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Planning

CHEDDAR 2 RESERVOIR

SOUTH WEST WATER LIMITED

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

Notice identifier: 2025/S 000-055597

Procurement identifier (OCID): ocids-h6vhtk-055a66 ([view related notices](#))

Published 10 September 2025, 5:21pm

Scope

Description

As part of wider plans from the West Country Water and Environment Group (WCWE), two projects are in early planning and development, namely Cheddar 2 Reservoir, and the Poole Water Recycling and Transfer Project. This Preliminary Market Engagement Notice refers only to the Cheddar 2 Reservoir, led by South West Water, however a separate Preliminary Market Engagement Notice is also concurrently being issued by Wessex Water for the Poole Water Recycling and Transfer Project.

A Planned Procurement Notice reference 2025/S000-037919 has previously been published in relation to this Project in July 2025.

It is South West Water's intent to procure a Competitively Appointed Provider (CAP) to design, build, finance, and where appropriate, operate and maintain a new reservoir (Cheddar 2 Reservoir), water treatment and transfer scheme under the Direct Procurement for Customers (DPC) model.

At this stage, it is intended that the Project scope comprises a new earth embankment reservoir with a useable capacity of 8,200MI, adjacent to the existing Cheddar Reservoir. The Project also comprises associated ancillary works, including a raw water transfer to a new Water Treatment Works, and approximately 75km of potable water transfer pipeline

from South West Water's Bristol area to its customers in Devon. The estimated capital value of the work is approximately £750 million (excluding VAT), and the estimated total expenditure (inclusive of operating and maintenance costs) is c. £1 billion (excluding VAT).

Further details regarding the Project are available within the Market Engagement Pack, and details of how to access this are provided below.

The Cheddar 2 Reservoir Project is proposed to be delivered via a Direct Procurement for Customers (DPC) model.

Under the DPC model, it is intended that a Competitively Appointed Provider (CAP) will be responsible for taking forward the design, build, financing, commissioning, operation and maintenance of the majority of assets within the Cheddar 2 Reservoir Project.

Further to the recent launch event held on Tuesday 9th September 2025, South West Water invites interested parties via this Notice to participate in an initial round of Market Engagement, as part of a planned ongoing programme of market engagement for the Cheddar 2 Reservoir Project.

The programme of engagement is proposed to help develop a wider understanding of the delivery of the Project from both a construction and investment perspective, and presents an opportunity for South West Water to engage and collaborate with the market in refining its delivery and commercial model, procurement approach and contracting terms.

Additionally, the programme of market engagement seeks to encourage multi-party discussions that will align the Project's development and presentation to market with market trends, taking into account the perspectives of both Investors and Main Works Contractors who it is envisaged would form and comprise the CAP.

We envisage that this round of Market Engagement will comprise registration of interest and completion of a short Questionnaire, followed by a series of bilateral discussions with a range of interested parties who are representative of the target market.

Total value (estimated)

- £1,000,000,000 excluding VAT
- £1,200,000,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 1 July 2029 to 1 July 2054
- 25 years, 1 day

Main procurement category

Works

CPV classifications

- 45111000 - Demolition, site preparation and clearance work
- 45112000 - Excavating and earthmoving work
- 45113000 - Siteworks
- 45120000 - Test drilling and boring work
- 45220000 - Engineering works and construction works
- 45247000 - Construction work for dams, canals, irrigation channels and aqueducts
- 45310000 - Electrical installation work
- 45350000 - Mechanical installations
- 45520000 - Hire of earthmoving equipment with operator
- 65100000 - Water distribution and related services
- 66110000 - Banking services
- 66122000 - Corporate finance and venture capital services
- 66152000 - Financial market regulatory services
- 71300000 - Engineering services

- 71500000 - Construction-related services
- 71800000 - Consulting services for water-supply and waste consultancy

Contract locations

- UKK - South West (England)

Engagement

Engagement deadline

1 July 2027

Engagement process description

An initial Industry Day / Launch Event has already been held on 9th September 2024.

South West Water now invites interested parties via this Notice to participate in an initial round of Market Engagement, as part of a planned ongoing programme of market engagement for the Cheddar 2 Reservoir Project. Please note that this Notice is not a call for competition.

This engagement will help develop a wider understanding of the delivery of the project from both a construction and investment perspective.

Interested parties are invited to register their interest at <https://www.smartsurvey.co.uk/s/BZ7DLV/>, where the Market Engagement Pack containing further information regarding the Project, details of the Market Engagement process and the associated Questionnaire can be obtained.

Submission

Publication date of tender notice (estimated)

30 July 2027

Procedure

Special regime

Utilities

Contracting authority

SOUTH WEST WATER LIMITED

- Companies House: 02366665
- Public Procurement Organisation Number: PQQD-9198-RDHP

Peninsula House, Rydon Lane

Exeter

EX2 7HR

United Kingdom

Email: CheddarSRO@Southwestwater.co.uk

Region: UKK43 - Devon CC

Organisation type: Private utility