3) Develop and produce a quantitative model of impacts on and costs for a Retailer of providing different levels of collateral, under the payment timetables established in step (2). Principal costs should include the costs working capital and collateral. Modelling work should include sensitivities to four credit options. This shall be an Excel model.

(4) Develop and produce a quantitative model of risk exposure and costs for a Wholesaler under different credit options. Sensitivities should include Retailer collateral provided as a proportion of a Wholesaler's total exposure, probability of Retailer default, and four credit options. This shall be an Excel model.

(5) Write guidance documentation to explain and accompany both models, with a view to enabling external stakeholders and interested parties to understand and comment on the models and modelling assumptions. This shall be a Word document.

Modelling work is to be carried in collaboration with Ofwat and relevant interim support. The quantitative models must be of a sufficient standard and robustness to be published on the Ofwat website.

Contract 1

Supplier

- Cubelynx Limited

Contract value

- £50,000 excluding VAT
- £60,000 including VAT

Below the relevant threshold

Date signed

19 November 2025

Contract dates

- 28 November 2025 to 31 March 2026
- Possible extension to 31 August 2026
- 9 months, 3 days

Description of possible extension:

The Customer reserves the right to extend [or modify] the Agreement by contract duration and/or contract cap up to an additional 50% of the original value under the conditions set out in Regulations 74(1)(c) and 74(4)(b) (meaning of 'below-threshold modification') of the Procurement Act 2023.

Estimated extension end date provided but may not be taken up.

Main procurement category

Services

CPV classifications

- 79400000 - Business and management consultancy and related services

Contract locations

- UKC - North East (England)
- UKD - North West (England)
- UKE - Yorkshire and the Humber
- UKF - East Midlands (England)
- UKG - West Midlands (England)
- UKH - East of England
- UKI - London
- UKJ - South East (England)
- UKK - South West (England)

Procedure

Procedure type

Below threshold - without competition

Supplier

Cubelynx Limited

- Companies House: 11853530

3 Waterhouse Square

138-142 Holborn, LONDON

EC1N 2SW

United Kingdom

Email: info@cubelynx.com

Website: <https://cubelynx.com/>

Region: UKI31 - Camden and City of London

Small or medium-sized enterprise (SME): Yes

Voluntary, community or social enterprise (VCSE): No

Contract 1

Contracting authority

The Water Services Regulation Authority

- Public Procurement Organisation Number: PPCX-7855-VXBT

Ofwat, Centre City Tower, 7 Hill Street

Birmingham

B5 4UA

United Kingdom

Email: procurement@ofwat.gov.uk

Website: <http://www.ofwat.gov.uk>

Region: UKG31 - Birmingham

Organisation type: Public authority - central government