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Tender

Source to Pay Software Solution ("S2P") and Software Implementation Partner ("SIP")

SOUTHERN WATER SERVICES LIMITED

UK4: Tender notice - Procurement Act 2023 - view information about notice types

Notice identifier: 2025/S 000-024716

Procurement identifier (OCID): ocds-h6vhtk-0514c3

Published 22 May 2025, 12:22pm

Changes to notice

This notice has been edited. The <u>previous version</u> is still available.

Clarification required due to FTS website error, the weighting for each lot is:

Lot 1: 70 Technical / 30 Commercial

Lots 2: 50 Technical / 50 Commercial

Scope

Description

Southern Water ("SW") seek a Solution Provider to licence a cloud-based, Source to Pay software solution ("Solution") that will give SW users a more intuitive experience in purchasing goods and services.

The Source to Pay process ("S2P") comprises of Source to Contract ("S2C") and Purchase to Pay ("P2P") processes. The Solution will provide end-to-end functionality.

P₂P

The Solution will manage SW's end-to-end procurement processes from capturing a Requirement, through Purchase Requisition, Approval, Purchase Order Creation, Supplier PO Receipting, SW Service/Product Receipting, Supplier Invoicing to "OK to pay" from a 3-way match.

Critical to improved user experience will be that the Solution will enable users to:

- 1. Execute required actions "on the move" via secure mobile technologies as well as computer based.
- 2. Leverage punchouts with external approved and secure supplier sites.
- 3. Access and order from approved supplier catalogues.

The Solution must have a proven method of:

- 1. Managing professional services.
- 2. Goods and works contracts that may leverage Framework Agreements and timesheets.

These areas represent a key portion of the SW spend profile. The nature of managing this spend in this Solution is still being defined but will be clarified later in the Procurement Process.

S₂C

For spend that is not readily available when requisitioned, the Solution would also have integrated Sourcing, Contracting and Supplier / Contract Performance Management functionality, that is triggered by workflow management to a central Procurement function.

All S2P activities must workflow automatically and allow for online collaboration between SW colleagues and Suppliers, who will be able to access the Solution via a secure external Supplier Portal.

The number of integrations to legacy SW systems is still being defined, but we would expect the Solution to be able to readily integrate to common Finance or HR platforms as a minimum and have SSO capability.

It must also have the capability to be integrated with Asset Management, Inventory and Stores solutions, as a possible further future activity. (Although this is not in the initial implementation scope, it is essential there is evidential functional capability to do so.)

To deliver the integration of the Solution, SW is seeking a Solution Implementation Partner ("SIP") who is accredited to the Software Provider ("SWP").

The Solution Provider is asked to identify up to three (3) Solution Implementation Partners ("SIP"). The process for nominating SIPs is described in the Tender Pack.

The SIP must be able to:

- 1. Prove and leverage experience of SWP implementation in the UK utility industry, with a preference for Water industry.
- 2. Prove accreditation with the SWP, with experience in implementation of the specific Solution.

Total value (estimated)

• £5,736,000 including VAT

Above the relevant threshold

Main procurement category

Services

Contract locations

UKJ - South East (England)

Not the same for all lots

CPV classifications, contract dates and options are shown in Lot sections, because they are not the same for all lots.

Lot 1. Source to Pay Software Solution

Description

Southern Water is seeking a Source to Pay Software Solution that supports the needs and demands over the AMP8 period.

The Solution should enable SW users to do the following:

- 1. Access the solution seamlessly (SSO)
- 2. Be guided in their buying experience to available contracts with active approved suppliers to required goods or services, or to Procurement support for non-contracted goods and services, to be able to then establish a supporting contract
- 3. Create and run a full end to end Sourcing Process, compliant to Procurement Act 2023 regulations conversely able to also provide a lite-sourcing and e-auction functionality for suitable spend requirements
- 4. Contract online with successful suppliers at the end of the Sourcing Process
- 5. Manage the full end to end P2P process, providing real time visibility for all PR/PO and Invoices
- 6. Receipt goods and services either online in the solution or via a solution generated email alert

A solution that enables SW Suppliers to:

- Access the solution via a secure Portal
- 2. Maintain their own details
- 3. Receive and respond online to Tender requests
- 4. Receive and execute POs
- 5. Create and publish invoices to SW
- 6. Track payment progress of all invoices

A solution that can:

- 1. Host the master SW Supplier database
- 2. Be easily integrated to other SW legacy solutions
- 3. Be aligned to forthcoming UK e-invoicing regulations

Lot value (estimated)

• £3,600,000 including VAT

Contract dates (estimated)

- 25 November 2025 to 24 November 2029
- Possible extension to 24 November 2031
- 6 years

Description of possible extension:

Southern Water expect the contract with the Software provider to be in effect for an initial 4-year term, with the option of extension for a further 2-year term.

The circumstances in which this extension would be utilised is to be determined by SW.

Options

The right to additional purchases while the contract is valid.

The option to purchase additional modules if required.

CPV classifications

72268000 - Software supply services

Same for all lots

Contract locations are shown in the Scope section, because they are the same for all lots.

Lot 2. Software Implementation Partner

Description

Southern Water is seeking a Software Implementation Partner that is certified and experienced with the SWP and will support SW in the implementation and enablement of the Solution.

An implementation partner that:

- 1. Has been proposed by the associated S2P Software Provider in their initial response.
- 2. Is accredited / certified by the Software Provider to configure and implement the associated software
- 3. Has experience of configuring S2P solutions in the UK Utilities Industry including integration to UK Government sources such as Find a Tender Service (ideally Utilities experience is in "Water", but others would be considered also ideally with the associated software but others would be considered)

4. Has experience in delivering from an implementation playbook for the associated Software Provider

Lot value (estimated)

• £2,136,000 including VAT

Contract dates (estimated)

- 25 November 2025 to 24 November 2027
- 2 years

CPV classifications

• 72263000 - Software implementation services

Same for all lots

Contract locations are shown in the Scope section, because they are the same for all lots.

Participation

Particular suitability

Lot 2. Software Implementation Partner

Small and medium-sized enterprises (SME)

Submission

Enquiry deadline

6 June 2025, 11:59pm

Submission type

Tenders

Tender submission deadline

8 September 2025, 11:59pm

Submission address and any special instructions

https://www.southernwater.co.uk/

sw-s2p-tender2025@southernwater.co.uk

All interested software providers can apply to be considered for participation in this tender, through contacting the provided email address to receive the PQQ pack

Tenders may be submitted electronically

Yes

Languages that may be used for submission

English

Award decision date (estimated)

7 November 2025

Award criteria

Lot 1. Source to Pay Software Solution

Name	Туре	Weighting	
Technical	Quality	70%	
Commercial	Cost	30%	

Lot 2. Software Implementation Partner

Name	Туре	Weighting
Technical	Quality	50%
Commercial	Cost	50%

Other information

Conflicts assessment prepared/revised

Yes

Procedure

Procedure type

Competitive flexible procedure

Special regime

Utilities

Competitive flexible procedure description

The Tender stages will be run as follows:

Stage 1:

PQQ-SWP (Software Provider): All interested software providers can apply to be considered for participation in this sourcing exercise, through contacting sw-s2p-tender2025@southernwater.co.uk. The SWP must nominate up to 3 SIPs (Software Implementation Partner) that are accredited and certified to implement their software. This may include in-house implementation teams (if appropriate).

Aligned to the aims of the Procurement Act 2023 in creating a more level playing field for SMEs, SW require the SWP to nominate 1 x Tier 1 SIP and 2 x "Other" SIPs; being of midrange/SME/Specialist in nature.

Through a set of criteria defined in the PQQ documentation, a shortlist of 4-6 SWPs (and their nominated SIPs) will be invited to respond to the ITT-SWP stage. All other SWPs (and non-compliant parties) will be notified as unsuccessful from the process at this stage.

Stage 2:

ITT-SWP: The shortlisted SWPs will receive the ITT documentation to be considered as the optimal software solution for Southern Water. SWPs will be provided a pre-determined time slot to present demonstrations to SW. For transparency, these demonstration sessions will be recorded. Further detail with regard to the presentation objectives and timings will be provided within the ITT documentation.

Through this ITT stage, the Top-2 down selected SWPs will progress to the final stage of the Tender - this will then trigger the separate SIP selection process.

PQQ/ITT-SIP: At the same time as the ITT-SWP is published, a separate PQQ/ITT-SIP

documentation pack will be published to the nominated SIPs of the shortlisted 4-6 SWPs (only). The PQQ (SIP) will be used to pre-qualify SIPs ahead of further down-selecting to the Top-2 SWPs. Only SIPs who cannot fulfil the PQQ (SIP) requirements, will be automatically rejected.

Note: a SIP that is nominated by more than one SWP, will be asked to complete separate responses per SWP-nomination as some answers will specifically pertain to their working with that SWP.

Note: SIPs are advised that although PQQ/ITT-SIP is published at the same time, the ITT-SIP will only be evaluated by SW once the Top-2 SWPs have been determined. SW will notify the Top-2 down selected SWPs to alert their respective SIPs to respond to the ITT (SIP).

Stage 3:

Upon determination of the Top-2 down selected SWPs, their associated SIPs will be provided a pre-determined time slot to present demonstrations to SW. For transparency, these demonstration sessions will be recorded.

BAFO-SWP: the Top-2 down selected SWPs will be given the opportunity to consider and submit a BAFO at the same time as their nominated SIPs are responding to the ITT-SIP.

The deadline for BAFO-SWP and ITT-SIP will be the same.

Stage 4:

FINAL SELECTION: Upon submission of the BAFO-SWP and ITT-SIP, Southern Water will assess and score the combined SWP-SIP combination of responses to identify the optimal partnership.

This combination will become the Preferred Solution and Implementation Partner and progress to the Contracting stage.

Documents

Documents to be provided after the tender notice

All Tender related communications and documentation will be issued from the dedicated Tender email

SW-S2P-Tender2025@southernwater.co.uk

Future Tender documentation will be issued to Tenderers as the procurement process progresses.

Contracting authority

SOUTHERN WATER SERVICES LIMITED

• Companies House: 02366670

• Public Procurement Organisation Number: PBJQ-2231-ZRPG

Southern House, Yeoman Road

Worthing

BN13 3NX

United Kingdom

Email: sw-s2p-tender2025@southernwater.co.uk

Region: UKJ27 - West Sussex (South West)

Organisation type: Private utility