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Planning

Market Engagement - Hampshire Water Transfer and Water Recycling Project (Phase 3)

Southern Water Services Ltd.
Southern Water Services

F04: Periodic indicative notice – utilities
Periodic indicative notice only
Notice identifier: 2024/S 000-034148
Procurement identifier (OCID): ocds-h6vhtk-031321
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Section I: Contracting entity

I.1) Name and addresses

Southern Water Services Ltd.

Southern House

Worthing

BN13 3NX

Contact

Chris Bashford

Email

chris.bashford@southernwater.co.uk

Telephone

+44 1903264444

Country

United Kingdom

Region code

UKJ - South East (England)

Internet address(es)

Main address

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

Buyer's address

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

I.1) Name and addresses

Southern Water Services

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Telephone

+44 1903264444

Country

United Kingdom

Region code

UKJ - South East (England)

National registration number

02366670

Internet address(es)

Main address

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

Buyer's address

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

I.2) Information about joint procurement

The contract involves joint procurement

The contract is awarded by a central purchasing body

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://southernwater.bravosolution.co.uk/web/login.html>

I.6) Main activity

Water

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Market Engagement - Hampshire Water Transfer and Water Recycling Project (Phase 3)

II.1.2) Main CPV code

- 45000000 - Construction work

II.1.3) Type of contract

Works

II.1.4) Short description

For the avoidance of doubt, the purpose of the Periodic Indicative Notice is to conduct a market testing exercise only and act as a Request for Information. This does not formally begin the procurement nor constitute any commitment by Southern Water to undertake any procurement exercise nor form a commercial strategy in a particular form. Any follow-up discussions are solely for information and planning purposes. Southern Water is not liable for any costs, fees or expenses incurred by any party in replying to, participating in, or attending any event in response to the Periodic Indicative Notice. All costs associated with responding to this pre-market consultation will be solely at the interested party's expense. Southern Water is reserving its position as to whether or not to undertake a procurement.

Market Engagement - This is Phase 3 of an ongoing Market Engagement exercise. Southern Water is planning to deliver an industry-leading construction project to provide and future-proof long-term water supply resilience to our region. The project will include tunnelling.

Southern Water will utilise a Competitively Appointed Provider to deliver the Design, Build, Finance, Operate and Maintain project. The project is to be procured using Ofwat's new Direct Procurement for Customers approach.

We have released two previous indicative notices:

1) An initial Periodic Indicative Notice (2022/S 000-003206) was published in February 2022, inviting market views and setting out our proposed procurement and commercial approach.

2) A second PIN (2022/S 000-031175) was published in November 2022, further inviting the markets views.

Southern Water are keen to update the market on progress as the project matures and are looking to test the market's interest in the project.

Engagement and feedback

Southern Water is providing the “Project Information Pack 2024” as part of this market engagement and has developed a list of questions relating to the information provided. Any answers provided to the Request for Information are valuable and will be used, where necessary, to inform and develop Southern Water’s current understanding of the market and how Southern Water can best deliver value for money to our customers. The deadline for responding to the Request for Information is Friday 22nd November 2024.

We are strongly encouraging the market including potential investors and supply chain organisations to attend the one-to-one/bilateral meetings with their potential partnering organisations as this is a follow up to previous engagements, and given our wish to cover commercial, financial and procurement aspects relating to the Design, Build, Finance, Operation and Maintenance of the project.

II.1.5) Estimated total value

Value excluding VAT: £1,300,000,000

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
- 43614000 - Parts of tunnelling machinery
- 44000000 - Construction structures and materials; auxiliary products to construction (except electric apparatus)
- 45200000 - Works for complete or part construction and civil engineering work
- 45221000 - Construction work for bridges and tunnels, shafts and subways

- 45221240 - Construction work for tunnels
- 45221247 - Tunnelling works
- 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
- 45350000 - Mechanical installations
- 50000000 - Repair and maintenance services
- 63712320 - Tunnel operation services
- 65100000 - Water distribution and related services
- 65130000 - Operation of water supplies
- 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
- 71311300 - Infrastructure works consultancy services
- 71322000 - Engineering design services for the construction of civil engineering works
- 71330000 - Miscellaneous engineering services
- 71340000 - Integrated engineering services
- 71350000 - Engineering-related scientific and technical services
- 71500000 - Construction-related services
- 71540000 - Construction management services
- 71541000 - Construction project management services

II.2.3) Place of performance

NUTS codes

- UKJ - South East (England)

Main site or place of performance

Hampshire

II.2.4) Description of the procurement

The Hampshire Water Transfer and Water Recycling Project is the Strategic Resource Option of Southern Waters' Water for Life Hampshire programme. The project will create a greater water resilience, to support with drought resilience, population growth, climate change, and Environmental protection and improvement. The current preferred route uses Water Recycling and Water Transfer methods which will include an element of tunnelling.

The HWTWRP consists of:

- a Water Recycling Plant, Tunnel & Pipeline between the Water Recycling Plant, and Bedhampton & Havant Springs,
- a High Lift Pumping Station, and
- a Tunnel & Pipeline between the High Lift Pumping Station and Otterbourne Water Supply Works (approx. 42km).

The CPV codes set out in this Periodic Indicative Notice are included to give an indication of the likely scope of works and services. Southern Water does not guarantee that all activities referenced by the CPV codes will form part of any future contract notice(s), nor is the list exhaustive of all activities which may be included in any procurement process under this project.

Under a Direct Procurement for Customers model, Southern Water plan to openly tender for a competitively appointed provider. Southern Water is carrying out several market engagement exercises to support this procurement.

Southern Water would like to gain market insight on a range of topics which are critical to the programme, including but not limited to:

- Fixed Price Plus
- Indexation during Construction
- Indexation during Operations

- Competitively Appointed Provider Revenues
- Payment Mechanism
- Energy Costs
- Lender Specific Questions

Market Engagement will take the form of a Request for Information, followed by a series of virtual bilateral (one-to-one) sessions in November 2024 and early 2025 via Microsoft Teams. There will be opportunities for organisations to ask questions within the Request for Information and bilateral sessions.

Southern Water is using an electronic tendering portal (Jaggaer One) which can be found at:

<https://www.southernwater.bravosolution.co.uk/web/logon.html>

If you would like to learn more about the project, respond to the Request for Information and/or request a virtual bilateral meeting slot please register and log onto the portal to download further information on the programme . It is free to register on the portal, which can be accessed at any time of day. Should you have any problems registering on the portal, you should contact BRAVO by Email:

help@bravosolution.co.uk or

by phone 0800 069 8630

Further Market Engagement phases will be held in 2025. Consequently, suppliers who miss this previous market engagement are nevertheless encouraged to contact Southern Water by emailing HWTWRP@southernwater.co.uk

II.3) Estimated date of publication of contract notice

30 September 2026

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

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2022/S 000-031175](#)

Section VI. Complementary information

VI.3) Additional information

Disclaimer

For the avoidance of doubt, the purpose of the Periodic Indicative Notice (PIN) and the associated Request for Information is to conduct a market testing exercise only and will not formally begin the procurement nor constitute any commitment by Southern Water to undertake any procurement exercise. Any follow-up discussions are solely for information and planning purposes. Southern Water is not liable for any costs, fees or expenses incurred by any party in replying to, participating in or attending any event in response to this Periodic Indicative Notice; all costs associated with responding to this pre-market consultation will be solely at the interested party's expense. Southern Water is reserving its position as to whether or not to undertake a procurement.

This exercise does not constitute a call for competition or a promise to issue a tender in the future. The communication and follow-up discussions do not commit Southern Water to contract for any supply or service whatsoever. Not responding to this pre-market consultation does not preclude participation in any future event, if any is undertaken. Notes will be taken during any discussions, and Southern Water reserves the right to share a general, anonymised summary of any feedback received to help with developing our plans. We may issue additional Requests for Information, and organise further supplier engagement events, and/or engage in additional dialogue with potential suppliers as we continue to develop our plans. We may also issue further Periodic Indicative Notices to launch further formal market engagement / consultation processes prior to formally issuing any Tender. After we have received Request for Information responses we may undertake additional market engagement dialogue with potential suppliers on specific issues. We may then use this information to decide on various aspects of how we'll undertake the Direct Procurement for Customers tendering process. Any dates are subject to change.

Please note, the material being supplied represents Southern Water's current thinking and is being shared in order to gather feedback. It is subject to change.