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Planning

Cwm Taf Scheme - Direct Procurement for Customers (DPC)

Dwr Cymru Cyfyngedig

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

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Scope

Reference

DCWW1994

Description

Dwr Cymru Cyfyngedig (DCC) / Welsh Water is the largest water and sewerage company in Wales and the sixth largest operating in England and Wales. Responsible for providing high-quality drinking water for over three million customers and for taking away, treating and properly disposing of the wastewater that is produced.

DCC/Welsh Water is committed to securing water supplies for future generations while protecting the environment. Our primary responsibility is to operate, maintain and upgrade this large network of assets to ensure a safe and reliable drinking water supply and to deal effectively with discharges so as to protect the environment.

As part of its Cwm Taf Supply Strategy, DCC/Welsh Water is seeking to progress a major investment project to design and build a new water treatment works and develop an existing water treatment works (the Cwm Taf Scheme). The Cwm Taf Scheme has been designated under Ofwat's Direct Procurement for Customers (DPC) programme. The Cwm Taf Scheme is intended to be delivered primarily on two separate sites, one located in the Merthyr Area of South Wales and one in the Bannau Brycheiniog National Park. The scheme is about to enter a planning application stage following statutory consultation. Further details can be found on our website:

<https://corporate.dwrcymru.com/en/community/investment-projects/cwm-taf-water-supply-strategy>

DCC/Welsh Water is looking to utilise a Competitively Appointed Provider (CAP) through a Design-Build-Finance (DBF) model. The scheme includes design and build of a new water treatment works on a brownfield site at Dan-y-Castell Farm, along with a raw water pumping station at Pontsticill (referred to as the Dan-y-Castell project) and upgrading Llwyn-onn water treatment works (referred to as the Llwyn-onn project). The Cwm Taf Scheme is therefore a two-site project comprising Dan-y-Castell (with an estimated value of £362,000,000 excluding VAT) and Llwyn-onn (with an estimated value of £194,000,000 excluding VAT).

This notice seeks market engagement from suitably qualified parties capable of delivering a secure, sustainable, and value-oriented solution for customers for this major project aligned to DCC/Welsh Water's Cwm Taf Water Supply Strategy and the sustainable and environmental objectives of the Welsh Assembly Government including but not limited to the Well-being of Future Generations (Wales) Act 2015.

Contract award is envisaged to be August 2028. Milestone dates include DWI Regulatory Completion (envisaged to be March 2032) followed by an estimated 12 month period for testing, and a 25 year term from completion of testing.

All values and dates set out in this preliminary market engagement notice are indicative and reflect current analysis.

Total value (estimated)

- £667,200,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 31 August 2028 to 30 August 2058
- 30 years

Main procurement category

Works

CPV classifications

- 45000000 - Construction work
- 65100000 - Water distribution and related services
- 66100000 - Banking and investment services

Contract locations

- UKL - Wales

Engagement

Engagement deadline

22 September 2025

Engagement process description

DCC/Welsh Water is issuing this Preliminary Market Engagement Notice as part of the

early market consultation for the Cwm Taf Scheme.

DCC/Welsh Water seeks to engage with market participants who may be interested in delivering the scheme through a DBF model. This first activity as part of this market engagement involves the response to a questionnaire to help shape the legal, commercial, technical, and delivery strategy of the project and inform the forthcoming procurement process. DCC/Welsh Water intends to undertake further market engagement activities which may include a briefing event and 1-2-1 meetings with interested organisations. This notice will be updated to reflect future activities.

The Cwm Taf Scheme includes (but is not limited to):

- Water Treatment Works
- Pumping stations
- Transfer pipelines
- Environmental and mitigation measures
- Treated Water Storage

DCC/Welsh Water is looking to appoint a CAP through an open, fair, and transparent competitive procurement process and anticipates that the CAP will be responsible for the design, build, and financing of the scheme for a defined contract term of 25 years.

This market engagement is intended to focus on:

- Assessing market capacity and capability
- Obtaining market feedback on commercial models best suited to deliver value for money for customers
- Informing procurement strategy and timeline
- Identifying innovations and barriers to entry

The scope of this market engagement is intended to include seeking feedback on:

- Design handover
- Technical feasibility and constructability insights
- Financing models

- CAP Agreement
- Commercial risk allocation and delivery timelines
- Market constraints
- Market innovation opportunities
- Environmental or regulatory factors

DCC/Welsh Water encourages responses from:

- Infrastructure investors and major infrastructure financing bodies
- Design, Construction and Engineering firms
- Joint ventures or consortia

Please email amanda.edwards@dwrwymru.com to register/participate in the market engagement process. The deadline for registering is 22/09/2025. DCC/Welsh Water intends to undertake further market engagement in relation to this project and activities/associated deadlines will be provided in updates to this notice.

This notice is not a call for competition, a tender notice, or a commitment to procure.

DCC/Welsh Water reserves the right to alter or terminate the market engagement process at any time without notice.

DCC/Welsh Water is not liable for any costs or expenses incurred by any party in responding to this market engagement.

Submission of a response does not guarantee inclusion in any future procurement process.

DCC/Welsh Water reserves the right to enter into further rounds of pre-market engagement.

All future procurement opportunities will be published through the Central Digital platform (CDP).

DCC/Welsh Water will process your personal data, such as your name and contact details, in accordance with its obligations under the UK General Data Protection Regulation and Data Protection Act 2018. Your personal data will be used for the purposes of reviewing your questionnaire and contacting you for further information and to

invite participation in future market engagement activities connected with the Cwm Taf Scheme only. Any information you provide may be shared with our Cwm Taf Scheme commercial and or legal advisors.

Procedure

Special regime

Utilities

Contracting authority

Dwr Cymru Cyfyngedig

- Companies House: 02366777

Linea, Fortran Road,

Cardiff

CF3 0LT

United Kingdom

Contact name: Amanda Edwards

Email: amanda.edwards@dwrwymru.com

Region: UKL22 - Cardiff and Vale of Glamorgan

Organisation type: Private utility

Devolved regulations that apply: Wales