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Planning

Cwm Taf Project

Dwr Cymru Cyfyngedig

F04: Periodic indicative notice – utilities

Periodic indicative notice only

Notice identifier: 2022/S 000-031484

Procurement identifier (OCID): ocids-h6vhtk-037fd8

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Section I: Contracting entity

I.1) Name and addresses

Dwr Cymru Cyfyngedig

Fortran Road, St Mellons

Cardiff

CF3 0LT

Contact

WW CwmTaf Project Enquiries

Email

WWCwmTafProjectEnquiries@dwrcymru.com

Telephone

+44 2920740450

Country

United Kingdom

Region code

UKL - Wales

Internet address(es)

Main address

www.dwrcymru.com

Buyer's address

<https://dwrcymru-welshwater.bravosolution.co.uk>

I.3) Communication

Additional information can be obtained from the above-mentioned address

Electronic communication requires the use of tools and devices that are not generally available. Unrestricted and full direct access to these tools and devices is possible, free of charge, at

<https://dwrcymru-welshwater.bravosolution.co.uk>

I.6) Main activity

Water

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Cwm Taf Project

Reference number

DCWW1594

II.1.2) Main CPV code

- 45000000 - Construction work

II.1.3) Type of contract

Works

II.1.4) Short description

Dŵr Cymru Cyfyngedig (DCC/Welsh Water) intends to deliver a construction project, the Cwm Taf Water Supply Project (Cwm Taf Project) to provide long-term water supply resilience to Cardiff, Newport and several smaller towns located within the Merthyr Valley. DCC will utilise a Competitively Appointed Provider (CAP) to deliver the project which is to be procured using Ofwat's new Direct Procurement for Customers (DPC) approach.

Further information regarding the Ofwat methodology for DPC can be viewed via the following link: <https://www.ofwat.gov.uk/wp-content/uploads/2017/12/Appendix-9-Direct-procurement-FM.pdf>

The Cwm Taf Project will be delivered on a Design, Build and Finance (DBF) basis and will include:

- (a) Design and Build including testing, and commissioning of the works; and
- (b) Financing of the activities.

The formal designation of the DPC scheme by Ofwat is scheduled for publication before the end of the year.

This Periodic Indicative Notice (PIN) is the next iteration of a previously published PIN in April 2021 (reference: 2021/S 000-008569). DCC (Welsh Water) are continuing to test market interest for the Design, Build and Financing (DBF) of the project before publication of the contract notice currently expected in September 2023.

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 45200000 - Works for complete or part construction and civil engineering work
- 45231100 - General construction work for pipelines
- 45231300 - Construction work for water and sewage pipelines
- 45240000 - Construction work for water projects
- 45252126 - Drinking-water treatment plant construction work
- 65100000 - Water distribution and related services
- 66100000 - Banking and investment services
- 66122000 - Corporate finance and venture capital services
- 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

- UKL15 - Central Valleys

Main site or place of performance

South Wales region of Dwr Cymru Welsh Water

II.2.4) Description of the procurement

DCC is seeking to procure a Competitively Appointed Provider (CAP) which, subject to Ofwat approval, will undertake the Design, Build and Financing (DBF) of the following:

- A new Water Treatment Works near Merthyr Tydfil designed for 180MI/day. The reduction in capacity from the previously stated 225MI/day has arisen as a result of DCC's longer term review of future network demand;
- A new 90MI treated water storage tank (previously 150MI); and
- Associated raw and treated water pipelines, and existing network reconfigurations.

The overall scheme strategy is to ensure DCC's ability to treat raw water consistently throughout the year to the required standards, to protect the supply of safe drinking water to around 400,000 people across the DCC South-East Wales Conjunctive Use System (SEWCUS), and to meet future 2050 Water Resource Management Plan (WRMP) outputs.

We have initiated the first stage of the planning approval process for the project and launched our pre-application consultation in February 2022. The link below will take you to our online interactive Cwm Taf consultation homepage:

<https://cwmtafproject.exhibition.app/>

Project estimate

Our current estimate to construct the 180Mld water treatment works, tank, pipeline, and associated works is circa. £500 million including risk and inflation.

Approach to contract model

We determined early in the process to use the Mutual Investment Model agreement and have been refining the drafting to reflect the Design, Build and Finance (DBF) nature of the Cwm Taf DPC project and our approach to key commercial and contractual areas including a move to a target price approach for all works, risk, and change. We continue to prepare our Outline Business Case required by Ofwat prior to commencement of the formal procurement process including development of our financial model and approach to indexation, refinancing and agreement duration.

Procurement

DCC intends to utilise the negotiated procedure with prior call for competition and intends to award the entire scope to a single CAP. Following the Prequalification Questionnaire (PQQ) stage, DCC intends taking 3 tenderers through the Invitation to Tender process, until Contract Award, to enable an efficient and competitive process.

DCC also proposes to pay a contribution to the tendering costs incurred by each of the unsuccessful tenderers, subject to specific conditions being met, the details of which are currently under development and which will be stated in the formal procurement documentation.

To ensure that DCC run a competitive process, DCC are minded to include an exclusivity clause within the procurement documentation that stipulates that the main EPC contractor and designer can only be part of one consortium and, therefore, cannot submit or be part of more than one bid.

A revised programme is set out below, please note that dates are indicative only, based on current plans and activities, and DCC reserves the right to amend any or all dates.

Market engagement: 2022 - September 2023

Commence pre application planning process: Q1 2023

Issue Contract Notice and Pre-Qualification Questionnaire (PQQ): September 2023

Issue Invitation to Tender (ITT): Q1 2024

ITT period: Q1 2024 – Q2 2025

Notify preferred bidder and commence standstill: Q3 2025

Contract award: Q1 2026

II.3) Estimated date of publication of contract notice

29 September 2023

Section IV. Procedure

IV.1) Description

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

The procurement is covered by the Government Procurement Agreement: No

Section VI. Complementary information

VI.3) Additional information

This Periodic Indicative Notice (PIN) does not constitute a call for competition to procure any works or services.

This notice is issued solely for the purpose of a continuation of market engagement to gauge capability and interest in the market to assist in our decision making prior to the commencement of the procurement process. If you have experience of financing construction schemes for DPC, PFI or PPP or like projects and experience of construction of water treatment works with associated storage tank and water mains laying capability, we invite you raise any matters or queries that you consider would assist us in the development of our project.

To communicate effectively and efficiently with interested parties, we have created a dedicated Market Engagement Portal within our DCC eSourcing portal, where you will find various Cwm Taf DPC documents that have been issued since the release of the first PIN in April 2021.

Moving forward, this dedicated DPC Market Engagement Portal, will be used for all communications, market updates, and the sharing of any DPC documentation before the Contract Notice is issued to the market. The DPC Market Engagement Portal will be closed when the Contract Notice is issued.

Please note, whilst information in this PIN describes DCC's current view of how it is minded to proceed, interested parties should note that the positions set out in this PIN, and any content within the DPC Market Engagement Portal remain subject to change and will not necessarily reflect the position as at the issue of the Contract Notice (or conclusion of the procurement process).

Participation instructions — how to register for access to the DPC Market Engagement Portal.

1) Register your organisation on the DCC eSourcing Portal - <https://dwrcymru-welshwater.bravosolution.co.uk>:

— This is only required once so please check whether there is an existing account registered for your organisation (multiple users can be added as required).

2) Express an interest in the DPC Market Engagement Portal:

Please note: Expressions of Interest will ONLY be accepted through the eSourcing Portal

and relate only to an interest in the market engagement phase. Although the term PQQ is used in relation to the DPC Market Engagement Portal this does not relate to the formal Pre-Qualification (PQQ) stage of the procurement process and only relates to the market engagement phase.

- Log in to the portal with your username and password,
- Click the 'PQQs Open to all Suppliers' link,
- Click on PQQ_560 – DCWW1594 – Market Engagement for Cwm Taf Project,
- Click the 'Express Interest' button at the top of the page,
- You will be asked to read a document containing provisions related to the Market Engagement stage and confirm acceptance of its contents
- this will move the Market Engagement Portal into your 'My PQQs' page (this is a secure area reserved for your projects only).

3) Participating in the Market Engagement phase

- You can access any attachments by clicking 'Buyer Attachments' in the 'PQQ details' menu. You must download the documents yourself after you have expressed interest, they will not be sent to you,
- You can use the messaging function to receive and respond to communications from DCC (the buyer) and seek any clarification if needed. We invite you to raise any matters or queries that you believe would assist us in the development of our project,
- The Market Engagement stage in the 'Settings' will remain open until the publication of the Contract Notice which will contain instructions on how to participate in the formal procurement process for the DPC Cwm Taf Project.
- if you require any further assistance, please consult the online help, or contact the eSourcing helpdesk using the contact information provided on the home page.

We thank you for your interest and look forward to engaging with consortia who are keen to work with us on this exciting opportunity.