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Award

## **Price Review 2024 - Supplementary Support**

Water Services Regulation Authority (Ofwat)

F15: Voluntary ex ante transparency notice

Notice identifier: 2023/S 000-023846

Procurement identifier (OCID): ocids-h6vhtk-037809

Published 15 August 2023, 11:33am

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

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

Water Services Regulation Authority (Ofwat)

7 Hill St

Birmingham

B5 4UA

#### **Contact**

Jamila Hinds-King

#### **Email**

[jamila.king@ofwat.gov.uk](mailto:jamila.king@ofwat.gov.uk)

#### **Telephone**

+44 1216447500

#### **Country**

United Kingdom

**NUTS code**

UKG31 - Birmingham

**Internet address(es)**

Main address

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

Buyer's address

[https://www.mytenders.co.uk/search/Search\\_AuthProfile.aspx?ID=AA24607](https://www.mytenders.co.uk/search/Search_AuthProfile.aspx?ID=AA24607)

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

Body governed by public law

**I.5) Main activity**

General public services

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## **Section II: Object**

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

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

Price Review 2024 - Supplementary Support

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

- 66171000 - Financial consultancy services

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

Services

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

This Voluntary Ex-Ante Transparency (VEAT) relates the intention to award of a contract to provide additional capacity to support the delivery of the Price Review (PR24), through the provision of flexible access to high quality resources across a range of technical skillsets within the scope of the following workstreams: Risk and return / cost of capital; Financial modelling; Data governance and modelling coordination; Direct procurement for customers; Costs; Outcomes and Leadership/ Coordination.

The contract shall be awarded under Regulation 32 as Ofwat intends to award this public contract following the negotiated procedure without prior publication of a contract notice. Justification of this intention together with full details of the intended contract are included within sections II.2.4 and IV.1.1 of this notice.

#### **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: £2,400,000

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 66171000 - Financial consultancy services

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

NUTS codes

- UKG31 - Birmingham
- UKI3 - Inner London – West

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

This is a VEAT notice and relates to Award notice reference 2022/S 000-029817 for the Delivery Partner for Price Review 2024.

It is the intention to award a separate contract to two suppliers - Grant Thornton UK LLP and PA Consulting Limited. The contracts will be used on a need only basis to respond to changing requirements throughout the period of the contract, in particular for those projects where the existing Delivery Partner contract for PR24 may be unable to fulfil the requirement.

The contract is intended to commence in September 2023 (subject to final agreement) and any required services shall complete by January 2025. The contract shall be capped to a value of GBP 1m ex VAT (GPB 1,200,00 incl VAT) for each supplier.

#### **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

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## Section IV. Procedure

### IV.1) Description

#### IV.1.1) Type of procedure

Negotiated without a prior call for competition

- Extreme urgency brought about by events unforeseeable for the contracting authority

Explanation:

We placed a Contract Notice via the Find a Tender Service (FTS) in December 2022 for the original services. Following an Open procedure, we received bids from 3 consortia, led by Grant Thornton UK LLP, PricewaterhouseCoopers LLP and PA Consulting Ltd. PricewaterhouseCoopers LLP was awarded the contract as the highest scoring bidder.

Separate to the original contract award, additional capacity is required. This is a matter of strict necessity brought about by the following circumstances, all which were not foreseeable as follows:

- In April 2023 after the tender process concluded, Ofwat secured approval from HMT to increase the size of its budget to enable delivery of additional regulatory work on behalf of customers and the environment. The scale of work required under a number of areas - including PR24 where infrastructure investment will be larger than previous price reviews - has increased as a result.
- The need for Ofwat to have access to a wide range of advisors with the relevant capability and capacity and who are in a position to provide that support to Ofwat independently.

To address this, Ofwat is undergoing a period of growth in its in-house capacity and further procurement to bolster its access to third party support. However, this will not be fully completed in time to for the Price Review process. Business Plans are received in October 2023 and we do not have sufficient time to retender for potential additional capacity to ensure the successful Delivery of PR24, including time for the necessary onboarding.

To ensure successful delivery of PR24 we require flexible access to high quality resources across a range of technical skillsets. Therefore, it is the intention to award a contract to the two unsuccessful lead bidders from the original Open Procedure who also demonstrated access to these resources, along with their ability to deliver and to ensure best quality outcomes. The contracts will be used on a need only basis, in particular for those projects where the existing Delivery Partner contract may be unable to fulfil the

requirement and for services of a lower value, up to a capped valued of GBP 1m +VAT for each supplier. It is our intention to adopt the original advantageous terms specified in the original tender process to ensure value for money.

We welcome any questions or comments regarding this VEAT notice during the prescribed period – please contact the Ofwat procurement team at [procurement@ofwat.gov.uk](mailto:procurement@ofwat.gov.uk)

#### **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 000-029817](#)

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

A contract/lot is awarded: Yes

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

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

7 August 2023

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

The contract has been awarded to a group of economic operators: Yes

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

PA Consulting Services Limited

10 Bressenden Place

London

SW1E 5DN

Country

United Kingdom

NUTS code

- UKI - London

The contractor/concessionaire is an SME

No

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

Grant Thornton UK LLP

30 Finsbury Square

London

EC2A 1AG

Country

United Kingdom

NUTS code

- UKI - London

The contractor/concessionaire is an SME

No

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

Total value of the contract/lot/concession: £1,200,000

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## **Section VI. Complementary information**

### **VI.3) Additional information**

NOTE: To register your interest in this notice and obtain any additional information please visit the myTenders Web Site at

[https://www.mytenders.co.uk/Search/Search\\_Switch.aspx?ID=230024](https://www.mytenders.co.uk/Search/Search_Switch.aspx?ID=230024).

(MT Ref:230024)

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

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

Public Procurement Review Service

Cabinet Office

London

Email

[publicprocurementreview@cabinetoffice.gov.uk](mailto:publicprocurementreview@cabinetoffice.gov.uk)

Telephone

+44 3450103503

Country

United Kingdom

Internet address

<https://www.gov.uk/government/publications/public-procurement-review-service-scope-and-remit>