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Tender

## **PRO004337-Works-Contract-Haweswater Aqueduct Resilience Programme**

United Utilities Water Limited

F05: Contract notice – utilities

Notice identifier: 2022/S 000-016815

Procurement identifier (OCID): ocids-h6vhtk-03379c

Published 20 June 2022, 2:12pm

### **Section I: Contracting entity**

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

United Utilities Water Limited

Lingley Mere Business Park

Warrington

WA5 3LP

#### **Email**

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

#### **Country**

United Kingdom

#### **NUTS code**

UKD - North West (England)

#### **National registration number**

02366678

**Internet address(es)**

Main address

<http://www.unitedutilities.com>

Buyer's address

<https://uk.eu-supply.com/ctm/Company/CompanyInformation/Index/43984>

**I.3) Communication**

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

[https://uk.eu-supply.com/app/rfq/rwlenrance\\_s.asp?PID=42170&B=UNITEDUTILITIES](https://uk.eu-supply.com/app/rfq/rwlenrance_s.asp?PID=42170&B=UNITEDUTILITIES)

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

[https://uk.eu-supply.com/app/rfq/rwlenrance\\_s.asp?PID=42170&B=UNITEDUTILITIES](https://uk.eu-supply.com/app/rfq/rwlenrance_s.asp?PID=42170&B=UNITEDUTILITIES)

Tenders or requests to participate must be submitted to the above-mentioned address

**I.6) Main activity**

Water

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**Section II: Object**

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

**II.1.1) Title**

PRO004337-Works-Contract-Haweswater Aqueduct Resilience Programme

Reference number

PRO004337

**II.1.2) Main CPV code**

- 45000000 - Construction work

**II.1.3) Type of contract**

Works

**II.1.4) Short description**

United Utilities Water Limited (UU) proposes to deliver a scheme titled Haweswater Aqueduct Resilience Programme (HARP DPC Project) via Ofwat's Direct Procurement for Customers (DPC) approach, engaging a Competitively Appointed Provider (CAP) to design, build, finance and maintain this major water resilience supply project.

The HARP DPC Project comprises the replacement of 6 tunnel sections of the existing Haweswater Aqueduct (HA), connections to existing multiline siphons between the tunnel sections and associated facilities. It also includes the commissioning and ongoing maintenance of those works for a period of approximately 25 years after completion.

Due to the complexity and profile of the HARP DPC Project, the precise detail of the underlying technical regime remains in development as at the date of this contract notice.

**II.1.5) Estimated total value**

Value excluding VAT: £1,750,000,000

**II.1.6) Information about lots**

This contract is divided into lots: No

**II.2) Description****II.2.2) Additional CPV code(s)**

- 43123000 - Tunnelling machinery
- 43320000 - Construction equipment
- 45221000 - Construction work for bridges and tunnels, shafts and subways
- 45221200 - Construction work for tunnels, shafts and subways
- 45221240 - Construction work for tunnels
- 45221247 - Tunnelling works

- 45231300 - Construction work for water and sewage pipelines
- 45233000 - Construction, foundation and surface works for highways, roads
- 45350000 - Mechanical installations
- 50000000 - Repair and maintenance services
- 63712320 - Tunnel operation services
- 65100000 - Water distribution and related services
- 65320000 - Operation of electrical installations
- 66100000 - Banking and investment services
- 66122000 - Corporate finance and venture capital services
- 71000000 - Architectural, construction, engineering and inspection services
- 71242000 - Project and design preparation, estimation of costs
- 71322000 - Engineering design services for the construction of civil engineering works
- 71500000 - Construction-related services
- 71540000 - Construction management services
- 71541000 - Construction project management services

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

NUTS codes

- UKD - North West (England)

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

Works and services for delivering the HARP DPC Project are set out in the 'additional information' section.

Project agreement - The CAP will be appointed under a bespoke project agreement with UU, the term of the project agreement will be 25 years, plus a construction period. Further details are included in the project agreement.

Structure of the CAP - The tender process is designed to accommodate the participation of multi-party consortia, alongside other participants. Further details are included in the tender documents.

Independent Technical Advisor - Assurance for UU and customers under the project agreement will be provided by an Independent Technical Advisor (ITA) and Approved Assurer (AA). The ITA and AA will be appointed through a separate procurement process.

Bid costs - UU will pay a contribution to the tender process costs incurred by each of the unsuccessful bidders, terms of where this is due are included in the tender documents. Please note that the proposed payment of a contribution to the costs of an unsuccessful bidder is included in this tender process in recognition of the unique nature of the HARP DPC Project. It is not intended to set a precedent for future UU (or any other DPC) tender processes.

Planning - Planning submissions have been made by UU for the whole of the HARP DPC Project and UU currently anticipates that the outcome for each planning determination will achieve a consent from the relevant local planning authority prior to the submission of Final Tenders by the bidder however, it should be noted that the works on all six initial tunnel sections remain subject to planning determinations and the actual timing of receipt of these is beyond the direct control of UU. Whilst not currently anticipated, the failure of the planning determinations to grant the necessary consents (as sought by UU), or a significant delay to the planning determination, could make it impossible or not feasible to carry out and complete the works on a tunnel section. In those circumstances, UU may elect to remove one or more of the initial six tunnel sections from the scope of the HARP DPC Project, but reserves the right to continue with the procurement process on the basis of the reduced scope. This would have the effect of reducing both the scale and the value of the HARP DPC Project. Any such reduction would be confirmed to the short-listed bidders prior to the submission of final tenders. Further details are included in the tender documents. Please note that the questions in both the Pre-Qualification Questionnaire (PQQ) and the Invitation to Negotiate (ITN) are designed to be equally applicable (in terms of, respectively, setting appropriate pre-qualification requirements and identifying the most economically advantageous tender) where the scope of the HARP DPC Project is reduced in this way. UU does not, therefore, anticipate that the removal of any one or more of the tunnel section(s) from the scope would necessitate the re-running of the PQQ stage or any material changes to the submission requirements and evaluation criteria in the ITN.

Access to documents - Interested parties will be able to access the suite of tender documents on the electronic tendering portal (EU Supply) including;

PQQ and associated appendices

ITN and associated appendices and forms

Project agreement and schedules

Other supporting documents

UU standards and specification will be held on the UU Data Room, interested parties contact UU via the messaging tool on EU Supply in order to be granted access to view these documents.

Further information regarding the Ofwat methodology for DPC and HARP's designation as a DPC project can be viewed via the following links.

<https://www.ofwat.gov.uk/wp-content/uploads/2017/12/Appendix-9-Direct-procurement-FM.pdf>

<https://www.ofwat.gov.uk/publication/direct-procurement-for-customers-project-designation-direction-issued-to-united-utilities-harp-scheme>

#### **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: £1,750,000,000

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

Duration in months

400

This contract is subject to renewal

No

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

Envisaged number of candidates: 3

Objective criteria for choosing the limited number of candidates:

UU will be utilising the negotiated procedure with prior call for competition and intends to award the entire scope of the HARP DPC Project to a single CAP.

In order to appoint a CAP, UU will run a procurement process made up of a series of stages. As part of the PQQ UU will set selection criteria which will be used to determine a bidder's suitability to be shortlisted to the next stage of the procurement (the ITN).

UU intends to issue the ITN to three applicants (selected on the basis of the highest scores from the PQQ stage). The applicant with the fourth highest score will be held as a reserve bidder for thirty days (or such period extended at UU's discretion) from the formal issue of the ITN to the applicants successfully shortlisted. The reserve bidder will be added to the shortlist in the event one of the top three highest scoring shortlisted bidders drops out within the thirty day period (or longer, as applicable).

#### **II.2.10) Information about variants**

Variants will be accepted: No

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

Options: Yes

Description of options

The parties (UU and CAP) may agree (in their absolute discretion) to extend the project term (by up to 10% of the project term) by agreeing to amend the expiry date. Such agreement shall be in writing, and include any changes to the project agreement to account for the extension as agreed by the parties and may also be subject to Ofwat's prior approval.

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

Disclaimer - This notice shall not have contractual effect between UU and any other person. The tender process that is launched by this notice is subject to the rights of UU as set out in the tender documents. Without limiting that, UU reserves the right not to enter into the project agreement, or any other contract or arrangement, pursuant to this tender process or at all.

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## **Section III. Legal, economic, financial and technical information**

### **III.1) Conditions for participation**

#### **III.1.1) Suitability to pursue the professional activity, including requirements relating to enrolment on professional or trade registers**

List and brief description of conditions

Please refer to procurement documents

#### **III.1.2) Economic and financial standing**

List and brief description of selection criteria

Please refer to procurement documents

Minimum level(s) of standards possibly required

Please refer to procurement documents

#### **III.1.3) Technical and professional ability**

List and brief description of selection criteria

Please refer to procurement documents

Minimum level(s) of standards possibly required

Please refer to procurement documents



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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Negotiated procedure with prior call for competition

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

The procurement is covered by the Government Procurement Agreement: No

### **IV.2) Administrative information**

#### **IV.2.1) Previous publication concerning this procedure**

Notice number: [2022/S 000-012542](#)

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

Date

17 August 2022

Local time

12:00pm

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

English

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## **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**

The HARP DPC Project comprises:

- (a) design, construction, testing and commissioning of the works;
- (b) planned and corrective maintenance, including lifecycle maintenance, of the assets following the completion of each section of the tunnel;
- (c) the project management of these activities; and
- (d) financing of the activities

The works and services for delivering the HARP DPC Project includes (but not limited to):

- (a) The coordination of all design, construction, commissioning of works, implementation, and project management at all sites
- (b) management of limiting environmental impact to local communities
- (c) securing land and property rights
- (d) obtaining and complying with all consents (including s.106 Agreements)
- (e) compliance with all requirements with respect to biodiversity net gain
- (f) design, construction, commissioning, implementation, testing & inspection of the works
- (g) provision of all utilities and services necessary for the permanent operation of the new

aqueduct, including activation any associated connection fees

(h) surveys, monitoring, and instrumentation works and services

(i) studies, investigations, and assessments

(j) reinstatement of all utilities, highways, footpaths, and hardstanding outside of the worksite that are damaged or temporarily modified during construction of the works

(k) engagement with stakeholders, local communities and third parties impacted by the HARP DPC Project (with listed exceptions) including complaints resolution

(l) provision of workforce occupational health services and well-being programmes

(m) ancillary activities necessary to ensure that the works and services are carried out in accordance with good industry practice

(n) protection and maintenance of the works through construction, testing and commissioning periods

(o) provision of as-built construction records, operation and maintenance documentation and other documentation for the HARP DPC Project

(p) provision of warranties and collateral warranties for plant and materials

(q) provision of temporary works to deliver the HARP DPC Project

(r) undertaking acceptance tests

(s) provision of all elements required for operational and maintenance access

(t) securing deeds of easement and rights of access along the entire length of the new HA tunnelled sections

(u) monitoring the impact of the works on private water supplies and arranging the provision of alternative water supplies where required

(v) provision of all other required works, services and activities required for specified operating techniques, parameters and restraints and water quality standards.

With specific reference to the estimated value stated in II.2.6, the HARP DPC Project has a current estimated cost for construction of 1750000000.00 GBP using forecast outturn prices. In this context, the “forecast outturn prices” means the anticipated construction costs excluding any compensation events, the amount being in current prices and

including a forecast cost for inflation or indexation of construction costs / charges during the construction period. The stated value excludes: (a) costs of capital, including the costs of debt finance and any return on equity capital; (b) non-construction related costs including ongoing maintenance costs; and (c) inflation or indexation of the unitary charge.

With specific reference to the estimated duration stated in II.2.7, this is the assumed total number of months between the anticipated contract award date and expiry date of the project agreement, which is based on a baseline programme for the initial design. This programme assumes a period of 100 months from anticipated contract award to final works completion (completion of the last tunnel section) and a period of 300 months (i.e. 25 years) from final works completion until the expiry date.

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

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

High Court of England & Wales

City of Westminster

London

Country

United Kingdom