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Opportunity

Biogas upgrade and offtake, Knostrop and Blackburn Meadows

YORKSHIRE WATER SERVICES LIMITED

F05: Contract notice – utilities

Notice reference: 2021/S 000-023459

Published: 21 September 2021, 1:45pm

Section I: Contracting entity

I.1) Name and addresses

YORKSHIRE WATER SERVICES LIMITED

Western House, Western Way, Buttershaw

BRADFORD

BD62SZ

Contact

Ken Gaffney

Email

Kenneth.Gaffney@yorkshirewater.co.uk

Telephone

+44 7971967518

Country

United Kingdom

NUTS code

UKE - Yorkshire and the Humber

Internet address(es)

Main address

www.yorkshirewater.com

I.3) Communication

Access to the procurement documents is restricted. Further information can be obtained at

www.yorkshirewater.com

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

www.yorkshirewater.com

I.6) Main activity

Water

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Biogas upgrade and offtake, Knostrop and Blackburn Meadows

II.1.2) Main CPV code

- 45255800 - Gas-production plant construction work

II.1.3) Type of contract

Works

II.1.4) Short description

Yorkshire Water Services Limited ("YWS") is seeking to enter agreements for the sale of all biogas produced through its anaerobic digestion ("AD") processes at its Knostrop wastewater treatment works, in Leeds, (Lot 1) and Blackburn Meadows wastewater treatment works in Sheffield (Lot 2).

II.1.6) Information about lots

This contract is divided into lots: Yes

Tenders may be submitted for all lots

II.2) Description

II.2.1) Title

Knostrop

Lot No

1

II.2.2) Additional CPV code(s)

- 45100000 - Site preparation work

- 45231100 - General construction work for pipelines
- 45231223 - Gas distribution ancillary work

II.2.3) Place of performance

NUTS codes

- UKE - Yorkshire and the Humber

II.2.4) Description of the procurement

Yorkshire Water Services Limited ("YWS") is seeking to enter agreements for the sale of all biogas produced through its anaerobic digestion ("AD") processes at its Knostrop wastewater treatment works in Leeds.

The agreements will be on a design, build, finance, operate and maintain ("DBFOM") basis, and will require the development of a biogas upgrading facility on leased land within the site. YWS anticipates that the appointed partner can obtain greatest value from using the upgraded biogas for biomethane-based road transport fuel sales and the generation of renewable transport fuel certificates ("RTFCs").

Knostrop wastewater treatment works hosts a large AD facility, historically producing 14-15 million Normal Cubic Meters ("Nm3") of biogas annually, which is presently used in combined heat and power ("CHP") engines. Following installation, all biogas produced will instead be directed to the biogas upgrading facility.

Note, biogas volumes may increase or decrease due to operational performance, environmental schemes being undertaken and external factors. Annual production figures are not guaranteed.

The required capital works is anticipated to include installation of biogas pre-treatment, an upgrading facilities and gas export infrastructure at the site. The subsequent operational period will be managed by the appointed partner and is anticipated to include operation and maintenance of the biogas upgrading and export facilities, with responsibility for all activity downstream. YWS therefore anticipates that the appointed partner will enter into sub-contracting agreements as needed to provide a complete DBFOM solution for YWS.

The procurement process will launch in Autumn 2021, with a Spring 2022 target completion date. YWS seeks that successful commissioning and operation of the biogas upgrading facility will be achieved as soon as possible, but no later than 1 April 2024.

To express your interest please email Kenneth.gaffney@yorkshirewater.co.uk with full contact details including phone, email and postal address for the individual who will be the primary contact for future correspondence. Bidders will be required to register with the Ariba

Sourcing platform to participate in this requirement. All bidders will be required to agree and sign a Bidder Agreement as well as an Ariba Engagement Policy, which will be available via the Ariba Sourcing platform once registered. This is a mandatory requirement before receipt of any further documentation.

YWS is not bound to (and makes no representation or other commitment that it will) award any contract (nor enter into any other arrangement) as a result of the procurement process to which this notice relates, and reserves the right (subject to compliance with its legal obligations) to discontinue or change the procurement process at any time.

YWS will not be liable for any costs, expenditure, work or effort incurred by any person in responding to this notice or proceeding with or participating in the procurement process, including if the procurement process is discontinued or changed by YWS.

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

180

This contract is subject to renewal

Yes

Description of renewals

Possibility to extend 5 years beyond initial term

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.14) Additional information

Please note it is anticipated that the contract can generate c£130m revenue over the 15-year term. This revenue estimate is based on utilising all biogas for renewable transport fuel production, and assumes upgraded biogas sales realise £0.30/kg and RTFCs (generated from renewable fuel production) are sold at £0.30 per RTFC. Indexation is assumed to be 2% p.a.

Bidders should note that this is an estimated value only and they are required to make their own assumptions regarding all relevant prices and costs.

II.2) Description

II.2.1) Title

Blackburn Meadows

Lot No

2

II.2.2) Additional CPV code(s)

- 45100000 - Site preparation work
- 45231100 - General construction work for pipelines
- 45231223 - Gas distribution ancillary work

II.2.3) Place of performance

NUTS codes

- UKE - Yorkshire and the Humber

II.2.4) Description of the procurement

Yorkshire Water Services Limited ("YWS") is seeking to enter agreements for the sale of all biogas produced through its anaerobic digestion ("AD") processes at its Blackburn Meadows wastewater treatment works in Sheffield.

The agreement will be on a design, build, finance, operate and maintain ("DBFOM") basis, and will require the development of a biogas upgrading facility on leased land within the site.

YWS anticipates that the appointed partner can obtain greatest value from using the upgraded biogas for biomethane-based road transport fuel sales and the generation of renewable transport fuel certificates ("RTFCs").

Blackburn Meadows wastewater treatment works hosts a large AD facility, historically producing 6-7 million ("Nm³") of biogas annually, which is presently used in combined heat and power ("CHP") engines. Following installation, all biogas produced will instead be directed to the biogas upgrading facility.

Note, biogas volumes may increase or decrease due to operational performance, environmental schemes being undertaken and external factors. Annual production figures are not guaranteed.

The required capital works is anticipated to include installation of biogas pre-treatment, an upgrading facility and gas export infrastructure at the site. The subsequent operational period will be managed by the appointed partner and is anticipated to include operation and maintenance of the biogas upgrading and export facilities, with responsibility for all activity downstream. YWS therefore anticipates that the appointed partner will enter into sub-contracting agreements as needed to provide a complete DBFOM solution for YWS.

The procurement process will launch in Autumn 2021, with a Spring 2022 target completion date. YWS seeks that successful commissioning and operation of the biogas upgrading facility will be achieved as soon as possible, but no later than 1 April 2024.

To express your interest please email Kenneth.gaffney@yorkshirewater.co.uk with full contact details including phone, email and postal address for the individual who will be the primary contact for future correspondence. Bidders will be required to register with the Ariba Sourcing platform to participate in this requirement. All bidders will be required to agree and sign a Bidder Agreement as well as an Ariba Engagement Policy, which will be available via the Ariba Sourcing platform once registered. This is a mandatory requirement before receipt of any further documentation.

YWS is not bound to (and makes no representation or other commitment that it will) award any contract (nor enter into any other arrangement) as a result of the procurement process to which this notice relates, and reserves the right (subject to compliance with its legal obligations) to discontinue or change the procurement process at any time.

YWS will not be liable for any costs, expenditure, work or effort incurred by any person in responding to this notice or proceeding with or participating in the procurement process, including if the procurement process is discontinued or changed by YWS.

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: £60,000,000

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

Duration in months

180

This contract is subject to renewal

Yes

Description of renewals

Possibility to extend 5 years beyond initial term

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: No

II.2.14) Additional information

Please note it is anticipated that the contract can generate c£60m revenue over the 15-year term. This revenue estimate is based on utilising all biogas for renewable transport fuel production, and assumes upgraded biogas sales realise £0.30/kg and RTFCs (generated from renewable fuel production) are sold at £0.30 per RTFC. Indexation is assumed to be 2% p.a.

Bidders should note that this is an estimated value only and they are required to make their own assumptions regarding all relevant prices and costs.

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: [2021/S 000-017913](#)

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

Date

20 October 2021

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.4) Procedures for review

VI.4.1) Review body

High Courts of England and Wales

7 Rolls Buildings, Fetter Lane

London

EC4A 1NL

Country

United Kingdom