



Appendix 2 NWT Projects

RAPID Gate 2 Submission: Direct Procurement for Customers and Procurement Strategy Assessments

UU Sources, Vyrnwy Aqueduct and Kielder Components

Commercial – July 2022

NWT Projects

DPC Assessment criteria

	Project somewhat suitable for DPC	Project Somewhat less suitable for DPC
Project size	Very Large Schemes with CAPEX Values in excess of £100m	Small Schemes with Totex Values close to or below £100m
Stakeholder Interactions and statutory obligations	Limited or marginal impact on the appointees ability to meet item statutory obligations (e.g. Non potable or raw water sources)	Asset materially contributes towards appointee meeting statutory obligations
Interaction with network	Assets where there are limited economies of scale and scope with the rest of the appointees network system OR where those economies of scale or scope could be maintained through contracts	Assets where there are material economies of scale and scope with the rest of the appointees network system or where economies of scale or scope cannot be maintained through contracts
	Simple or limited, well understood and manageable interactions with the appointee's network	Significant, complex and frequent interactions with the appointees' network
	Separate non-contiguous networks or assets within the appointees area	Assets that are actively managed as part of the overall system operation of the network
	Assets where capacity is shared by multiple appointees	
	More passive assets (e.g. network enhancement pipes) that are not actively managed as part of the overall system	
Contributions to supply capacity and ability to specify outputs	Assets where capacity is regularly needed and contracting requirements can be more easily defined and priced	Assets where capacity is rarely needed (e.g.. Resilience schemes) and contracting requirements difficulty to specify
	Schemes where outputs can be clearly defined and are not subject to substantial change from other factors or difficult to predict in the future (e.g. Around asset condition at hand back)	Assets where capacity requirements are not well understood uncertain
		Schemes where outputs cannot be clearly defined
Asset and operational failures	Assets where operational failure risk is well understood and mitigations well established for similar assets	Assets where operational failure risk is not well understood with limited track record of effective mitigations
	Well-developed market or technical supply chains with strong experience of similar project delivery	Weak market or technical supply chains with limited experience of similar project delivery
		Assets where there are no alternative back up supplies

Summary of DPC and Commercial Assessments

NWT Projects - UU Sources and Vrynwy Aqueduct

Summary of Gate 2 Submission Direct Procurement for Customers and Procurement Strategy Assessments

Project Names	Description	Direct Procurement for Customers Assessment					Commercial Strategy Assessment		
		Project Size Capex	"Project Discreteness"				Somewhat suitable Yes/No	Primary Output	Secondary Output
		>£100m	Stakeholder interactions and statutory obligations	Interactions with the network	Contributions to supply/ capacity and ability to specify outputs	Asset and operational failures			
UU Sources WR015 SWN River Irwell Heaton Park Option 1	<i>Identify those UU Sources that could be used to provide resilience of supply within UU geography</i>	✓	✓	✓	✗	✓	Yes	DBOM/BOO	Strategic Relationship
UU Sources River Irwell River Roch STT041b Heaton Park RESERVE Option	<i>Identify solutions that could be used to provide resilience of supply from Kielder Water</i>	✓	✓	✓	✗	✓	Yes	DBOM/BOO	Strategic Relationship
UU Sources WR076 SWN River Bollin	<i>New surface water abstraction expected to yield 25Ml/d</i>	✓	✓	✓	✓	✓	Yes	Strategic Relationship	BOO/DBOM/Agg Call Off
UU NWT Vrynwy Aqueduct Operational Modifications	<i>Identify the solution for the provision of water from Vrynwy to the South-East</i>	✓	✗	✗	✗	✓	No	Strategic Relationship	DBOM/BOO/D&B Comp/Framework

Key:

✓
✗

"somewhat suitable for DPC"

"somewhat less suitable for DPC"

NWT Projects - UU Sources		UU Sources – Remaining Options DPC Assessments								
WRMP Ref	Name	Direct Procurement for Customers Assessment						DRAP	Primary Output	Secondary Output
		Project Size	“Project Discreteness”				Somewhat suitable Yes/No			
Key:	✓ “somewhat suitable for DPC” ✗ “somewhat less suitable for DPC”	>£100m	Stakeholder interactions and statutory obligations	Interactions with the network	Contributions to supply/ capacity and ability to specify outputs	Asset and operational failures				
WR102b	GWE_WIDNES	✗	✓	✗	✓	✗	No	CDP	Agg call off	Spot Buy
WR107a2	GWE_AUGHTON PARK a2	✗	✓	✗	✓	✗	No	CDP/NMS	Agg call off	Spot Buy
WR107b	GWE_RANGLES BRIDGE	✗	✓	✗	✓	✗	No	CDP/ MSP	Agg call off	Spot Buy
WR111	GWE_WOODFORD	✗	✓	✗	✓	✗	No	CDP /MSP	Agg call off	Spot Buy
WR113	GWE_TYThERINGTON	✗	✓	✗	✓	✗	No	MSP	Agg call off	Spot Buy
WR149	ITC_WIGAN	✗	✓	✗	✓	✗	No	CDP	Agg call off	Spot Buy
WR049d	SWN_RIVER RIBBLE 49d	✓	✓	✗	✓	✗	No	Competitive Tender	SR	Agg call off/JS/ OM
WR105a1	GWE_LYMM a1	✗	✓	✗	✓	✗	No	CDP/NMS	Agg call off	Spot Buy
WR106b	GWE_WALTON_2	✗	✓	✗	✓	✗	No	CDP/MSP	Agg call off	Spot Buy
WR144	SWN_RIVER TAME	✗	✓	✗	✓	✗	No	CDP	SR/ Agg call off	JS/OM/SB/ Proj

NWT Projects – WIT_THIRD Party_22 WR812c Kielder Components

Summary of Gate Submission Direct Procurement for Customers and Procurement Strategy Assessments

Project Names	Description	Direct Procurement for Customers Assessment						Procurement Strategy Assessment	
		Project Size	"Project Discreteness"				Yes/No	Primary MEM Output	Secondary MEM Output
		>£100m	Stakeholder interactions and statutory obligations	Interactions with the network	Contributions to supply/ capacity and ability to specify outputs	Asset and operational failures			
UU KIELDER Component 1	<i>Raw Water from Kielder water to Watchgate water treatment works. Increase capacity of existing Watchgate WTW by 100 MI/d</i>	✓	✓	✓	✓	✓	Yes	DBOM/DBFO/BOOT/BOO	Project Partnering/ Strategic Relationship
UU KIELDER Component 2a	<i>Raw Water from Kielder Water to Watchgate water treatment works with enhanced treatment works at existing site. Increase capacity of existing Watchgate WTW by 100 MI/d</i>	✓	✗	✗	✓	✗	No	DBFO/BOOT	DBOM/BOO/ Strategic Relationship
UU KIELDER Component 2b	<i>.Increase capacity of Haweswater Aqueduct to enable delivery of additional water (5th siphon line across river valleys)</i>	✓	✓	✓	✓	✓	Yes	DBFO/BOOT	DBOM/BOO/ Strategic Relationship
UU KIELDER Component 3	<i>New Treated Water Pipeline from Watchgate to Woodgate Hill (Haweswater Aqueduct 5th Syphon)</i>	✓	✓	✓	✓	✓	Yes	DBOM/DBFO/BOOT/BOO/ Joint Specification	Project Partnering/ Strategic Relationship

Scheme DPC and Commercial Assessment Outcomes

UU Sources

Scheme DPC and Commercial Assessment Outcomes

DIRECT PROCUREMENT FOR CUSTOMERS ASSESSMENT as at Gate 2 June 2022

STT041b SWN River Irwell_Roch– Identify solutions that could be used to provide resilience of supply from River Irwell only and if combined including River Roch. New surface water abstractions from River Irwell. Raw water rising mains and new WTW of expected output 40 MI/d

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	60%	40%	0%
Alliance	60%	40%	0%
Outsourcing	50%	50%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	70%	30%	0%
DBFO/PFI	65%	35%	0%
BOOT	65%	35%	0%
BOO	70%	30%	0%
Project Partnership	60%	40%	0%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Lease	25%	75%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	45%	55%	0%
Aggregated call off	60%	40%	0%
Strategic framework	65%	35%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Specialist	60%	40%	0%
UU Full scope	65%	35%	0%
Partial scope	65%	35%	0%
OBM	60%	40%	0%
Project Partnership	60%	40%	0%

UU Commercial Assessment

Primary Contractual Mechanisms to be considered are:

- Design Build Operate Maintain
- Build Own Operate

Secondary Contractual Mechanism to be considered are:

- Strategic Partnership

Alternative Options which could still be explored

- Joint Full Specification
- UU Full Specification

NWT Projects - UU Sources

DIRECT PROCUREMENT FOR CUSTOMERS ASSESSMENT as at Gate 2

WR015 NWT SWN River Irwell Only – New surface water abstraction from River Irwell and River Roch. Raw water rising mains and new WTW of expected output 40 MI/d.

	Project somewhat suitable for DPC	Project Somewhat less suitable for DPC	ASSESSMENT COMMENTS
Project size	Very Large Schemes with CAPEX Values in excess of £100m	Small Schemes with Totex Values close to or below £100m	Estimate £100m - £169m for this <i>large</i> scheme
Stakeholder Interactions and statutory obligations	Limited or marginal impact on the appointees ability to meet item statutory obligations (e.g. Non potable or raw water sources)	Asset materially contributes towards appointee meeting statutory obligations	During Water Trading, UU will require this additional Raw Water Source to meet its obligations
Interaction with network	Assets where there are limited economies of scale and scope with the rest of the appointees network system OR where those economies of scale or scope could be maintained through contracts	Assets where there are material economies of scale and scope with the rest of the appointees network system or where economies of scale or scope cannot be maintained through contracts	A <i>discrete</i> project to provide 40 – 58 MI/d
	Simple or limited, well understood and manageable interactions with the appointee's network	Significant, complex and frequent interactions with the appointees' network	A major construction project of low technical complexity with key defined touchpoints to UU's supply network, interacting with the primary water source in Manchester (Manchester Ring Main). It is anticipated the reservoir lining works will not be included within the DPC
	Separate non-contiguous networks or assets within the appointees area Assets where capacity is shared by multiple appointees More passive assets (e.g. network enhancement pipes) that are not actively managed as part of the overall system	Assets that are actively managed as part of the overall system operation of the network	A new separate water asset in the form of a water treatment works facility and pumping station Opportunities for multiple appointees to share the output
Contributions to supply capacity and ability to specify outputs	Assets where capacity is regularly needed and contracting requirements can be more easily defined and priced Schemes where outputs can be clearly defined and are not subject to substantial change from other factors or difficult to predict in the future (e.g. Around asset condition at hand back)	Assets where capacity is rarely needed (e.g.. Resilience schemes) and contracting requirements difficulty to specify Assets where capacity requirements are not well understood uncertain	Clearly defined and manageable - can be contracted for by UU to Build and Operate. In principal outputs to be easily defined
		Schemes where outputs cannot be clearly defined	
Asset and operational failures	Assets where operational failure risk is well understood and mitigations well established for similar assets	Assets where operational failure risk is not well understood with limited track record of effective mitigations	Risk and mitigation across all new assets are understood through asset integration / supportability and operations. Heaton Park has been operative in previous years therefore operational failure risk and mitigations are well understood and will be monitored throughout the project duration.
	Well-developed market or technical supply chains with strong experience of similar project delivery	Weak market or technical supply chains with limited experience of similar project delivery Assets where there are no alternative back up supplies	Market could provide construction and operational solutions No back up supplies

ities Water Limited 2020

Assessment:
Project is “somewhat suitable for DPC”

Reasoning:

- Project a “discrete” activity
- Control of Assets can sit outside UU
- Build and Operation can be contracted and managed
- Impact on UU’s statutory obligations can be contracted discretely

NWT Projects - UU Sources

DIRECT PROCUREMENT FOR CUSTOMERS ASSESSMENT as at Gate 2

STT041b SWN River Irwell Roch – New surface water abstractions from River Irwell and River Roch. Raw water rising mains and new WTW of expected output 58 MI/d.

	Project somewhat suitable for DPC	Project Somewhat less suitable for DPC	ASSESSMENT COMMENTS
Project size	Very Large Schemes with CAPEX Values in excess of £100m	Small Schemes with Totex Values close to or below £100m	Estimate £100m - £169m for this <i>large</i> scheme
Stakeholder Interactions and statutory obligations	Limited or marginal impact on the appointees ability to meet item statutory obligations (e.g. Non potable or raw water sources)	Asset materially contributes towards appointee meeting statutory obligations	During Water Trading, UU will require this additional Raw Water Source to meet its obligations
Interaction with network	Assets where there are limited economies of scale and scope with the rest of the appointees network system OR where those economies of scale or scope could be maintained through contracts	Assets where there are material economies of scale and scope with the rest of the appointees network system or where economies of scale or scope cannot be maintained through contracts	A <i>discrete</i> project to provide 40 – 58 MI/d
	Simple or limited, well understood and manageable interactions with the appointee's network	Significant, complex and frequent interactions with the appointees' network	A major construction project of low technical complexity with key defined touchpoints to UU's supply network, interacting with the primary water source in Manchester (Manchester Ring Main). It is anticipated the reservoir lining works will not be included within the DPC
	Separate non-contiguous networks or assets within the appointees area Assets where capacity is shared by multiple appointees More passive assets (e.g. network enhancement pipes) that are not actively managed as part of the overall system	Assets that are actively managed as part of the overall system operation of the network	A new separate water asset in the form of a water treatment works facility and pumping station Opportunities for multiple appointees to share the output
Contributions to supply capacity and ability to specify outputs	Assets where capacity is regularly needed and contracting requirements can be more easily defined and priced	Assets where capacity is rarely needed (e.g. Resilience schemes) and contracting requirements difficult to specify	Clearly defined and manageable - can be contracted for by UU to Build and Operate. In principal outputs to be easily defined
	Schemes where outputs can be clearly defined and are not subject to substantial change from other factors or difficult to predict in the future (e.g. Around asset condition at hand back)	Assets where capacity requirements are not well understood uncertain	
		Schemes where outputs cannot be clearly defined	
Asset and operational failures	Assets where operational failure risk is well understood and mitigations well established for similar assets	Assets where operational failure risk is not well understood with limited track record of effective mitigations	Risk and mitigation across all new assets are understood through asset integration / supportability and operations. Heaton Park has been operative in previous years therefore operational failure risk and mitigations are well understood and will be monitored throughout the project duration.
	Well-developed market or technical supply chains with strong experience of similar project delivery	Weak market or technical supply chains with limited experience of similar project delivery	Market could provide construction and operational solutions
		Assets where there are no alternative back up supplies	No back up supplies

Assessment:
Project is “somewhat suitable for DPC”

Reasoning:

- Project a “discrete” activity
- Control of Assets can sit outside UU
- Build and Operation can be contracted and managed
- Impact on UU’s statutory obligations can be contracted discretely

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR076 SWN River Bollin - New surface water abstraction expected to yield 25Ml/d

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	55%	40%	5%
Alliance	55%	40%	5%
Outsource	35%	65%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	60%	40%	0%
DBFO/PFI	45%	55%	0%
BOOT	45%	55%	0%
BOD	65%	35%	0%
Project Partnering	50%	45%	5%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	25%	75%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	40%	60%	0%
Aggregated call off	70%	30%	0%
Strategic r/ship	70%	30%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	50%	50%	0%
UU full spec	60%	40%	0%
Joint spec	60%	40%	0%
O&M	60%	40%	0%
Project Partnering	50%	45%	5%

UU Commercial Assessment

Primary Contractual Mechanisms to be considered is:

- Form a **Strategic Relationship**

Secondary Contractual Mechanism to be considered are:

- Aggregated Call-Off
- Build Own Operate
- Design Build Operate Maintain

Alternative Options which could still be explored

- Joint Full Specification
- UU Full Specification
- Operate & Maintain

DIRECT PROCUREMENT FOR CUSTOMERS ASSESSMENT as at Gate 2 June 2022

WR076 SWN River Bollin – New surface water abstraction expected to yield 25MI/d

	Project somewhat suitable for DPC	Project Somewhat less suitable for DPC	ASSESSMENT COMMENTS
Project size	Very Large Schemes with CAPEX Values in excess of £100m	Small Schemes with Totex Values close to or below £100m	£115m Capex expenditure
Stakeholder Interactions and statutory obligations	Limited or marginal impact on the appointees ability to meet item statutory obligations (e.g. Non potable or raw water sources)	Asset materially contributes towards appointee meeting statutory obligations	Anticipated Appointee would become duty holder for quality of water delivered via a new Water Treatment Works
Interaction with network	Assets where there are limited economies of scale and scope with the rest of the appointees network system OR where those economies of scale or scope could be maintained through contracts	Assets where there are material economies of scale and scope with the rest of the appointees network system or where economies of scale or scope cannot be maintained through contracts	Completely bespoke solution so limited opportunities for Economies of Scale
	Simple or limited, well understood and manageable interactions with the appointee's network	Significant, complex and frequent interactions with the appointees' network	Controllable with a single delivery point into Manchester Ring Main
	Separate non-contiguous networks or assets within the appointees area	Assets that are actively managed as part of the overall system operation of the network	Proposed solution is limb of the network
Contributions to supply capacity and ability to specify outputs	Assets where capacity is shared by multiple appointees More passive assets (e.g. network enhancement pipes) that are not actively managed as part of the overall system	Assets where capacity is rarely needed (e.g.. Resilience schemes) and contracting requirements difficult to specify	Utilisation of this solution yet to be established
	Schemes where outputs can be clearly defined and are not subject to substantial change from other factors or difficult to predict in the future (e.g. Around asset condition at hand back)	Assets where capacity requirements are not well understood uncertain	
		Schemes where outputs cannot be clearly defined	
Asset and operational failures	Assets where operational failure risk is well understood and mitigations well established for similar assets	Assets where operational failure risk is not well understood with limited track record of effective mitigations	Capability exists in the market though not yet in the UK
	Well-developed market or technical supply chains with strong experience of similar project delivery	Weak market or technical supply chains with limited experience of similar project delivery	
		Assets where there are no alternative back up supplies	

Assessment:
Project is “somewhat suitable for DPC”

Reasoning:

- Discrete solution
- Proposed solution is a limb of the network

Vyrnwy Aqueduct Operational Modifications Scheme DPC and Commercial Assessment Outcomes

STT Projects –STTA4 NWT Vyrnwy Aqueduct

SUGGESTED COMMERCIAL APPROACH as at Gate 2

NWT Vyrnwy Aqueduct Operational Modifications - Operational modifications to existing critical infrastructure that supplies treated water to the Liverpool conurbation. Modifications will enable flow within the aqueduct to be reversed during periods of water trading and returned to normal service upon completion of deployment for transfer.

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	50%	50%	0%
Alliance	50%	50%	0%
Outsource	45%	55%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	60%	40%	0%
DBFO/PFI	55%	45%	0%
BOOT	55%	45%	0%
BOO	60%	40%	0%
Project Partnering	55%	45%	0%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	30%	70%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	40%	60%	0%
Aggregated call off	60%	40%	0%
Strategic r/ship	65%	35%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	50%	50%	0%
UU full spec	45%	55%	0%
Joint spec	60%	40%	0%
O&M	50%	50%	0%
Project Partnering	55%	45%	0%

Definition: “Strategic Relationship” is where we work with the Supply Chain to co-develop outcomes, e.g. CDP type, ESP type, IT LOT A type examples

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered is:

- Form a **Strategic Relationship**

Secondary Contractual Mechanism to be considered are:

- Design Build Operate Maintain
- Build Own Operate
- D&B Comp
- Framework (CDP)

Alternative Options which could still be explored

- Design Build Operate Finance
- Build Own Operate Transfer
- Project Partnering

NWT Projects –STTA4 NWT Vyrnwy Aqueduct

DIRECT PROCUREMENT FOR CUSTOMERS ASSESSMENT as at Gate 2

NWT Vyrnwy Aqueduct Operational Modifications -. Operational modifications to existing critical infrastructure that supplies treated water to the Liverpool conurbation. Modifications will enable flow within the aqueduct to be reversed during periods of water trading and returned to normal service upon completion of deployment for transfer.

	Project somewhat suitable for DPC	Project Somewhat less suitable for DPC	ASSESSMENT COMMENTS
Project size	Very Large Schemes with CAPEX Values in excess of £100m	Small Schemes with Totex Values close to or below £100m	Project estimated tbc (expected to exceed £100m)
Stakeholder Interactions and statutory obligations	Limited or marginal impact on the appointees ability to meet item statutory obligations (e.g. Non potable or raw water sources)	Asset materially contributes towards appointee meeting statutory obligations	85% of the capacity will be for UU, while 15% will be subject of water trading. The proposed changes will involve potable water. With customers along the route, this is required for UU to maintain their statutory duties
Interaction with network	Assets where there are limited economies of scale and scope with the rest of the appointees network system OR where those economies of scale or scope could be maintained through contracts	Assets where there are material economies of scale and scope with the rest of the appointees network system or where economies of scale or scope cannot be maintained through contracts	Considered difficult to gain economies of scale since due to interaction with existing infrastructure and blending tank
	Simple or limited, well understood and manageable interactions with the appointee's network	Significant, complex and frequent interactions with the appointees' network	Significant and Frequent interactions between existing UU infrastructure assets and the proposed new Blending tank and Aqueduct around Oswestry
	Separate non-contiguous networks or assets within the appointees area	Assets that are actively managed as part of the overall system operation of the network	When modifications this project is a critical part of the UU supply system
	Assets where capacity is shared by multiple appointees More passive assets (e.g. network enhancement pipes) that are not actively managed as part of the overall system		
Contributions to supply capacity and ability to specify outputs	Assets where capacity is regularly needed and contracting requirements can be more easily defined and priced	Assets where capacity is rarely needed (e.g.. Resilience schemes) and contracting requirements difficulty to specify	When NWT Water Trading is underway it is anticipated that c15% will be required for Trading and this is a resilience scheme. Control of the Asset is required to effectively run the UU supply network; maintaining UU control is important Assets required to be live and operational throughout the construction after. Critical part of UU supply structure to meet obligations.
	Schemes where outputs can be clearly defined and are not subject to substantial change from other factors or difficult to predict in the future (e.g. Around asset condition at hand back)	Assets where capacity requirements are not well understood uncertain	
		Schemes where outputs cannot be clearly defined	
Asset and operational failures	Assets where operational failure risk is well understood and mitigations well established for similar assets	Assets where operational failure risk is not well understood with limited track record of effective mitigations	Operational risk of failure is well understood, but mitigation would not be sufficient to supply the (see point 1 re UU statutory obligations)
	Well-developed market or technical supply chains with strong experience of similar project delivery	Weak market or technical supply chains with limited experience of similar project delivery	Market could provide construction solutions but not considered appropriate for ownership to be external to UU
		Assets where there are no alternative back up supplies	No back up supplies

Assessment:
Project is “somewhat less suitable for DPC”

- Reasoning:**
- Highly integrated with UU supply network
 - Materially impacts UU’s ability to meet statutory obligations
 - Modifications to existing asset which supplies Liverpool
 - Modifications will enable reversal of flow and will only be called on during Trading
 - No mitigation/back up supplies

Kielder Components

Scheme DPC and Commercial Assessment Outcomes

NWT Projects - Kielder Components

SUGGESTED COMMERCIAL APPROACH as at Gate 2

NWT UU Sources Kielder Component 1 – Raw Water Pipeline from Kielder to Watchgate

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	50%	50%	0%
Alliance	50%	50%	0%
Outsource	50%	50%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO(M)	70%	30%	0%
DBFO/PFI	70%	30%	0%
BOOT	70%	30%	0%
BOO	70%	30%	0%
Project Partnering	60%	40%	0%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insurance	20%	80%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	50%	50%	0%
Aggregated call off	55%	45%	0%
Strategic relationship	60%	40%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	50%	50%	0%
UU Full spec	40%	60%	0%
Joint spec	65%	35%	0%
O&M	60%	40%	0%
Project Partnering	60%	40%	0%

UU Commercial Assessment

Primary Contractual Mechanisms to be considered are:

- Design Build Operate Maintain
- Design Build Finance Operate
- Build Own Operate transfer
- Build Own Operate

Secondary Contractual Mechanism to be considered are:

- Project Partnering
- Strategic Relationship

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

NWT UU Sources Kielder Component 1 – Raw Water Pipeline from Kielder to Watchgate

	Project somewhat suitable for DPC	Project Somewhat less suitable for DPC	ASSESSMENT COMMENTS
Project size	Very Large Schemes with CAPEX Values in excess of £100m	Small Schemes with Totex Values close to or below £100m	Estimate £700m for this <i>large</i> scheme
Stakeholder Interactions and statutory obligations	Limited or marginal impact on the appointees ability to meet item statutory obligations (e.g. Non potable or raw water sources)	Asset materially contributes towards appointee meeting statutory obligations	During Water Trading, UU will require this additional Raw Water Source to meet its obligations
Interaction with network	Assets where there are limited economies of scale and scope with the rest of the appointees network system OR where those economies of scale or scope could be maintained through contracts	Assets where there are material economies of scale and scope with the rest of the appointees network system or where economies of scale or scope cannot be maintained through contracts	A <i>discrete</i> project to provide 100 Ml/d raw water
	Simple or limited, well understood and manageable interactions with the appointee's network	Significant, complex and frequent interactions with the appointees' network	A major construction project of low technical complexity Standalone project (pipeline)
	Separate non-contiguous networks or assets within the appointees area Assets where capacity is shared by multiple appointees More passive assets (e.g. network enhancement pipes) that are not actively managed as part of the overall system	Assets that are actively managed as part of the overall system operation of the network	A new separate water asset in the form raw water pipeline and pumping station Opportunities for multiple appointees to share the output
Contributions to supply capacity and ability to specify outputs	Assets where capacity is regularly needed and contracting requirements can be more easily defined and priced Schemes where outputs can be clearly defined and are not subject to substantial change from other factors or difficult to predict in the future (e.g. Around asset condition at hand back)	Assets where capacity is rarely needed (e.g.. Resilience schemes) and contracting requirements difficulty to specify Assets where capacity requirements are not well understood uncertain	Clearly defined and manageable - can be contracted for by UU to Build and Operate. In principal outputs to be easily defined
		Schemes where outputs cannot be clearly defined	
Asset and operational failures	Assets where operational failure risk is well understood and mitigations well established for similar assets	Assets where operational failure risk is not well understood with limited track record of effective mitigations	Risk and mitigation across all new assets are understood through asset integration / supportability and operations.
	Well-developed market or technical supply chains with strong experience of similar project delivery	Weak market or technical supply chains with limited experience of similar project delivery Assets where there are no alternative back up supplies	Market could provide construction and operational solutions No back up supplies

Assessment:
Project is “somewhat suitable for DPC”

- Reasoning:**
- Project a “discrete” activity
 - Control of Assets can sit outside UU
 - Build and Operation can be contracted and managed
 - Impact on UU’s statutory obligations can be contracted discretely

NWT Projects - Kielder Components

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

NWT UU Sources Kielder Component 2 – Raw Water Pipeline from Kielder to Watchgate plus Water Treatment Plant

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	50%	50%	0%
Alliance	50%	50%	0%
Outsource	40%	60%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO(M)	70%	30%	0%
DBFO/PPF1	75%	25%	0%
B00T	75%	25%	0%
B00	70%	30%	0%
Project Partnering	60%	40%	0%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Invoice	20%	80%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	40%	60%	0%
Aggregated call off	55%	45%	0%
Strategic relationship	70%	30%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	50%	50%	0%
UU Full spec	40%	60%	0%
Joint spec	65%	35%	0%
O&M	55%	45%	0%
Project Partnering	60%	40%	0%

UU Commercial Assessment

Primary Contractual Mechanisms to be considered is:

- Design Build Finance Operate
- Build Own Operate Transfer

Secondary Contractual Mechanism to be considered are:

- Design Build Operate Maintain
- Build Own Operate
- Strategic Relationship

Alternative models which may also be considered are:

- Joint Specification
- Project Partnering

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

NWT UU Sources Kielder Component 2a – Raw Water Pipeline from Kielder to Watchgate plus Water Treatment Plant, amending existing UUW facility

	Project somewhat suitable for DPC	Project Somewhat less suitable for DPC	ASSESSMENT COMMENTS
Project size	Very Large Schemes with CAPEX Values in excess of £100m	Small Schemes with Totex Values close to or below £100m	Estimate £1.1bn for this <i>large</i> scheme
Stakeholder Interactions and statutory obligations	Limited or marginal impact on the appointees ability to meet item statutory obligations (e.g. Non potable or raw water sources)	Asset materially contributes towards appointee meeting statutory obligations	During Water Trading, UU will require this additional Raw Water Source to meet its obligations
Interaction with network	Assets where there are limited economies of scale and scope with the rest of the appointees network system OR where those economies of scale or scope could be maintained through contracts	Assets where there are material economies of scale and scope with the rest of the appointees network system or where economies of scale or scope cannot be maintained through contracts	A <i>discrete</i> project to provide 100 MI/d raw water and 100ML/D treatment at watchgate
	Simple or limited, well understood and manageable interactions with the appointee's network	Significant, complex and frequent interactions with the appointees' network	A major construction project of low technical complexity Standalone project (pipeline and water treatment works upgrade)
	Separate non-contiguous networks or assets within the appointees area	Assets that are actively managed as part of the overall system operation of the network	A new separate water asset in the form raw water pipeline and pumping station and 100ML/D treatment capacity at watchgate
	Assets where capacity is shared by multiple appointees		Opportunities for multiple appointees to share the output
Contributions to supply capacity and ability to specify outputs	More passive assets (e.g. network enhancement pipes) that are not actively managed as part of the overall system	Assets where capacity is rarely needed (e.g.. Resilience schemes) and contracting requirements difficult to specify	Opportunities for UU to Design to Build and Operate. In principal outputs to be easily defined
	Assets where capacity is regularly needed and contracting requirements can be more easily defined and priced	Assets where capacity requirements are not well understood uncertain	
	Schemes where outputs can be clearly defined and are not subject to substantial change from other factors or difficult to predict in the future (e.g. Around asset condition at hand back)	Schemes where outputs cannot be clearly defined	
Asset and operational failures	Assets where operational failure risk is well understood and mitigations well established for similar assets	Assets where operational failure risk is not well understood with limited track record of effective mitigations	Risk and mitigation across all new assets are understood through asset integration / supportability and operations.
	Well-developed market or technical supply chains with strong experience of similar project delivery	Weak market or technical supply chains with limited experience of similar project delivery	Market could provide design, construction and operational solutions
		Assets where there are no alternative back up supplies	No back up supplies

Assessment:
Project is “somewhat less suitable for DPC”

- Reasoning:**
- Project is the modification of an existing critical operational works
 - Control of Assets cannot sit outside UU
 - Impact on UU’s statutory obligations cannot be contracted discretely

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

NWT UU Sources Kielder Component 2b – Raw Water Pipeline from Kielder to Watchgate plus new “sister” Water Treatment Plant at Watchgate

	Project somewhat suitable for DPC	Project Somewhat less suitable for DPC	ASSESSMENT COMMENTS
Project size	Very Large Schemes with CAPEX Values in excess of £100m	Small Schemes with Totex Values close to or below £100m	Estimate £1.1bn for this <i>large</i> scheme
Stakeholder Interactions and statutory obligations	Limited or marginal impact on the appointees ability to meet item statutory obligations (e.g. Non potable or raw water sources)	Asset materially contributes towards appointee meeting statutory obligations	During Water Trading, UU will require this additional Raw Water Source to meet its obligations
Interaction with network	Assets where there are limited economies of scale and scope with the rest of the appointees network system OR where those economies of scale or scope could be maintained through contracts	Assets where there are material economies of scale and scope with the rest of the appointees network system or where economies of scale or scope cannot be maintained through contracts	A <i>discrete</i> project to provide 100 MI/d raw water and 100ML/D treatment at watchgate
	Simple or limited, well understood and manageable interactions with the appointee's network	Significant, complex and frequent interactions with the appointees' network	A major construction project of low technical complexity Standalone project (pipeline and water treatment works upgrade)
	Separate non-contiguous networks or assets within the appointees area		A new separate water asset in the form raw water pipeline and pumping station and 100ML/D treatment capacity at watchgate
	Assets where capacity is shared by multiple appointees	Assets that are actively managed as part of the overall system operation of the network	Opportunities for multiple appointees to share the output
	More passive assets (e.g. network enhancement pipes) that are not actively managed as part of the overall system		
Contributions to supply capacity and ability to specify outputs	Assets where capacity is regularly needed and contracting requirements can be more easily defined and priced	Assets where capacity is rarely needed (e.g.. Resilience schemes) and contracting requirements difficult to specify	Opportunities for UU to Design to Build and Operate.
	Schemes where outputs can be clearly defined and are not subject to substantial change from other factors or difficult to predict in the future (e.g. Around asset condition at hand back)	Assets where capacity requirements are not well understood uncertain	In principal outputs to be easily defined
		Schemes where outputs cannot be clearly defined	
Asset and operational failures	Assets where operational failure risk is well understood and mitigations well established for similar assets	Assets where operational failure risk is not well understood with limited track record of effective mitigations	Risk and mitigation across all new assets are understood through asset integration / supportability and operations.
	Well-developed market or technical supply chains with strong experience of similar project delivery	Weak market or technical supply chains with limited experience of similar project delivery	Market could provide design, construction and operational solutions
		Assets where there are no alternative back up supplies	No back up supplies

Assessment:
Project is “somewhat suitable for DPC”

- Reasoning:**
- Project a “discrete” activity
 - Control of Assets can sit outside UU
 - Build and Operation can be contracted and managed
 - Impact on UU’s statutory obligations can be contracted discretely
 - UU to consider how combine output from both works into supply

NWT Projects - Kielder Components

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

NWT UU Sources Kielder Component 3 – New Treated Water Pipeline from Watchgate to Woodgate Hill (Haweswater Aqueduct 5th Syphon)

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	60%	40%	0%
Alliance	60%	40%	0%
Outsource	45%	55%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	75%	25%	0%
DBFO/PFI	75%	25%	0%
BOOT	75%	25%	0%
BOO	75%	25%	0%
Project Partnering	65%	35%	0%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	25%	75%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DP&S	45%	55%	0%
Aggregated call off	60%	40%	0%
Strategic r/ship	70%	30%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	40%	60%	0%
UU full spec	55%	45%	0%
Joint spec	75%	25%	0%
O&M	70%	30%	0%
Project Partnering	65%	35%	0%

UU Commercial Assessment

Primary Contractual Mechanisms to be considered are:

- Design Build Operate Maintain
- Design Build Finance Operate
- Build Own Operate Transfer
- Build Own Operate
- Joint Specification

Secondary Contractual Mechanism to be considered are:

- Strategic Relationship
- Operate & Maintain

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

NWT UU Sources Kielder Component 3 – New Treated Water Pipeline from Watchgate to Woodgate Hill (Haweswater Aqueduct 5th Syphon)

	Project somewhat suitable for DPC	Project Somewhat less suitable for DPC	ASSESSMENT COMMENTS
Project size	Very Large Schemes with CAPEX Values in excess of £100m	Small Schemes with Totex Values close to or below £100m	Estimate £1bn for this <i>large</i> scheme
Stakeholder Interactions and statutory obligations	Limited or marginal impact on the appointees ability to meet item statutory obligations (e.g. Non potable or raw water sources)	Asset materially contributes towards appointee meeting statutory obligations	During Water Trading, UU will require this treated water Source to backfill demand and meet its obligations
Interaction with network	Assets where there are limited economies of scale and scope with the rest of the appointees network system OR where those economies of scale or scope could be maintained through contracts	Assets where there are material economies of scale and scope with the rest of the appointees network system or where economies of scale or scope cannot be maintained through contracts	An integrated project which will provide an additional 100ML/D of treated water
	Simple or limited, well understood and manageable interactions with the appointee's network	Significant, complex and frequent interactions with the appointees' network	A major construction project of medium- High technical complexity. (5 th syphon 46 km along the HA)
	Separate non-contiguous networks or assets within the appointees area	Assets that are actively managed as part of the overall system operation of the network	A upgrade to the HA to enable an additional 100ML/D of treated water to be transferred to Manchester
	Assets where capacity is shared by multiple appointees		Opportunities for multiple appointees to share the output
Contributions to supply capacity and ability to specify outputs	Assets where capacity is regularly needed and contracting requirements can be more easily defined and priced	Assets where capacity is rarely needed (e.g.. Resilience schemes) and contracting requirements difficult to specify	Opportunities for UU to Design to Build In a similar method to HARP project In principal outputs to be easily defined
	Schemes where outputs can be clearly defined and are not subject to substantial change from other factors or difficult to predict in the future (e.g. Around asset condition at hand back)	Assets where capacity requirements are not well understood uncertain	
		Schemes where outputs cannot be clearly defined	
Asset and operational failures	Assets where operational failure risk is well understood and mitigations well established for similar assets	Assets where operational failure risk is not well understood with limited track record of effective mitigations	Risk and mitigation across require further assessments
	Well-developed market or technical supply chains with strong experience of similar project delivery	Weak market or technical supply chains with limited experience of similar project delivery	Market could provide design, construction and operational solutions in a similar method to HARP
		Assets where there are no alternative back up supplies	Some opportunities back up supplies

Assessment:
Project is “somewhat suitable for DPC”

- Reasoning:**
- Project is to be “Integrated ” into day-to-day HA management
 - Build and Operation can be contracted and managed in a similar fashion to HARP project
 - UU to consider how to operate the upgraded HA to meet its future and current transfer obligations

Appendices

Project Timeline

Commercial Assessments of UU Sources Projects

NWT Projects Vyrnwy Aqueduct, Kielder and UU Sources

OBJECTIVE: Approve the current Procurement Strategy and Direct Procurement for Customer Assessments to support the creation of the Gate 2 submission document

Procurement assessment consists of two elements...

1. Direct Procurement for the Customer Assessment

Our assessment is based on Ofwat's' KPMG Technical review framework for identifying DPC projects

2. Procurement Strategy Assessment

Our assessment method the proprietary UU Market Engagement Methodology (MEM) Tool which suggests optimum commercial options for consideration

*...and is kept **under review through the Gates** as more becomes known about feasibility, design and solutions*

NWT Project Timeline

Gateway 1 - July 2021



10% Funding Allocation

Initial feasibility, notional design and multi-solution decision making

Gateway 2 - August 2022



15% Funding Allocation

Detailed feasibility, concept design and multi solution decision making

Gateway 3 - Summer 2023



35% Funding Allocation

Development design: finalised feasibility, pre planning investigations and planning applications

Gateway 4 - Summer 2024



40% Funding Allocation

Planning applications, procurement strategy & land purchase

Gateway 5 - Winter 2025



AMP8 Starts 2025



UU Sources – Other Schemes

Scheme DPC and Commercial Assessment Outcomes

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR111 – GWE Woodford

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	40%	55%	5%
Alliance	40%	55%	5%
Outsource	45%	55%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	35%	60%	5%
DBFO/PFI	30%	65%	5%
BOOT	30%	65%	5%
BOO	40%	55%	5%
Project Partnering	35%	55%	10%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	40%	60%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	50%	45%	5%
Aggregated call off	70%	25%	5%
Strategic r/ship	55%	40%	5%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	60%	35%	5%
UU full spec	50%	45%	5%
Joint spec	45%	50%	5%
O&M	40%	55%	5%
Project Partnering	35%	55%	10%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered is:

- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- **Spot Buy**

A number of alternative Options which could still be explored

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR015 – SWN River Irwell

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	55%	40%	5%
Alliance	55%	40%	5%
Outsource	35%	65%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	60%	40%	0%
DBFO/PFI	45%	55%	0%
BOOT	45%	55%	0%
BOO	65%	35%	0%
Project Partnering	50%	45%	5%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	25%	75%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	40%	60%	0%
Aggregated call off	70%	30%	0%
Strategic r/ship	70%	30%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	50%	50%	0%
UU full spec	60%	40%	0%
Joint spec	60%	40%	0%
O&M	60%	40%	0%
Project Partnering	50%	45%	5%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered are:

- Form a **Strategic Relationship**
- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- Joint Full Specification
- UU Full Specification
- Operate & Maintain

Alternative Options which could still be explored

- Build Own Operate
- Design Build Operate Maintain

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

STT041 – SWN River Roch

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	55%	40%	5%
Alliance	55%	40%	5%
Outsource	35%	65%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	60%	40%	0%
DBFO/PFI	45%	55%	0%
BOOT	45%	55%	0%
BOO	65%	35%	0%
Project Partnering	50%	45%	5%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	25%	75%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	40%	60%	0%
Aggregated call off	70%	30%	0%
Strategic r/ship	70%	30%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	50%	50%	0%
UU full spec	60%	40%	0%
Joint spec	60%	40%	0%
O&M	60%	40%	0%
Project Partnering	50%	45%	5%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered are:

- Form a **Strategic Relationship**
- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- Joint Full Specification
- UU Full Specification
- Operate & Maintain

Alternative Options which could still be explored

- Build Own Operate
- Design Build Operate Maintain

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR107b – GWE Randles Bridge

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	40%	55%	5%
Alliance	40%	55%	5%
Outsource	45%	55%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	35%	60%	5%
DBFO/PFI	30%	65%	5%
BOOT	30%	65%	5%
BOO	40%	55%	5%
Project Partnering	35%	55%	10%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	40%	60%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	50%	45%	5%
Aggregated call off	70%	25%	5%
Strategic r/ship	55%	40%	5%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	60%	35%	5%
UU full spec	50%	45%	5%
Joint spec	45%	50%	5%
O&M	40%	55%	5%
Project Partnering	35%	55%	10%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered is:

- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- **Spot Buy**

A number of alternative Options which could still be explored

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR105a1 – GWE Lymm a1

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	45%	55%	0%
Alliance	45%	55%	0%
Outsource	50%	50%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	40%	55%	5%
DBFO/FFI	35%	60%	5%
BOOT	35%	60%	5%
BOO	45%	50%	5%
Project Partnering	40%	55%	5%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	40%	60%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	55%	40%	5%
Aggregated call off	75%	20%	5%
Strategic r/ship	55%	40%	5%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	60%	35%	5%
UU full spec	50%	45%	5%
Joint spec	50%	45%	5%
O&M	45%	50%	5%
Project Partnering	40%	55%	5%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered is:

- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- **Spot Buy**

A number of alternative Options which could still be explored

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR107a2 – GWE Aughton Park a2

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	40%	55%	5%
Alliance	40%	55%	5%
Outsource	45%	55%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	35%	60%	5%
DBFO/PFI	30%	65%	5%
BOOT	30%	65%	5%
BOO	40%	55%	5%
Project Partnering	35%	55%	10%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	40%	60%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	50%	45%	5%
Aggregated call off	70%	25%	5%
Strategic r/ship	55%	40%	5%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	60%	35%	5%
UU full spec	50%	45%	5%
Joint spec	45%	50%	5%
O&M	40%	55%	5%
Project Partnering	35%	55%	10%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered is:

- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- **Spot Buy**

A number of alternative Options which could still be explored

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR113 – GWE Tytherington

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	40%	55%	5%
Alliance	40%	55%	5%
Outsource	45%	55%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	35%	60%	5%
DBFO/PFI	30%	65%	5%
BOOT	30%	65%	5%
BOO	40%	55%	5%
Project Partnering	35%	55%	10%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	40%	60%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	50%	45%	5%
Aggregated call off	70%	25%	5%
Strategic r/ship	55%	40%	5%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	60%	35%	5%
UU full spec	50%	45%	5%
Joint spec	45%	50%	5%
O&M	40%	55%	5%
Project Partnering	35%	55%	10%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered is:

- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- **Spot Buy**

A number of alternative Options which could still be explored

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR149 – GWE Wigan

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	40%	55%	5%
Alliance	40%	55%	5%
Outsource	45%	55%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	35%	60%	5%
DBFO/PFI	30%	65%	5%
BOOT	30%	65%	5%
BOO	40%	55%	5%
Project Partnering	35%	55%	10%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	40%	60%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	50%	45%	5%
Aggregated call off	70%	25%	5%
Strategic r/ship	55%	40%	5%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	60%	35%	5%
UU full spec	50%	45%	5%
Joint spec	45%	50%	5%
O&M	40%	55%	5%
Project Partnering	35%	55%	10%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered is:

- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- **Spot Buy**

A number of alternative Options which could still be explored

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR049d – SWN River Ribble 49d

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	60%	35%	5%
Alliance	60%	35%	5%
Outsource	30%	70%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	60%	40%	0%
DBFO/PFI	40%	60%	0%
BOOT	40%	60%	0%
BOO	65%	35%	0%
Project Partnering	55%	40%	5%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	30%	70%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	35%	65%	0%
Aggregated call off	70%	30%	0%
Strategic rship	75%	25%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	55%	45%	0%
UU full spec	55%	45%	0%
Joint spec	65%	35%	0%
O&M	60%	40%	0%
Project Partnering	55%	40%	5%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered is:

- Form a **Strategic Relationship**

Secondary Contractual Mechanism to be considered are:

- Aggregated Call-Off
- Joint Specification
- Operate & Maintain

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR106b – GWE Walton 2

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	45%	55%	0%
Alliance	45%	55%	0%
Outsource	50%	50%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	40%	55%	5%
DBFO/PFI	35%	60%	5%
BOOT	35%	60%	5%
BOO	45%	50%	5%
Project Partnering	40%	55%	5%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	40%	60%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	55%	40%	5%
Aggregated call off	75%	20%	5%
Strategic r/ship	55%	40%	5%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	60%	35%	5%
UU full spec	50%	45%	5%
Joint spec	50%	45%	5%
O&M	45%	50%	5%
Project Partnering	40%	55%	5%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered is:

- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- **Spot Buy**

A number of alternative Options which could still be explored

NWT Projects - UU Sources

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR144 – SWN River Tame

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	65%	35%	0%
Alliance	65%	35%	0%
Outsource	35%	65%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	60%	40%	0%
DBFO/PPF1	40%	60%	0%
BOOT	40%	60%	0%
BOO	65%	35%	0%
Project Partnering	60%	40%	0%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	35%	65%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	40%	60%	0%
Aggregated call off	75%	25%	0%
Strategic r/ship	75%	25%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	55%	45%	0%
UU full spec	50%	50%	0%
Joint spec	70%	30%	0%
O&M	65%	35%	0%
Project Partnering	60%	40%	0%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered are:

- Form a **Strategic Relationship**
- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- Joint Specification
- Operate & Maintain
- Spot Buy
- Project Partnering

SUGGESTED COMMERCIAL APPROACH as at Gate 2 July 2022

WR102b – GWE Widnes

Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
JV	40%	55%	5%
Alliance	40%	55%	5%
Outsource	45%	55%	0%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DBO (M)	35%	60%	5%
DBFO/FFI	30%	65%	5%
BOOT	30%	65%	5%
BOO	40%	55%	5%
Project Partnering	35%	55%	10%

Non-Direct Procurement Types

Service	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Insource	40%	60%	0%

Serial	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
DPS	50%	45%	5%
Aggregated call off	70%	25%	5%
Strategic r/ship	55%	40%	5%

Transactional	Criteria met (%)	Not specified in criteria (%)	Strictly not allowed by criteria (%)
Spot buy	60%	35%	5%
UU full spec	50%	45%	5%
Joint spec	45%	50%	5%
O&M	40%	55%	5%
Project Partnering	35%	55%	10%

UU Commercial Assessment suggests

Primary Contractual Mechanisms to be considered is:

- **Aggregated Call-Off**

Secondary Contractual Mechanism to be considered are:

- **Spot Buy**

A number of alternative Options which could still be explored