

# Bioresources Bid Assessment Framework

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WONDERFUL ON TAP



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# 1. Executive Summary

This document outlines the Severn Trent (ST) Bioresources Bid Assessment Framework (BAF), which will be in use from 1<sup>st</sup> September 2022.

The aim of the BAF is to provide a transparent approach to bidding for future Severn Trent Bioresources activities and to in turn deliver a structure that promotes engagement within the Bioresources market.

Our BAF will be utilised in the same way for both external third parties and in-house bids, ensuring all bids are assessed with the same approach and on the same basis.

Alongside this, the BAF ensures strict compliance with standard procurement law processes and applies the principles of simplicity, transparency, non-discrimination, and proportionality to both third party and our own in-house solutions.

We consulted with the market for feedback on the draft version of the BAF and would like to say a huge thank you to everyone who contributed to and helped us develop the document. Please see appendix 2, which describes this process in more detail.

Feedback from the market is integral in ensuring successful and efficient Bioresources activities for both our customers and the environment, and we are therefore enthusiastic for anyone to get in touch at any time.

For wider feedback and discussion please visit our Bioresources marketplace page [here](#), join our mailing list or directly contact the Bioresources team: [Bioresources@severntrent.co.uk](mailto:Bioresources@severntrent.co.uk)

## 2. Introduction

At Severn Trent we believe there is a dynamic Bioresources market, which can provide a benefit to our customers, the environment, and the positive progression of the industry. The market is still developing, and as such we realise the importance of a procurement approach that can positively respond to movements and trends to facilitate an effective market.

Key enablers to utilise the full opportunity of the market are excellent engagement and interaction across the sector; transparency within the market and ensuring an inclusive environment for those tendering for Bioresources activity.

To support the implementation of these enablers, our Bioresources Bid Assessment Framework (BAF) has been created as a tool to ensure the market has the greatest chance to be fully effective. It will be used to offer an enhancement to our standard procurement process and in turn will identify a wider range of providers to offer solutions and proposals leading to reduced costs and better value for customers.

This document describes our BAF and sets out our approach for third parties and in-house bids to competitively tender for the best value solutions to our bioresources requirements. In doing so, we explain how the principles of transparency, non-discrimination and proportionality are applied consistently to both in-house and third-party options. This document also explains our bespoke market engagement approach, which compliments the BAF to deliver effective engagement with the market. We believe that this approach will support innovative solutions without creating unnecessary barriers and prohibitive bidding costs.

All aspects of sewage transport, treatment and disposal are in scope within this guidance. This would therefore include any enhancement and continuous improvement activity as well as full end to end treatment of the sludge material. To acknowledge the distinction between these activities we have broadly split them between tactical and strategic solutions.

We have developed our BAF in accordance with Ofwat's guidance provided in their Bioresources Bid Assessment Framework – [final guidance February 2022](#)

## 3. Principles in Overview

Our BAF is based on the four key principles that are summarised in the table below.

Simplicity
<p>Our principle of simplicity means that we have designed our BAF to be straightforward, so that making bids into our Bioresources market will be as efficient as possible for all parties involved, while reducing bidding costs and stimulating participation.</p>
Transparency
<p>Our principle of transparency ensures that all potential third-party bidders will have visibility of the detailed process, award criteria and decision-making rules that we will use when selecting solutions.</p> <p>We commit to providing feedback at each stage through the process to allow bidders to understand the reasons why their proposal may not have been successful.</p> <p>We have set up an appeals and complaints process, should bidders not be satisfied with how their bids have been evaluated or any other aspect of the process. We have a process on this detailed in section 7.7 and all complaints will be responded time in a timely manner.</p> <p>We will prepare an annual audit report showing how we have complied with our process. These audits will be made available for Ofwat to review.</p>
Equal treatment / non-discrimination
<p>Our principle of equal treatment and non-discrimination means that all third-party bidders will have an equal opportunity in competing for contracts. This principle also applies when third parties are bidding directly against our in-house options.</p> <p>The framework will be applied even when contracts are below the financial threshold of procurement legislation or otherwise exempt.</p> <p>We will apply the same evaluation criteria to both in-house solutions and third-party bids. All third-party bids will be reviewed by a separate BAF Procurement team that aren't involved with the development of in-house options.</p> <p>To ensure confidentiality and protection of commercially sensitive data, we will provide a non-disclosure agreement on request.</p> <p>We will ensure that our in-house solution team will not have access to sensitive or commercially valuable information from third parties.</p>
Proportionality
<p>The overall aim of the process is to identify more efficient providers of services, resulting in reduced costs and better value. Our process is therefore designed to be proportionate so that it does not inadvertently exclude bidders.</p> <p>We will only ask for the minimum information that is necessary to fairly evaluate proposals from bidders and not over specify data requirements, as this may increase bidding costs which may result in some potential bidders withdrawing.</p>

## 4. Relationship with Existing Processes and Requirements

The principles for our Bid Assessment Framework (BAF) are based on the relevant parts of procurement and competition law. We have also ensured our key environmental regulations are aligned with the principles.

### Procurement law

The legal framework that governs the procurement process is dependent on the nature and value of the contract. The [Utilities Contracts Regulations 2016](#) (UCR16) set rules about the procurement of goods and services by utilities, and where a procurement is subject to this regime, the relevant rules shall be adhered to alongside this bid assessment framework.

### Competition law

Companies – including us - are obliged to comply with competition law. Nothing in this document should be read as requiring companies to act in a way that is inconsistent with their competition law obligations, nor as implying that we will not follow our obligations. In particular, during the tender process we and other companies should ensure that we/they do not:

- Artificially narrow competition, for example where the procurement process is made with the intention to unduly favour or disadvantage certain (or all) parties.
- Distort competition in the market by abusing a dominant buyer position; or
- Facilitate collusion between third parties by disclosing confidential bid information.

### Environmental regulations

Companies are subject to environmental regulations and have both a responsibility and obligation to always adhere to these regulations. These regulations govern Bioresources activity and as a sewerage company we need to take steps to ensure regulations are complied with and the environment is protected, even in scenarios when we do not undertake the full end to end bioresources activity. Regulations include, but are not limited to-

#### **Duty of care etc. as respects waste (section 34 of Environmental Protection Act 1990)**

– applies to any person who imports, produces, carries, keeps, treats, disposes of controlled waste or, as a dealer or broker, has control of such waste. It makes provision for the safe management of waste to protect human health and the environment. It applies to sludge other than where sludge is treated, kept, or disposed of within the curtilage of a sewage treatment works as an integral part of the operation of those works.

#### **Urban Wastewater Treatment (England and Wales) Regulations 1994**

– regulation 4 provides that the duty imposed on sewerage undertakers by section 94(1)(b) of the Water Industry Act 1991 includes a duty to ensure that sludge is reused whenever appropriate and that disposal routes minimise adverse effects on the environment.

**Updating the BAF**

We will review and update our BAF at least every year in September to reflect feedback from bidders, the latest Ofwat guidance and changes to other relevant regulations.

We are also eager to hear from the market with any feedback and have created communication channels to allow engagement at any time, which are described in section five.

We reserve the right to update the BAF at any stage based on stakeholder feedback or changes in regulation when they have a considerable impact on the effectiveness of the BAF.

Notification of any updates to the BAF will be outlined on our website and sent out to the Bioresources marketplace mailing list.

## 5. Market Communication and Engagement

### 5.1 Market Engagement Activity

Our direct involvement with the Bioresources market to date and feedback during the consultation process has identified robust engagement and communication plans with the market as a key enabler to ensure success in its development, as well as our intrinsic involvement.

To encourage the widest involvement in this process, we will undertake the following activity to promote engagement within the market:

- **Bioresources marketplace**- Severn Trent web page where specific Bioresources challenges, updates and areas of interest will be posted.
- **Severn Trent Bioresources mailing list**- mailing list that any interested party can join via our website. Key Severn Trent Bioresources related activity and updates will be sent out to this mailing list.
- **Contact us** – open platform for interested parties to contact the Bioresources team directly.
- **Supplier days** – where potential suppliers will be invited to understand our detailed requirements and any changes in our business expectations and strategy.
- **Shows**- we will attend the relevant trade shows to network and hold stands where appropriate.

### 5.2 Bioresources Marketplace

We have created a Bioresources marketplace page on our [website](#), which acts as our inclusive platform to encourage collaboration within the market.

Key activities of this page, which will help drive communication within the Bioresources market are:

- Uploading challenges or opportunities we encounter at Severn Trent Bioresources, which outline ways to get involved and be part of the solution.
- Upload any changes to our Bioresources activity or processes, such as any updates to our Bid Assessment Framework.
- A mailing list option for any interested parties to join and receive new challenges and key pieces of information from the Bioresources team i.e., updates to the BAF.
- A 'Contact us' page - allowing anyone to openly get in touch with our team.

For each challenge or opportunity, we launch on our marketplace, we will:

- Communicate the challenge/ opportunity across a range of relevant platforms.
- Send out the challenge / opportunity to all our mailing list.
- Where appropriate, run a webinar to discuss the challenge / opportunity in more detail and allow a chance for interested parties to ask questions.
- Have an open dialogue with interested parties for queries throughout the period that the challenge is open for.

### 5.3 Expressions of Interest

#### Innovation

An integral part of our future Bioresources strategy is our passion and commitment towards innovation,



new technology and unique solutions. We are also interested in undertaking both research and development projects and proof of concept trials. Where appropriate, we will follow 5.1 and 5.2 for these types of challenges and opportunities related to Bioresources activity.

We are therefore open to approaches at any time and welcome informal approaches from suppliers for clarification and discussion on innovative ideas and the potential opportunity of trialling concepts. We have an innovation team within Severn Trent and where appropriate we will set up an introduction.

We will review these activities under the principles of this BAF and assess whether the Bioresources or innovation department take responsibility of the process.

### **Speculative bids**

We are also enthusiastic to receive communication with regards sludge treatment – both by third parties treating our sludge or Severn Trent treating external sludges. We appreciate the potential opportunity of driving efficiency through external treatment of sludges and are keen to understand where the market has spare treatment capacity or requires capacity.

All speculative bids or requests will be reviewed in alignment with our BAF outlined in this document and its processes.

With regards Severn Trent treating external sludges, please follow this [link](#) to our Severn Trent Bioresources website which contains a live tracker, outlining our Severn Trent sludge treatment centres and how much capacity each site has each day.

If you would like to get in touch, please e-mail [Bioresources@severntrent.co.uk](mailto:Bioresources@severntrent.co.uk) or visit our [website](#) where you will find direct contact details of our Bioresources management team.

## 6. Scoping Bioresources Activity

### 6.1 Outlining the Different Activity

The scope of Bioresources activity is extensive across the remit of sludge transport, treatment, and disposal. Potential activity ranges from tactical improvement work such as sludge quality enhancement, through to full end to end sludge treatment. The level of pre-bid clarification, queries and engagement would be impacted by the scope of the activity.

To help support the differentiation between these activities we have defined them as tactical and strategic, with a different communication approach for each:

- **Tactical**- Sludge treatment activity < 5000 TDS (tonnes of dry solids) and sludge transportation, enhancement, or improvement activity. This will likely form part of a Severn Trent owned process and have joint liabilities.
- **Strategic**- Sludge treatment activity > 5000 TDS. This will likely require supplier ownership of a site process and be focussed on a service provision arrangement.

#### Activity Falling Out of Scope.

Within the core operational activity of Severn Trent Bioresources, there are sometimes emergency operational circumstances which are considered exceptional and unplanned. In these circumstances we will conduct a rapid market exploration and where practicable follow the principles of the BAF outlined in section 7, but we will accelerate the process for delivery depending on the level of risk.

During these situations, a procurement manager from our group commercial department will approve decisions made and keep an audit of communication.

### 6.2 Bid Activity Communication Process

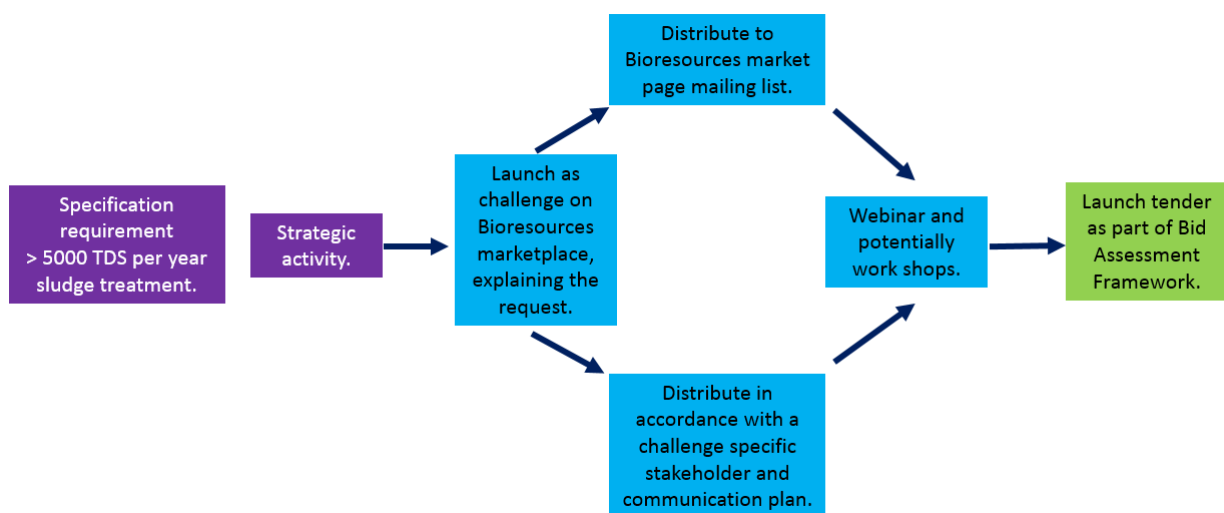


Figure 1- flow diagram of the market engagement route to follow for strategic activity, pre the formal Bid Assessment Framework process.

As demonstrated in figure 1, all activity scoped as strategic will be communicated with the market pre the formal Bid Assessment Framework approach. We recognise the level of detail and technical

specification required for activities that would fit under strategic activities and will use this process to engage with the market to discuss areas including but not limited to-

- Outlining if Severn Trent have any land or assets available to support the requirement.
- Carbon expectations of the requirement to align with Severn Trent's strategy of being carbon net zero by 2030.
- Regulation required to be adhered to such as H&S, environmental etc.
- Contract risk related to the requirement and what the different options may look like.
- Sludge specification- discussion on the specification of the sludge and any variances.

The aim is for this is to support potential bidders by providing them with more information to help steer their decision-making process when the bid goes live and limit any wasted time or resource.

The webinar will be saved and shared on our website and any FAQs throughout the process will be shared on our website. This information will also form part of the tender briefing pack.

Post the above process, we will communicate our bidding activity via Periodic Indicative Notices (PINs), Find a tender Service (FTS) and on our own website for-

- Activity categorised as strategic.
- Any activity that falls within UCR16.
- Any activity where the business risk is considered significant.

There will be occasions, for example during specific tendering services, where a deadline for submission of expressions of interest will be specified in the relevant notice. We will conduct this initial engagement with potential bidders in accordance with requirements of the UCR16.

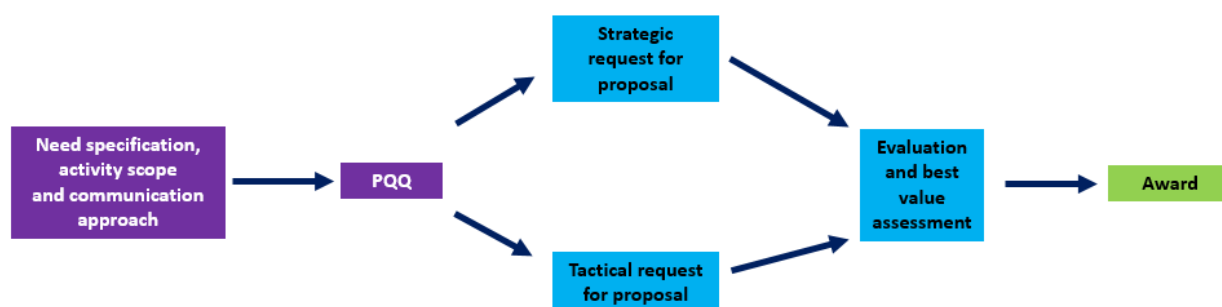
For tactical activities falling out of the above remit, we will assess the most effective approach to engage with the market, ensuring we remain consistent with the principles of the BAF document, while enabling effective pace of procurement delivery. The delivered approach will be documented and remain transparent, which will allow the opportunity to review processes for continuous improvement processes.

## 7. Bid Assessment Framework

### 7.1. Bid Assessment Framework Process

In this section we have set out the different steps for our Bid Assessment Framework (BAF) with detailed articulation regarding the key processes.

Figure 2 below outlines these steps, and this process will be implemented for the bidding of all Bioresources activity, whether the activity falls within or outside our UCR16 procurement law.



*The timeline of this process will depend on the extent of the activity and we are happy to receive feedback at any point via our SAP Ariba system*

Figure 2- Flow diagram outlining the Bioresources Bid Assessment framework.

As outlined in section 6, some activity will fall within the scope of UCR16 and in these circumstances, we will ensure the above steps are integrated into a UCR16 compliant procurement process. For more detail on Figure 2, please see Appendix 1.

It is worth noting all strategic activities will follow the expanded process as explained in Appendix 1.

### 7.2 Bioresources Activity Bidding Briefing Pack

For all tender activity we will circulate a specific bidding briefing pack. Within this we will include both the Pre-Qualification Questions (PQQ), and the Request for Proposal (RFP) submission questions. This will ensure bidders are aware of the type of technical requirements for the submission and prevent wasted time before the PQQ stage.

The questions and information supplied to bidders will also be assured internally across multiple teams to give confidence that the information is clear, accurate, succinct, relevant, and easy to understand. This will include clarity and detail on our specified requirement, to limit the risk of misinterpretation.

We will include a percentage breakdown of the weighting related to each question, to help bidders proportion appropriate resources and time.

A detailed and concise technical specification will also be included, which will include all relevant data such as sludge specific data. The data will also be appropriately assured internally to confirm the most accurate and detailed information is provided to the bidders. We are continually in the process of reviewing the most efficient level and type of data to provide for effective solutions related to different Bioresources activities. The data provided to bidders will help facilitate the bidding process by ensuring transparency from the beginning of the process.

### 7.3 Pre-qualification

The pre-qualification, or initial screening stage, sets out the mandatory requirements for bidders wishing to participate in the market for Bioresources. The Pre-Qualification (PQQ) allows the BAF procurement team to assess the basic attributes of all bidders and is not used to assess a supplier's proposal as this occurs in the Request for Proposal (RFP) stage. The aim of the PQQ stage is to ensure third parties do not unnecessarily commit resources to bidding if they are not suitable, or do not meet the mandatory requirements to carry on in the process and are therefore likely to be rejected.

We will amend the level of detail and questions asked within the PQQ based on the scope, duration, and threshold of the activity.

Pre-qualification questions are scored on a pass or fail basis and the standard bidder assessment criteria at this stage relates to the organisation and covers the following areas:

- Financial information to illustrate financial viability and integrity.
- Compliance with relevant health and safety, and environmental requirements.
- Details of quality assurance practices.
- Evidence of technical capability and previous experience.

We will also assess Bioresources specific questions at this stage. The types of questions we will include for sludge treatment include-

Bioresources PQQ Question	Response
Compliance with satisfactory sludge use/ disposal metric.	Yes/No
100% compliance with the Biosolids Assurance scheme.	Yes/No
Limit any nuisance from the activity such as odour.	Yes/No or comment.
Sludge treatment logger data can be made available live to include DS%, m3, date and site name.	Yes/No or comment
Appropriate permit to carry out sludge treatment with the EWC code for sewage sludge listed (for sludge treatment activity).	Yes/No

In general, the PQQ questions are answered on a yes or no basis, but we realise from market feedback on our draft BAF that this can be limiting. Therefore, on some of the more technical questions, we will include a comments box to allow bidders to articulate further information where the answer might be a no.

We are also happy to receive feedback on these criteria to help ensure that they continue to be relevant and proportionate, and the comments box will also allow for this.

Please note that all commercially sensitive data will remain confidential and be handled by our independent BAF Procurement Team. All information relating to bids and organisations making them will be held on a separate section of our IT infrastructure and will not be accessible to, or shared with, sections or individuals involved in the creation of in-house bids. We are happy to enter into a non-disclosure agreement (NDA) should any organisation feel this necessary and will provide a draft agreement on request.

To ensure consistency, transparency, and equal treatment across bidders our BAF procurement team use an assured system called SAP Ariba to communicate with any bidders throughout the procurement process. This system will be used for all strategic activities and ensures a single form of communication

between the procurement team and bidder, confirming that all communication is accurately logged and auditable.

All in-house bids will be assessed against the same criteria as third-party bids.

## 7.4 Request for Proposal

The request for proposal (RFP) is the key tender document as it is used to determine the quality of the bidders against technical and specific questions and assesses their bids against pre-determined criteria to ensure a fair outcome. The RFP will contain key details of the requirement to empower the bidders to make sure they have the capacity and capabilities to meet our needs such as:

- Definitive technical requirements.
- Lotting/Pricing/Commercial requirements to create equality of pricing submissions.
- Contract award criteria.
- Instructions to bidders for their submissions.
- Relevant procurement documents including the form of contract i.e., Terms & conditions, key performance indicators, Incentive mechanism etc.

The bidder's submission will be assessed against specific technical questions to include:

- Overview of the offering and why it complies with the request.
- Scheme benefits and constraints - this should include a high-level carbon balance / energy efficiency summary.
- Environmental impact.
- Indicative financial and commercial offer.

To support with the effectiveness of the bid, Bioresources specific technical questions will be asked at this stage as well. The type of technical questions will vary depending on the activity, but an example of questions for a sludge treatment strategic activity would be:

- Ownership of final disposal risk for sludge.
- Quality criteria at boundary conditions of contract including key performance indicators.
- Ensuring continuity of service and building a legacy.
- Capacity available and longer-term potential to increase.
- The technology requirements i.e., sludge feedstock DS%.
- Timescales for full implementation.
- Utilisation and ownership of existing asset base.
- Ownership of carbon benefit / disbenefit.
- Alignment with wider STW challenges.

To assure transparency and standardisation, the questions will be weighted, with the weighting provided to bidders.

The same evaluation criteria will be applied consistently to both in-house and external bids.

The main difference between the RFP for strategic activity compared to tactical activity is the level of detail required in the proposal and solution offered. This will be made clear at the onset of the process in the specific bidding pack.

**Contract risk-**

We will undergo a comprehensive review of all potential commercial and regulatory risks before submitting the bid, to ensure we have accounted for all factors that may impact the probability of a bid being submitted. Some risks will provide healthy commercial negotiation at the RFP stage, and we will have a communicative platform to discuss these. During the negotiation, other elements such as price and sludge quality can be discussed.

We also appreciate that depending on the type of Bioresources activity, there could be a substantial amount of risk regarding the future of regulatory change. The uncertainty of recycling Biosolids to agriculture in the future is a prime example of this.

We will take these risks into account when creating the bid briefing pack and where appropriate, we will discuss and consult on certain risks at the pre-PQQ stage, during the supplier engagement sessions and allow an opportunity for discussion.

**7.5 Time Limits and Bid Clarification**

We understand the importance of allowing a fair amount of time to bidders and the opportunity to ask queries or clarification questions. We have therefore reviewed our process to ensure we remain best practice in this area to both support bidders and encourage bids.

To encourage bids for Bioresources activity we will:

- Allow a fair and consistent amount of time for queries and clarification questions- time allowed will be based on the activity and level of technical specification.
- Ensure all communication is recorded through SAP Ariba to guarantee audit trail for transparency.
- Respond back to queries in a timely manner.
- Provide robust and effective feedback.

During any of these opportunities potential suppliers that have successfully passed the pre-qualification screening will be able to submit bids using the relevant forms.

We will always aim to acknowledge receipt of bids within ten working days of the bid arriving via SAP Ariba, although we may take longer to respond to applications not using our standard forms. In our response we will seek to clarify any ambiguities or data omissions.

Where UCR 16 applies, we will implement the required timescales under these regulations.

**7.6 Standstill and Contract Award**

A 'standstill' period (mandatory 10 calendar days) occurs after the contract authorisation award report (CAAR) has been fully approved, contract award decision has been made and before the contract is entered.

We will issue a letter of award of contract and commencement of standstill to all participants including the successful bidder and all PQQ candidates who have not been informed of their rejection and reasons for it.

This provides an unsuccessful bidder the opportunity to challenge the process before the contract is awarded – if a bidder submits a formal challenge at this stage, the procurement process is automatically

suspended. There is a 30-day period in which bidders can challenge the content of the intention to award letter.

Our decision will be communicated to all bidders, including the reasons for acceptance or rejection of bids, within 90 days of the bidding cycle closing.

If the bid is rejected, we will provide detailed feedback against the evaluation criteria to explain our rationale. To ensure transparency, we will also describe the scores associated with the solution that won the bid.

We welcome feedback from bidders on the process and will incorporate in future procurement processes where appropriate.

## **7.7 Appeals and complaints**

At any stage, third parties have the option to raise a query or complaint related to our Bid Assessment Framework; our Bioresources market exploration activity; or any activity undertaken during our tender process.

The process to follow to raise an issue during the tender process is-

- Raise the issue with the Severn Trent procurement process lead via SAP Ariba.
- All issues will be acknowledged within five working days.
- The team will validate the evaluation and investigate the nature of the concern raised and report the findings to the bidder within 10 working days.
- If the bidder remains unsatisfied with the response, the issue will be escalated to the senior management team within Severn Trent, who will in turn review the report and where appropriate respond back to the bidder.
- If the bidder remains unsatisfied after the provision of a final decision by Severn Trent, the final step is to pursue a court of resolution, which may involve legal proceedings.

For wider feedback and issues related to the Severn Trent approach to the Bioresources market or complaints outside of a UCR process please contact us directly at [Bioresources@severntrent.co.uk](mailto:Bioresources@severntrent.co.uk) and we will respond in a timely manner, based on the nature of the issue.



## 8. Application of Process

### 8.1 Governance Process

As detailed in Figure 3 separate BAF Procurement Team will oversee the third-party bidding process to ensure fairness, transparency, and equal treatment.

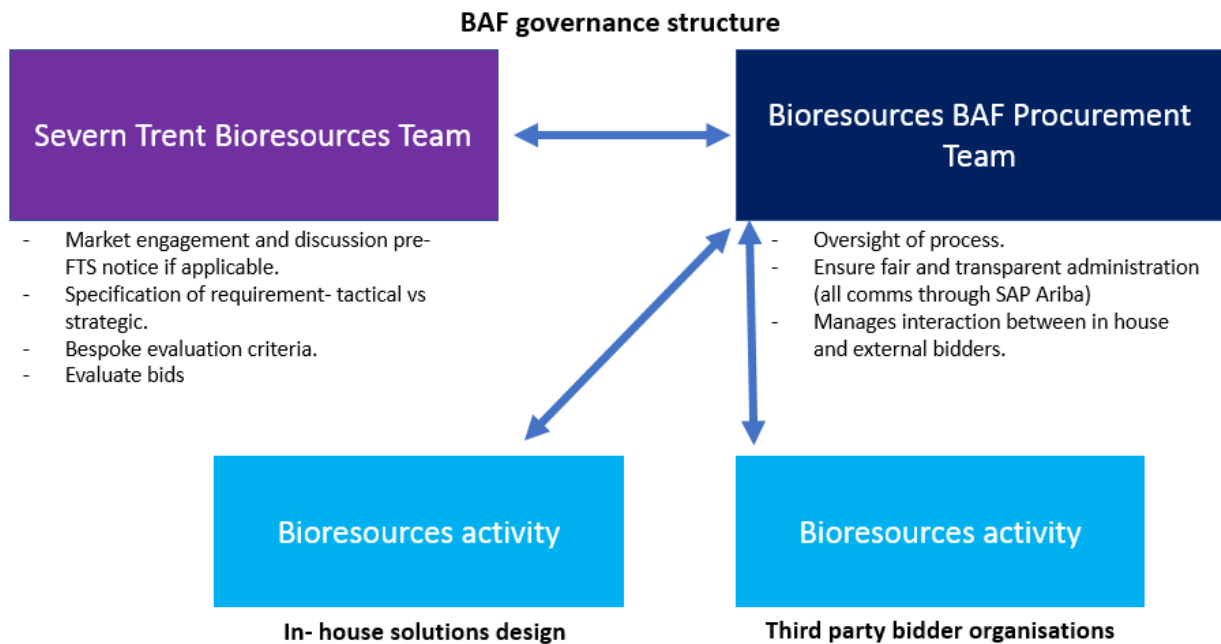


Figure 3. Outlined governance Structure of bidding team.

This team will not be involved in the development of in-house solutions. The purpose of the team will be to:

- Protect against potential conflicts of interest.
- Carry out an assurance review of the bidding process.
- Ensure there is no actual (or perceived) bias; and
- Safeguard against the misuse of commercially sensitive information disclosed by third parties as part of their bids.

The separate BAF Procurement Team will consistently apply the four key principles when assessing bids against both third party bids and in-house solutions.

### 8.2 Compliance Audit

Our procurement process and related documents will be stored in a secure and centralised area. We will retain reports and make these available to Ofwat should they request them. The process will include the reasons for accepting/rejecting bids.

During preparation of the contract award, we will run an audit report of the process to ensure the principles and processes of the BAF have been followed effectively and accurately. This audit will be reviewed internally, saved in a secure area, and made available to Ofwat if requested.

We will also complete an annual review of our compliance with the BAF to include its implementation and any feedback we have received. This will also be made available to Ofwat on request.

Throughout 2020-25 we will also:

- Review the level of third-party bidding activity and publish our findings.
- Review our process and improve it to reflect lessons learnt.
- Publish a high-level view of bids received, along with reasons why unsuccessful bids were not deemed to be viable.

## Appendix 1. Extended Bid Assessment Framework Process

<b>Sourcing, scoping, and communication strategy.</b>	
Scope if the activity fits under tactical or strategic.	Identify and implement the market communication and engagement approach.
<b>Prior Information Notice / workshop / marketplace challenge</b>	
Decision confirmed how the Bioresources activity is announced to the market.	This step allows an informal open dialogue with interested parties to include workshops, webinars etc.
<b>FTS Notice</b>	
Activity posted on the UK government find a tender service.	FTS communicated to market and our Bioresources network informed.
<b>Pre-qualification questionnaire.</b>	
Mandatory criteria set out with adapted questions related to Bioresources requirements to assess the basic attributes of all bidders. This stage encourages bid participation by ensuring bidders do not over commit resource at early stage of process.	All Tender documents will be available at this stage including a technical specification which would include sludge specific data where applicable. This will support the bidders to make informed decisions as to whether they have the capacity and capabilities to be successful.
<b>Request for proposal.</b>	
Determines the quality of the bidders against technical specific questions and will assess their bids against pre-determined criteria to ensure a fair outcome.	Assumptions, capital requirements and Bioresources specific challenges included such as contract risk. There will be Bioresources specific questions at this stage to help support bidders time efficiency.
<b>Fair time constraints and open dialogue on bids.</b>	
Open dialogue between bidders and procurement team on bid clarification and queries ensuring fair communication and equal treatment of applications.	Time limits are fair, consistent and all queries are answered in a timely manner through authorised and traceable channels.
<b>Evaluation and negotiation</b>	
Evaluation follows a rules-based approach that is applied in the same method to in house and third-party bids.	Negotiation allows opportunity for bidders to engage with the BAF procurement team to negotiate elements of the bid such as price, contract risk and sludge quality.
<b>Contract authorisation award report (CAAR)– internal governance</b>	
Assurance to ensure process has been followed to the required criteria.	Sense check to guarantee complete transparency and fairness across all bids.
<b>Standstill</b>	
A 'standstill' period (mandatory 10 calendar days) occurs after the CAAR has been fully approved, contract award decision has been made and before the contract is entered. STW issues a letter of award of contract and commencement of standstill to all participants including successful bidder and all candidates who have not been informed of their rejection and reasons for it.	Risks during Standstill period can be mitigated by ensuring that all submitted tenders have been evaluated and scored on a like for like basis. All Tender communications must be via SAP ARIBA Portal as it creates audit trail for transparency.
<b>Contract award and communication.</b>	
Final decision communicated to all bidders to include a breakdown of the individual scores and comments of their own bid and the successful bid.	Feedback is welcome on the process to ensure we keep reviewing our process to be as efficient, effective and as user friendly as possible.

Figure 4. Bid application process flow, listing out the activities that are mandatory for the compliance of the BAF and additional activities that are only valid in certain circumstances.

### Key-

**Blue-** This activity will take place in all circumstances as part of the BAF.

**Purple-** This activity will only take place where the procurement is subject to UCR16.

## Appendix 2. Market engagement for the Bid Assessment Framework

We appreciate the importance in effectively engaging with the market for feedback and guidance to help define and create a key tool such as the Bid Assessment Framework.

With this in mind, we followed a planned three-stage engagement approach with the market, and we were pleased with both the amount and the quality of feedback.

See below an overview of each stage, followed by some common themes related to the feedback.

### Stage one-

As part of the Bioresources market challenge with Wessex Water ([link to challenge](#)), we actively discussed the BAF approach with market users while hosting a shared stand at the Bio-gas expo. This helped initiate early conversations and outline the high-level requirements to treat sludge such as sludge quality.

In addition to this, we also navigated stakeholders throughout this process to directly communicate with Wessex Water or Severn Trent to discuss the BAF.

### Stage two-

Initially we sent out our draft BAF approach to all potentially interested suppliers from the Achilles Utilities Vendor Database (UVDB) Service. We categorised suppliers using key search words, and this resulted in 315 suppliers.

Along with the BAF draft we enclosed 9 targeted questions for the suppliers to answer, to help guide our decision making on the document.

### Stage three-

To further increase market engagement and ensure we were communicating with as many stakeholders as possible, we created a challenge on our Bioresources marketplace page, asking companies for feedback on our BAF ([link to challenge](#)).

This challenge was communicated out to our Bioresources external mailing list as well as LinkedIn campaigns and targeted e-mails to any stakeholders not part of the UVDB. This ensured we had as wide and diverse coverage as possible.

In total we had 19 responses to our questions and 4 Teams meetings. We reviewed all the findings and implemented any possible changes into the BAF.

### Overview of feedback-

We were pleased with the volume of responses and quality of the feedback. See below some of the key themes that were articulated in the responses-

- Clear and succinct detail of each stage of the tender process is imperative and discussion with industry stakeholders before going to market would be advantageous.
- Full visibility of the pre-qualification questionnaire (PQQ) and request for proposal (RFP) at the start of the process, with key considerations listed is beneficial.
- Open communication is key and using tools such as webinars for larger and more complicated tenders is a useful idea to enable effective discussion.
- Severn Trent contracts can be too broad to allow specialist companies to enter a tender process.
- The PQQ stage questions can often be frustrating and limit new entrants, especially if a yes or no is the only answer.
- Feedback supplied to bidders is a beneficial step for continuous improvement.

- Our Terms and Conditions can be overly onerous for small tasks.

We discussed each piece of feedback with our commercial and legal experts to outline where we can adapt our bidding process, while remaining compliant with both internal governance and external legal processes.

Our published BAF has therefore incorporated as much of the feedback as possible to help promote market engagement and drive inclusion.

However, we cannot incorporate all factors and specific items of feedback into the BAF. The BAF process needs to cover a wide range of contracting opportunities and so to be specific about how we might break each tender opportunity down and what level of terms and conditions we will use is difficult at this stage. That said, we will commit to taking on this learning and this will be reflected in some of our upcoming tender releases.

### **Ongoing feedback-**

As mentioned in our BAF document, we are always striving to improve our processes and remain enthusiastic to receive feedback.

We have created an open communication channel to allow any stakeholder to get in touch with the Bioresources team at any time to have a discussion on anything Bioresources related, including the BAF.