

Bioresources Bid Assessment Framework

Yorkshire Water

September 2022



YorkshireWater

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Glossary

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| AMP | An AMP or “Asset Management Period” is the term given to the five-year period following a Price Review, which is covered by a water company’s business plan. The current AMP, AMP7, covers the period 2020 to 2025. |
| Bidder | a person (e.g. company, limited liability partnership, firm, joint venture, etc) that has entered a submission via the bid assessment framework process |
| Price Review | The process through which Ofwat determines the price, investment and service package that customers receive for the upcoming AMP. |
| YW | Yorkshire Water Services Limited (a company registered in England with company number 02366682) |

Introduction

Yorkshire Water (“YW”) Bioresources

YW serves two million households and provides wholesale water and wastewater services to 140,000 business premises across the Yorkshire and Humberside region.

As part of our core activities we operate, maintain and enhance a network of pipes, pumps and treatment works to move, manage, and treat drinking and waste water.

The Bioresources business unit is currently comprised of 14 Sludge Treatment Centres (STCs), mainly located around the M62/ M1 corridors. We take partially treated sewage and generate renewable energy and quality products that go to agriculture, thereby creating value from waste.

In 2021/22 we produced [143,100] dry tonnes of sewage sludge, which was treated and recycled. We currently aim to use all our sludge to produce renewable energy through a process known as anaerobic digestion (AD), whereby the resultant biogas is combusted through Combined Heated Power engines. The renewable energy is then used to provide power to operate our sewage treatment works and STCs. We also use the renewable heat provided from this technology in our operations. This renewable energy benefit helps us keep costs down for customers.

In 2021/22, 207 GWh of renewable energy was produced and used; an increase on previous years, made possible by new additional assets becoming operational at our Huddersfield site in Summer 2021.

All our sludge is treated to the Assured Biosolids Standard (BAS standard), which is a national standard that is independently audited, ensuring we are 100% compliant with best practice standards for recycling this material.

The Bioresources Bid Assessment Framework

The Bioresources Bid Assessment Framework (Bioresources BAF) details the structures and processes YW intends to employ to consider bids from third parties for the delivery of bioresources services. Building on existing processes, the Bioresources BAF will be used to compare in-house and third party solutions to meet YW’s bioresources requirements.

The Bioresources BAF has been developed in accordance with the Ofwat guidance; "Bioresources bid assessment framework – final guidance, February 2022".

A high-level view of YW's needs is set out in the Need Specification below. To further understand the potential YW requirements that third-party bids could address, potential bidders should also consult the YW Bioresources webpage, which contains our bioresources and market approaches, and our published market information data set:

Bioresources webpage: yorkshirewater.com/environment/bioresources/.

By providing this information we aim to encourage third parties to present YW with potential solutions to both short, medium and long-term bioresources issues. Whilst not prescribing the type of solutions third parties can offer, we anticipate that bids will relate to:

- sludge transport, treatment and disposal;
- process optimisation, particularly regarding resilience and efficiency; and,
- byproduct use, for example, creating greatest value from the biogas produced by our Anaerobic Digester processes

The process YW will use for assessing bids is described in this Bioresources BAF document to provide transparency and give confidence that YW will take a consistent and fair approach to assessing third-party bids.

We expect there will be many different types of bids, covering a wide range of approaches, durations and complexities. We have set out our thoughts about the information that will be required, but encourage potential bidders to inform us if they consider we are failing to capture information that demonstrates the unique benefits they can provide.

Our Bioresources BAF will be monitored to ensure it meets the needs of the business, effectively assists third-party bidders, and that we adhere to any new guidelines or legislation that affects our policies. As we receive and assess bids, we will consider third-party feedback and learning from the experience, to ensure our processes make it as easy as possible for viable bids to be submitted.

Our process for assessing third-party bids is summarised in Figure 1 and further explained in the following sections. If you have any questions before deciding whether to submit a bid, please contact us at: [email address TBC]

Figure 1. Bid assessment process summary



Need Statement

This section of the Bioresources BAF sets out for the purposes of clarity and transparency the specified needs that any potential bid should be designed to contribute to or fulfil. We wish potential bidders to understand at the outset of this process our requirements such as the quality, reliability, cost and environmental considerations which set the context in which any bid and prospective contract will be assessed. Within Bioresources we are always focused on improving the efficiency of our service, including using the market to drive down our sludge treatment costs to provide greater value for money to customers. Ensuring the safety of our people and protecting the environment also remain key and constant areas of focus.

Further to these constant priorities, we currently have two regulatory performance commitments associated with bioresources activities. These performance commitments were formed as a result of customer engagement during the 2019 Price Review, and are designed to reflect the areas that matter most to our customers. Our current bioresources performance commitments are:

1. **Renewable Energy Generation** – which measures the volume of biogas we create through our STC's; and,
2. **Quality Agricultural Products** – which measures the quality of biosolids produced as a byproduct of the wastewater treatment process, of which 100% of those sent to land must meet the Biosolids Assurance Scheme (BAS) requirements.

To help us deliver against these areas of focus, we are interested in partnering with the market on opportunities surrounding:

- Sludge & Biosolid Logistics
- Short term sludge treatment capacity
- Long term sludge treatment solutions with annual capacity greater than 2,000tds
- Beneficial biogas usage
- Beneficial biosolids recycling
- Sludge thickening and/or dewatering solutions
- Sludge conditioning operations & capacity

PR24 Strategy

Our PR24 strategy for Bioresources is focused on:

- Environmental performance
- Efficiency and the use of markets

Environmental performance

Bioresources activities are subject to a range of legislation and environmental policies to ensure high standards of biosolids treatment and recycling. Some of the legislation and policies are changing at rapid pace which can have a significant effect on how we operate. Currently, changes related to the Industrial Emissions Directive (IED), Farming Rules for Water (FRfW) and the Environment Agency's sludge strategy are key external influences on our PR24 strategy, further driving the need for optimisation and resilience.

The Environment Agency's water industry national environment programme (WINEP) provides water companies with investment and improvement actions to provide a water environment that is cleaner, healthier, and managed in a way that is more resilient to floods and drought and better supports people, wildlife, and the economy. For bioresources, the WINEP provides investment drivers focused on improving operational resilience, including managing the recycling supply chain. We are currently involved in a collaborative project with other water companies to understand the WINEP impacts on the supply chain and the environmental risks and opportunities this provides. This work will lead to a proposal to the Environment Agency against these WINEP drivers in October 2022.

At the same time, we expect to see sludge production increase over the next AMP as we improve the quality of our discharges to water courses from our wastewater treatment works and storm overflows. Some of the increased sludge production will be due to higher phosphate content, which will provide opportunities and challenges for recycling. This increase in sludge production is likely to require an increase in the need for additional capacity to treat and recycle sludge.

Our bioresources strategy plays a key role in achieving our net zero carbon commitment. We need to make the best use of the biogas we produce through our STC's, and improve the renewable energy yield, whilst reducing process emissions.

Efficiency and the use of markets

Our aim is to be one of the most efficient bioresources functions¹. To achieve this we recognise that we need to harness the capabilities of the market to drive efficiency, innovation, and performance improvement. Our PR24 strategy will incorporate a markets first approach, where in-house solutions are chosen only where they demonstrably more efficient and effective than market-delivered solutions.

Bid assessment process

Third parties that consider they have a solution in line with our Need Specification may submit a bid using the Bid Submission Form on our Bioresources BAF webpage. We will then carry out an initial, high-level assessment to determine if it meets the prequalification criteria and has the potential to contribute to meeting our requirements.

Prequalification

The first step in our bid assessment process is to carry out a high-level study to determine if the option has the prospect of being feasible – i.e. from the available data, is it technically deliverable and does it address our needs (as specified in our Need Specification and on our webpage) – and whether the option is different to those currently available to us or provides better value than our current systems and services.

Whilst we are committed to maintaining our open approach to the market, please note that where we already have contractual commitments in place, we reserve the right to reject or place on hold similar/equivalent bids. Similarly, during procurement tenders for solutions within the scope of the Bioresources BAF, we reserve the right to reject or place on hold similar/equivalent bids.

To enable us to carry out this assessment, we ask bidders to complete a **Bid Submission Form**, as displayed in Appendix 1. We will use this information to assess the technical, financial and commercial feasibility of a bid.

Should bidders consider any of the information requested in the Bid Submission Form to be commercially sensitive, they should highlight the applicable area and request a non-disclosure agreement (NDA) before providing that element. If the prequalification can be progressed without this information, we will do so and subsequently put an NDA in place as part of the

¹ At PR24 we aim to be assessed as being in the upper quartile for bioresources cost efficiency.

Evaluation process (see Evaluation). If not, we will facilitate signing an NDA as part of Prequalification.

Bidders should also visit the **What to expect after submitting a bid** section of our Bioresources BAF webpage for guidance on some of the common requests you may expect to receive from us at later stages in the bid assessment process. Whilst no bid received will likely be exactly the same, there are certain common requests or requirements you may expect to come across.

Request for Information

As part of prequalification, we may need to contact bidders with an additional Request for Information (RFI) to obtain further technical and commercial information.

The extent of the further information required will be dependent on individual proposals and proportionate to the complexity of the offer. To ensure that we take a proportionate approach, we define third party bids as 'simple' or 'complex':

A **'simple' bid** is likely to be a one-off transaction where the third party is not providing an ongoing service. An example of this would be an agreement for the treatment of a tanker load of sewage sludge.

A **'complex' bid** is likely to be a contract agreement. This would be a commercial agreement between Yorkshire Water and a third party that would last for a defined period of time.

We would expect to require less information for a simple bid than a complex bid, as the assessment criteria would be proportionate to the complexity of the offer.

If we decide to progress with a bid, the same approach of simple vs complex will be applied to our procurement process (if required, see **Call for competition under Time limits and bid clarification**). The level of information required through this process will be dependent on the type of transaction agreement required between Yorkshire Water and the third party.

Appendix 2 provides examples of the type of information we are likely to request. The exact information we request at this stage will be proportionate and based upon the detail provided in the **Bid Submission Form**.

In completing a Bid Submission Form and responding to requests for further information, we ask bidders to provide as much information as is available to them. We understand that bidders will not necessarily have all the information requested and we will base our evaluation on the information that is available.

If there is insufficient detail to assess the feasibility of the bid we may, if practical, work with the bidder to collect further information.

Evaluation

If it meets the requirements of the Prequalification stage, the bid will progress to Evaluation, where a more detailed assessment of the bid will be carried out. This stage is likely to start with a request for further detail, as outlined under **Request for Information** in the section above. We will probably ask you to complete a mutual NDA at this stage (if this hasn't been done earlier), allowing us to discuss commercial terms or share operational data in confidence.

The initial purpose of the evaluation phase is to determine if a bid is feasible. We do so using the criteria outlined in Appendix 3.

Once we determine that a bid is feasible, we will assess whether it provides sufficient benefit to progress during the current AMP. If a feasible bid does not progress in-period, it will be considered in the next price review options appraisal process and assessed against in-house options for meeting Yorkshire Water's needs. If a bid progresses either in-period or is part of our long-term planning solution, Yorkshire Water will consider the most appropriate procurement process.

In-period or Price Review Options

As part of the Evaluation we will consider whether a bid should be considered in-period or as part of our price review process.

Where there is evidence of an immediate benefit from a bid proposal and that implementation is deliverable in the short term we will consider a bid in-period. The progression of bids will be dependent on the outcome of essential pre-implementation activities (for example, trialling new techniques or securing appropriate third party permissions and consents) and the benefit and whole life cost of an option in the long term. Therefore, the majority of in-house and third-party options, will be considered as part of our price review options appraisal process.

We want to emphasise that we are taking an open approach to the market, where we do not time-limit bidding to the price review period. This should ensure third parties are not deterred from submitting a bid due to restrictive timescales.

In-period options

For an option to be considered in-period, it will need to demonstrate that it either meets an unfulfilled need or it has the potential to be more cost-

effective or beneficial than our current activities. If there are clear benefits that mean an option should be implemented within the current period, a scheme will be progressed via an appropriate procurement process.

Currently bids likely to be considered in-period would relate to providing additional sludge treatment capacity or alternative beneficial uses of biosolids.

Price Review options

For an opportunity to be considered in the next Price Review options appraisal process, it will need to present a potential solution to Yorkshire Water's long term bioresources needs.

Our appraisal of opportunities centres around 3 key themes:

- Resilience of our ability to treat and dispose of sludge. In the event of diminishing land bank availability or sludge chain interruptions, weighting is given towards technologies that support reducing the total volume or providing short term capacity.
- Increasing the quality of our sludges by improving our treatment of permitted determinands or increasing nutrient benefit to land.
- Affordability of totex with a priority given to market led capital delivery.

Offers received through the Bioresources BAF will go through the same options appraisal process as in-house options to determine if they are feasible and meet the Need Specification.

Following this all feasible options will be analysed through Yorkshire Water's Bioresources Strategic Sludge Model to determine the optimal range of interventions to implement.

Evaluation Results

Following completion of the Evaluation stage, we will communicate the evaluation result to the bidder in a timely manner. This will include a clear statement explaining why a bid has been classed as either feasible or infeasible. We will explain the next steps in the process, which will depend on whether the bid is to be taken forward on an 'in-period' or 'Price Review' basis. If applicable, we will also notify the bidder if the option would require a procurement process before a final decision is made.

Procurement / Commercial Negotiation

At the point YW determines that it plans to progress an option, either in-period or through the Price Review process, it will need to consider whether to initiate a procurement process.

If YW considers the proposal is not unique to the bidding organisation, we may need to issue a formal call for competition to the open market. The call for competition would allow the wider market to be included in an open competitive tender process for a solution of the type suggested by the bidding organisation, which would demonstrate whether alternative providers existed.

This step may be required in order to ensure compliance with The Utilities Contract Regulations 2016 (UCR 2016) by ensuring the avoidance of artificially narrowing competition. If this formal market test results in no alternative suppliers, then Yorkshire Water will engage with the original bidder in commercial negotiation.

Contract Award

Terms and conditions will be agreed prior to contract award and will be in line with YW's standard contract where appropriate. Once agreed, a public announcement of the outcome will be issued in a Contract Award Notice in the Official Journal of the European Union (OJEU) no later than 30 calendar days after the contract or framework award date.

Time limits and bid clarification

Time limits

We are taking an open approach to the market, where we do not time-limit bidding to the Price Review period. We recommend, however, that third parties make themselves aware of our business planning timescales, as most feasible options are likely to progress via the 'Price Review' route.

Water company business plans are delivered in five-year AMPs – the current being 2020-25 – which are preceded by a price review. Through the price review process, Ofwat sets price, investment and service packages for water companies.

The next price review, for the 2025-2030 AMP, is PR24. Ofwat provided water and sewerage companies with draft guidance for PR24 in 2022 and work is underway to develop the YW business plan.

Third parties interested in providing options for consideration in the next price review should submit bids at their earliest convenience and no later than May 2023 to be considered in the PR24 price review process.

Indicative PR24 timescales:

| Date | Event |
|----------------|---|
| June 2022 | Draft PR24 methodology release by Ofwat |
| September 2022 | Requirement modelling |
| January 2023 | Final PR24 methodology release by Ofwat |
| May 2023 | In-house options development |
| July 2023 | Options appraisal |
| August 2023 | Final Strategic Sludge Model Runs |
| September 2023 | Final YW business plan submitted to Ofwat |

Bid clarification

After receiving a **Bid Submission Form** we will, where appropriate, utilise the standard negotiated process within the Utilities Procurement Regulations 2016 to deal with questions and ambiguity with bidders during a clarification stage, which will be at the same time as we provide bidders with an RFI – see Section 3.

Governance

The bidding process will be overseen by a team that is separate to the Bioresources Asset Management team and any YW employees who have been involved in developing our current in-house solutions.

Assessment of bids

The Prequalification and Evaluation stages of our Bioresources BAF will be overseen by our Bioresources Commercial & Markets team.

The team responsible for the evaluation of third-party bids will determine whether the proposed solution will be progressed as a feasible option, either in-period or at the next Price Review, or is not feasible.

Any options which progress to a procurement exercise will be overseen by a separate procurement function which gives assurance of independence and compliance with the regulations.

These teams are independent from any employees who have been involved in developing in-house options.

Protecting commercially sensitive information

Our governance arrangements are designed to provide the independence that gives bidders confidence that their commercially sensitive information is protected. In addition to this inherent structural independence, up to date training on the requirements under law and our licence is maintained for colleagues engaged in market management and bid assessment.

Information submitted by bidders is protected through secure servers and access controls.

As previously noted, we are happy to enter into confidentiality and non-disclosure agreements with third party bidders. We are willing to provide draft agreements on request.

Through our use of independent assessment teams, dedicated training and information access controls, we believe that bidders can be confident that their information is protected and disclosed only to the extent that enables assessment in line with this framework.

Governance and Compliance

Governance of third-party bid assessment will comply with our existing robust Procurement Rules, which include various approval levels up to and including our Board. Our internal Governance and Compliance team assist with ensuring assurance against these rules. In addition, we regularly use internal and independent external audit processes to provide additional assurance.

Where applicable, procurement projects – such as those in excess of values specified in the European Contracts Directive – will be regulated by the Utilities Contracts Regulations 2016 (UCR16). For procurements where spend is forecast to be under the UCR26 thresholds, YW will comply with the principles of transparency, equal treatment/non-discrimination and proportionality.

Where a tender process has resulted from a call for competition, we will follow the procedure available within the UCR16 and will allow suppliers to challenge an award decision using contract details available on the Contract Award Notice or Standstill Letter.

Our procurement process is fully electronic (through SAP Ariba) and as such auditable at each stage. Approvals are all recorded, as is adherence to rules. Additional approval of adherence to this bid assessment framework and Ofwat's principles will be given by our Head of Commercial.

All third-party bids and documents related to the assessment of the bids will be stored so that an audit of compliance can be made available to Ofwat or any internal or other external compliance / audit reviewers. Any information we publish on bids received and why they were determined as feasible or not will be high level and not compromise commercial confidentiality.

Complaints

Third parties who wish to raise a complaint or appeal in relation to the processes used in assessing their bid or awarding a contract can contact us through our complaints process published on our [name TBC] website [[https:// link to be added on publication](https://link to be added on publication)] or via a procurement (SAP Ariba) portal if the latter.

Communication of decision

Once a bid has been evaluated, we will communicate the evaluation result to the bidder in a timely manner. This will include notifying the bidder where the option requires a procurement process.

Where the outcome of a bid was to carry out a procurement process, upon completion we will provide formal successful and unsuccessful notifications detailing the relative advantages of the winning bidder. On receipt of the tender outcome communication a 10-day standstill period will begin. This period allows for a short pause between the contract award decision and the contract award conclusion for review.

If the bid provides a feasible option for our next Price Review the decision to progress with the scheme will be dependent on the Price Review options appraisal process. We will ensure bidders are notified of the outcome of this process.

Appendix 1 – Bid Submission Form

Table 1: Excerpt taken from the Bid Submission Form MS Excel file.

| No. | Item | Response requirement |
|-----|---|----------------------|
| 1 | <p>Is the bidding entity UK based? If not, please confirm the registered base. Note: if the bidding entity is not UK based, Yorkshire Water Services Limited may follow up with further questions to understand the contractual structure and tax or duty related issues.</p> | Essential |
| 2 | <p>Are you, or any of your staff, related to a board member or employee of Yorkshire Water Services Limited? If yes, provide full details.</p> | Essential |
| 3 | <p>Do you, or any of your staff, have a private business relationship with a board member or any member of Yorkshire Water Services Limited? If yes, provide full details.</p> | Essential |
| 4 | <p>Has the Bidding Entity or its Directors or any other person who has powers of representation, decision or control of your company been convicted of any of the offences listed in the declaration tab²?</p> | Essential |
| 5 | <p>State which bids or tenders, if any, the bidding entity has engaged with Yorkshire Water on in the last two years.</p> | Essential |
| 6 | <p>Describe the technical solution, including how and where it would be applied to meet Yorkshire Water's Bioresources needs.</p> | Essential |
| 7 | <p>Describe how the bid will cost-effectively improve bioresources service, resilience and/or efficiency.</p> | Essential |
| 8 | <p>Describe the intended commercial model of the bid, including:</p> <ul style="list-style-type: none"> - whether it is a goods or services contract; - the value flow; and - the proposed payment structure. | Essential |
| 9 | <p>Provide indicative prices and terms</p> | Essential |

² See the **Bid Submission Form** MS Excel file for declaration details.

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| 10 | <p>State the technology readiness level (TRL) of the proposal and provide supporting evidence. Where TRL9 is stated, provide case studies to verify this.</p> <p>Technology readiness levels: TRL1 – Basic principle. TRL2 – Research stage. TRL3 – Proof of concept. TRL4 – Bench scale research. TRL5 – Pilot scale. TRL6 – Large scale. TRL7 – Inactive commissioning. TRL8 – Active commissioning. TRL9 – Operational & commercially available.</p> | Essential, with supporting evidence |
| 11 | <p>Describe the scale of opportunity to Yorkshire Water, including capacity and indicative savings and/or performance improvement figures.</p> <p>Describe the assumptions on which these figures are based.</p> | Essential |
| 12 | <p>State whether the bid provides a new option (to complement existing YW processes) or replacement option (which replaces existing processes).</p> <p>If a new option, describe the unique features and how they will realise benefit.</p> <p>If a replacement option, describe what it is intended to replace and provide the factors that would build the business case for change.</p> | Essential |
| 13 | Describe all relevant accreditations held for the technology and/or personnel. | Essential |
| 14 | <p>Describe the operating area for the proposal.</p> <p>For instance, is the proposal targeted to a specific area or is it region-wide?</p> | Essential |
| 15 | <p>Describe the impact the bid could have on Yorkshire Water's performance commitments.</p> <p>Where the bid has the potentially to negatively impact a performance commitment, explain how this impact could be mitigated.</p> | Not essential at bid submission stage |
| 16 | Provide an estimated implementation timeline for the bid. | Not essential at bid submission stage |

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| 17 | Provide the proposed contract tenure. | Not essential at bid submission stage |
| 18 | Provide details of any additional third parties that would be involved in goods/service provision. | Not essential at bid submission stage |
| 19 | Provide any other supporting information for consideration. | Not essential at bid submission stage |

Appendix 2 – Request for information

This appendix provides examples of the type of information we may ask bidders to provide in an RFI after we have received a **Bid Submission Form**.

The RFI could include a request for further technical information to help us determine if the proposal is a feasible option to us. We may also request information on your company policies and financial sustainability. This further information will help us decide whether or not we are able to consider trading with a particular bidder. To ensure that we take a proportionate approach, the type of information we request will be dependent on whether your bid is simple or complex and is set out in further detail below.

We would consider a bid to be simple if it involves a one-off transaction, such as a singular transaction for the treatment of a small volume of sewage sludge. In this example we would consider it disproportionate to require a bidder to submit extensive information such as details of environmental or quality management systems, information security requirements, etc.

For more complex bids, we may require substantial additional information on the bidding entity's financial sustainability and policies. A complex bid could be, for example, one where there is likely to be a longstanding commercial relationship between Yorkshire Water and the third party. We may need to supply the third party with data that needs to be securely stored or permit the third party to work on YW assets or with YW customers. For complex bids, RFIs are consistent with what we would require from suppliers of other goods and services to YW that have not originated from the Bioresources BAF.

Example technical request for information related to both simple and complex bids:

- Copies of accreditations
- Maps or schematics of the proposal
- Data or reports evidencing performance claims
- Cost information – capital and operating.

Example policy information related to complex bids (based on YW's standard procurement approach)

- Financial sustainability
 - Credit rating: We utilise the Experian credit rating checking tool to assess the financial sustainability of suppliers. No minimum credit rating exists, however low credit ratings will lead to further discussions and are likely to alter the way contracts are delivered.
 - Turnover ratio: We are keen to understand the ratio of the turnover associated with the contract with YW against the total turnover of the supplier in question. A turnover ratio greater than x will lead to further discussions and are likely to alter the way contracts are delivered.
- Health and safety (H&S)
 - Management System: It is a mandatory requirement that all suppliers have a H&S Management System in place for managing the health, safety and welfare of their colleagues.
 - Incident management: We wish to understand the processes by which suppliers manage H&S incidents to ensure that we work with mature organisations that have a focus on implementing learning.
 - AFR: We wish to understand the Accident Frequency Rate of suppliers as a means of understanding underlying H&S performance.
 - Health & Wellbeing: We ask suppliers to be clear on how they manage Health & Wellbeing within their organisations.

- H&S Infringements: We seek to understand from suppliers their record with H&S infringements as a means of understanding underlying H&S performance.
- Environmental
 - Management System: It is a mandatory requirement that all suppliers have an Environmental Management System in place for managing the environmental impact of their operations.
 - Environmental Infringements: We seek to understand from suppliers their record with environmental infringements as a means of understanding underlying environmental performance.
 - Energy and waste management: We wish to understand the Energy and waste management processes of suppliers to ensure that we work with mature organisations.
- Human Rights
 - Equality Act compliance: It is a mandatory requirement that all suppliers are compliant with the Equality Act.
 - Related Legislative compliance: It is a mandatory requirement that all suppliers are compliant with all legislation related to the Equality Act.
 - Living wage compliance
 - Modern Slavery compliance
- Quality Management: Quality Management System
- Information Security:
 - Policy
 - Data Protection Policy

- GDPR Compliance
- Contract Management
- Insurances (Public, Product and Professional Liability).

Appendix 3: Evaluation criteria for assessing feasibility

Third-party bids will be assessed against our Need Specification, based on information provided in the **Bid Submission Form**, responses to any RFIs and any feasibility studies we may carry out in relation to the proposal. Table 2 contains the evaluation criteria we use for assessing the feasibility of bids.

Table 2 – Evaluation criteria

| No. | Evaluation criteria | Scoring | Comment |
|-----|---|---------|---|
| 1 | Is the solution TRL8 or TRL9? | Yes/No | <p>If “Yes” the bid should progress via the bid assessment framework route.</p> <p>If “No” the bid should progress via our Innovation assessment route.</p> |
| 2 | Does the bid address the Need Statement? | Yes/No | We will assess if the option can meet the requirements. If the answer is “No” we will not assess the option any further. |
| 3 | <p>a. Does the bid present a new option that is not already available to us?</p> <p>b. Does the bid potentially provide a solution which is compliant with any existing frameworks/ contracts YW have in place for similar solutions.</p> | Yes/No | <p>If “Yes” then continue the assessment. If “No” see question 3b</p> <p>If “Yes” then progress the assessment. If “No”, inform the Bidder of the next available window of opportunity to re-engage in a procurement process.</p> |
| 4 | Is the option likely to be acceptable in terms of planning constraints, including safety and environmental obligations? | Yes/No | Any solutions where there is a known significant environmental impact or planning constraints that cannot be mitigated will be infeasible. As such if “Yes” continue assessment, if “No” we will not assess the option any further. |

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| 5 | Would the option be acceptable to customers? | Yes/No | We would determine an option as infeasible if our customers would find it unacceptable. However, if this is uncertain or there is scope to communicate benefits to customers and increase acceptability, we may agree to work with the bidder to do this. If the answer is "No" we will not assess the option any further. |
| 6 | Is the case study and proposed benefit translatable to Yorkshire Water? | Yes/No | This will depend on the information provided. If "Yes" progress the evaluation, if "No" and there are significant differences in the assumptions, these will need to be further clarified in further information requests during Evaluation. |
| 7 | Are the upfront feasibility costs proportionate to the benefit? | Yes/No | This will be dependent on the available information. Feasibility costs may include data sharing or small-scale pilots, for example. If "Yes" progress the Evaluation, if "No" then stop the Evaluation. If there is doubt and the option scores highly, we may consider further scoping. |
| 8 | Are the costs to implement proportionate to the benefit? | Yes/No | This will be dependent on the available information. If "Yes" progress the Evaluation, if "No" then stop the Evaluation. If there is doubt and the option scores highly, we may consider further scoping. |
| 9 | Does the solution require the bidder or YW employees to have certification/accreditation to allow the use of the solution? Does the implementation timeline account for time required to gain the required certification/accreditation? | Yes/No | If the answer is "No", the bid should either be progressed along our Innovation assessment route or resubmitted once relevant approvals are in place. |

These criteria aim to identify what niche the bid is looking to exploit and whether it would be feasible in replacing or complimenting existing solutions/services, including establishing the competence and maturity of the option within the water industry.

These criteria are yes or no answers, with “yes” scores resulting in the bid progressing for further assessment and “no” scores either resulting in assessment ceasing or occurring via our Innovation assessment route. If there is uncertainty in a “no” score, we may be able to work with the bidder to clarify or proceed with evaluation.

If evaluation against these criteria determines a solution is feasible, we carry out the following activities to determine if the option should be considered for ‘in-period’ implementation:

- 1 Evaluate the option’s viability in relation to our existing business structure, long term strategy and business change requirements for accommodating the option.
- 2 Determine any new infrastructure or data capture required to support the solution, or benchmark current performance.
- 3 Develop the notional implementation route and establish the notional procurement process, if the business case and the required business change programme are likely to deliver improved performance or efficiency.

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