

Welcome to 8th sludge working group meeting

30 January 2017

Agenda

	Agenda Item	Time
1	Introductions	10:30am to 10.40am
2	Successful bid activity – contract information (facilitated by Alexander Maddan)	10:40am to 11:40am
3	Coffee	11:40am to 11:50am
4	Market information - Timetable and next steps (facilitated by Ofwat):	11:50am to 12:20pm
5	Environmental regulations: an update (facilitated by Defra/EA)	12:20pm to 1pm
6	Lunch	1pm to 1.40pm
7	Transfer pricing and form of the bioresources price control: an update (facilitated by Ofwat)	1:40pm to 2pm
8	Wrap up session (facilitated by Ofwat)	2pm to 3:15pm



MARKET BID ACTIVITY: CONTRACT INFORMATION

Alexander Maddan

January 2017

The Intention


- To produce information in a standardised format
- To allow WASC's and contractors to see where opportunities do or do not exist
- To provide outline contract details and specification
- To expose each tds to the most appropriate and economic solution

EU Journal Contract Information

Office Cleaning Services

Rectangular Snip

☰ Opportunity Summary

Title	Office Cleaning Services
Reference	TKR-20161228-EX-91761
Publication Date	January 3, 2017
Type of Procedure	Services Contract
Nature of Procurement	Contract Award
Description	Tender Specification and Requirements. Overview Chwarae Teg is inviting companies to tender for the supply of their office cleaning requirements across their four office locations, in Cardiff, Treforest, Llanelli and Colwyn Bay; Cardiff - 30+ staff - Size ...[more]
Awarding Authority	Chwarae Teg, Procurement, 2nd Floor Unit 2 Cardiff Road, Melin Corrwg Business Park, Upper Boat, Treforest, CF37 5BE. Tel: 01443824410. Email: tenders@chwaraeteg.com. Web: http://www.cteg.org.uk . (Tenders)
Country	United Kingdom
Value of Contract	£ 22,000
Estimated Annual Value 	Check Contract
Currency	GBP

Opportunity Detail

Type of document:

Contract award

Country:

United Kingdom

1. Title:

OFFICE CLEANING SERVICES

2. Awarding Authority:

Chwarae Teg, Procurement, 2nd Floor Unit 2 Cardiff Road, Melin Corrwg Business Park, Upper Boat, Treforest, CF37 5BE. Tel: 01443824410. Email: tenders@chwaraeteg.com. Web: <https://www.cteg.org.uk>. (Tenders)

3. Contract type:

Service contract

4. Single stage - Any candidate may submit a tender.

5. Description:

Tender Specification and Requirements.

Overview

Chwarae Teg is inviting companies to tender for the supply of their office cleaning requirements across their four office locations, in Cardiff, Treforest, Llanelli and Colwyn Bay;

Cardiff - 30+ staff - Size 3,500 sq ft.

Treforest - 25+ staff - Size 2,150 sq ft.

Llanelli - 10+ staff - Size 1,838 sq ft.

Colwyn Bay - 11+ staff - Size 1,600 sq ft.

(Please see ITT document for further details).

This invitation to tender is being issued for suppliers able to manage and provide the full requirements of cleaning, and to provide ongoing support to ensure continuity of the expected level of quality and service.

In the event that one cleaning company is unable to best provide our requirements for all office locations, we would consider entering into a framework agreement with more than one supplier.

Scope of Requirements

To take place at each of the 4 office locations;

On 2 occasions per week (Tuesday and Thursday) after 5pm;

Vacuuming of all carpeted areas.

Mop floor surfaces which are not carpeted.

Hygienically wiping down and/or polishing of surfaces such as desks, desk-dividers, tables and windowsills.

Hygienically wiping down and/or cleaning of office furniture such as chairs and sofas.

Emptying of bins, and moving waste to relevant receptacle/s, including recycling.

Hygienic cleaning / wiping down of kitchen area worktops and sink.

Weekly cleaning of keyboards and screens, and desk telephones.

Weekly wipe down of microwaves.

Weekly interior window cleaning.

Spot cleaning as necessary (to be requested by a member of the Senior Management Team).

Deep cleaning as necessary (to be requested by a member of the Senior Management Team).

Additional days/hours as necessary on occasion (to be requested by a member of the Senior Management Team).

Any additional cleaning requirements as necessary on occasion (to be requested by a member of the Senior Management Team).

Term of contract:

To commence 3rd January 2017, for a period of 14 months continuing through to 31st March 2018. There may be a possibility to extend the contract by up to a further six months maximum, subject to requirements of the project. In the event of the contract being extended, this will be done on a month by month basis, with a maximum notice period of 28 days. In the event of the contract being extended, it may not be extended to cover all four office locations.

6. CPV Code:

30237250, 30237251, 90000000, 90600000, 90900000, 90910000, 90911000, 90911100, 90911200, 90911300, 90916000, 90919000, 90919100, 90919200

7. NUTS code:

UKL, UKL1, UKL15

8. Cardiff, Treforest, Llanelli and Colwyn Bay.

UK - All

Wales

West Wales and The Valleys

Isle of Anglesey

Gwynedd

Conwy and Denbighshire

South West Wales (Carmarthenshire, Pembrokeshire, Ceredigion)

Central Valleys (Merthyr Tydfil, Rhondda Cynon Taf)

Gwent Valleys (Torfaen, Blaenau Gwent, Caerphilly)

Bridgend and Neath Port Talbot

Swansea

East Wales

Monmouthshire and Newport

Cardiff and Vale of Glamorgan

Flintshire and Wrexham

Powys

9. Reference attributed by awarding authority:

Reference number attributed to the notice by the contracting authority

AN2015

10. Name and Address of Successful Contractor:

Crystal Group, Malpas Depot, Malpas Road, Newport, NP20 5PP. Tel: 08444176350. (Jamie Davies)

11. Date of Contract Award:

23-12-2016

12. Number of tenders received:

6



13. Estimated value of requirement:

Estimated Total Value

22000 GBP

14. Other information:

(WA Ref:60048)

Relates to the following project/programme financed by EU Community Funds:

Agile Nation 2 funded by the European Social Fund and the Welsh Government

For further information/documentation regarding the above contract award please visit:

https://www.sell2wales.gov.wales/search/show/search_view.aspx?ID=DEC176730

TKR-20161228-EX-91761

15. Submitted date:

28.12.2016.

Related Notices

No related opportunities exist for this opportunity

Supporting Documents

No supporting documents found. Please refer to opportunity detail for more information

New Proposed Contract Information

Water Company Name: **Anglian Water**

Line Information	Example of text	Rationale
1. Title given to contract	Recycling of biosolids to land	
2. Reference number	Xx xx	A unique reference number is useful for dealing with any enquires that may arise.
3. Description of Services	Contract to provide the recycling of Advanced Digested biosolids to land in the Cambridgeshire area. Specific services include: sourcing of farms; provision of haulage between STC and farms; stockpiling of sludge. This contract does not include spreading of sludge. To conform to Biosolids Assurance Scheme	This should give entrants an indication on what services have been provided for and enable them to identify further opportunities. This description needs to be comprehensive to allow entrants to understand the actual activities that are being provided (and not provided).
4. Geographical regions	Cambridgeshire, UK	This should give an identifiable region over which the contract relates to. This is particular used if the contract covers several sites.
5. WWTWs/STCs site names (if appropriate)	Seeling, Barling and Conling	This should provide the identifiable name of relevant sites, unless it covers several sites.
6. Scale of activity (estimate)	Between 15,000 and 20,000 TDS per annum @ approximately 25% ds	This should provide an indication of the scale of activity with volumes provided in TDS, m3 or other relevant measures.

Line Information	Example of text	Rationale
7. Contract start date	March 2018	Month and year that the contract started
8. Contract end date	March 2023 - 2026	Month and year that the contract is due to complete
9. Term of Contract	5 years with break clauses and extensions available 5+1+1+1	This should include any terms of the contract that gives market participants an idea on when they may be able to compete to provide services.
10. Number of tenders received	4	To give an idea of market interest
11. Successful Bidder	Beech Contracting, Sycamore Lane, Pinewood, Herts, DF2 6LQ, UK	
12. Contact details for WASC	Joe Bloggs (0121 644 5198) e: jbloggs@aws.co.uk	
12. Contact details for Successful Bidder	Mark Ash e: Mark@beechcon.co.uk	

Discussion questions

1. Have we identified the right information for potential entrants to understand the market and potential opportunities?
 - A. Is there any information listed in the template that we should not be asking for, if so, why?
 - B. Is there any additional information we should be requesting that is not listed?
2. What are we missing if we are wanting to understand market activity?
3. Are there any potential consequences of publishing this information that we should be aware of?
4. At what level should the information be published?
5. At what frequency should companies update their websites with this information?

Bioresources market information provision Timetable

Physical market information

- We have discussed the potential scope of the information requirements with the sludge working group (SWG) [11 April 2016; 8 Sept 2016, 20 Oct 2016];
- We have worked with United Utilities to develop an information template (WwTW; STC, Dewatering sites);
- UU have also tested the template – they estimated that it would take 3 weeks to populate.
- The table has been circulated to the SWG for feedback; and
- We are currently finalising the template for consultation.

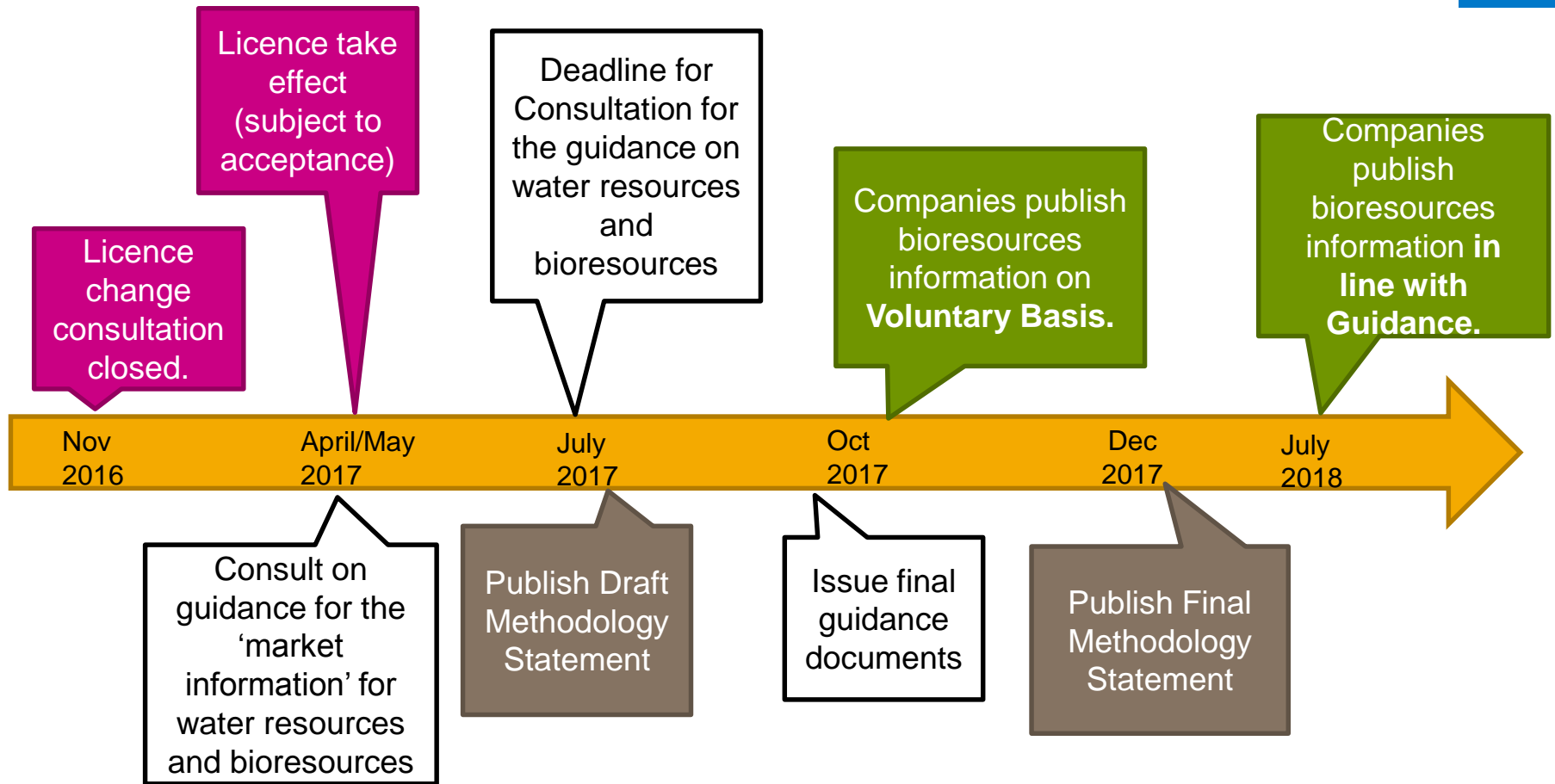
Contract information

- We have been developing a contract template with Agrivert. We have received help from Wessex Water and Thames Water.
- Alexander Maddan (Agrivert) will be discussing the contract information template today.

Guidance document

- We are drafting a short guidance document to accompany the data templates, taking into account discussions with the SWG. This will be finalised following the feedback on contract information today. We will look to formally consult on this in the spring, in conjunction with the similar water resources market information guidance.
- We will discuss our consultation process in future meetings with the water company RAWG (regulatory accounting working group).

Market information provision: Our draft timetable



Note: We propose that the first year of bioresources market information is provided on a voluntary basis

What are your views and comments?

Ofwat Sludge Working Group

Monday 30th January 2017

Environmental Regulations

Henry Leveson-Gower – Defra

Mat Davis – Environment Agency

Environmental Regulations: Update on Standard Rules Consultation No. 14

Mat Davis
Technical Adviser, Environment Agency

Ofwat, 30th January 2017

Standard Rules Permits:

Landspreading:

- ➔ SR2010 No4 Mobile plant for landspreading.
- ➔ SR2010 No5 Mobile plant for the reclamation, restoration or improvement of land.
- ➔ SR2010 No6 Mobile plant for landspreading of sewage sludge.

➔ Storage

- ➔ SR2010 No17 Storage of waste to be used in land treatment.

Published onto gov.uk on 6th January 2017.

Transition Period runs until 6th April 2017.

Landspreading Standard Rules Permits:

- ➔ Replaces Regulatory Position Statement 174: Revising the description of wastes accepted under specified mobile plant permits.
- ➔ Permit now lists:
 - 19 05 03 Compost from source segregated biodegradable wastes and sludge from treatment of urban waste water only.
 - 19 06 06 Whole digestate and fibre digestate from anaerobic treatment of source segregated biodegradable waste and sludges from treatment of urban waste water only.

Update to SWG: Bioresources form of control workshop with water and sewerage companies

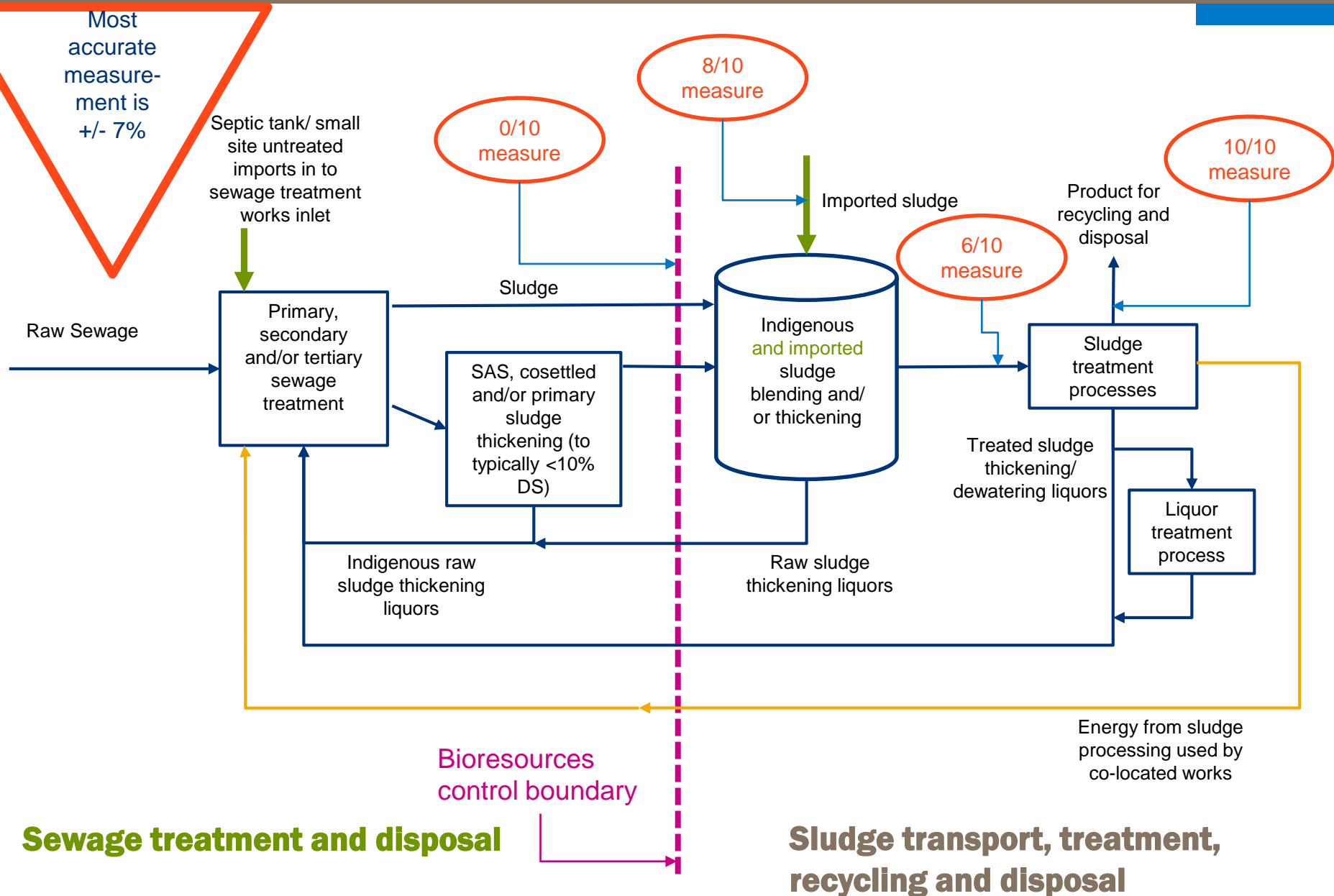
17 January 2017

	Agenda Item	Time
1	Introductions	10:30 to 10.40
2	Bioresources RCV allocation – progress and next steps Iain McGuffog, David Young, Reckon	10:40 to 12:00
3	Coffee break	12:00 to 12:10
4	Bioresources form of control: Volume measure Alison Fergusson, Khaled Diaw	12:10 to 13:10
5	Lunch	13:10 to 13:50
6	Bioresources form of control: discussion points Facilitated by Khaled Diaw, Thames Water and Welsh Water.	13:50 to 15:00

- We propose to collect information from companies on the valuation of their sludge transport, treatment and disposal assets and how this relates to its economic value in advance of the submission of PR19 business plans
- Use upstream services definition in RAG 4.06
- Valuation for 31 March 2020

When	What
Early March 2017	Consultation on guidance
Early April 2017	Consultation closes on draft guidance
Late April 2017	Ofwat publishes decision on guidance
By 29 September 2017	Companies to submit bioresource asset valuation and RCV allocation plus assurance information to Ofwat
January 2018	Ofwat provides feedback to companies on their asset valuation and proposed RCV allocation to inform their PR19 business plans
December 2019	Ofwat decision on RCV allocations as part of PR19 final determinations

Current practice on measurement. Tonnes Dry Solids = flow x concentration



For the average revenue control to work as intended we need a measure of bioresources volume that:

- is meaningful for the market, i.e. is “commodity” based;
- incentivises appropriate behaviour by both producers and market entrants;
- is consistent over time;
- is consistent between companies;
- is not disproportionately costly to measure and assure; and
- is clear

Revised Draft Definition (in the light of workshop feedback)

Sludge production in tonnes dry solids for the average revenue price control:

- is a measure of untreated sludge (primary, secondary and tertiary) produced by in-area wastewater treatment processes in a year;
- does not include the grit and screenings removed through preliminary wastewater treatment processes; and
- is directly measured rather than deemed and follows these principles by preference:
 - Measured - compulsory after 2020 for both flow and dry solids (rather than calculated);
 - Measured by instrumentation rather than composite sampling, but composite sampling rather than spot sampling.

What would you change in this definition?

In summary:

- **Separate binding average revenue control for bioresources;**
 - Set using a building block approach;
 - Indexed by inflation;
 - Will deliver sufficient revenue to fund efficiently incurred costs to treat a given (expected) volume of sludge;
 - Average revenue control means that companies take some volume risk over the control period, i.e. if sludge actually treated differs from forecast. Risk can be favourable or unfavourable.
 - We acknowledge comments from stakeholders at the workshop that improvements in TDS measurements should not penalise companies
- **RCV protection will be extended up to 31 March 2020, investments in sludge assets beyond this point “at risk”;**
 - No risks of asset stranding in PR19 – retailers cannot choose who treat their sludge and sludge trading should take place only where there is mutual commercial advantage;
 - We will not implement an explicit mechanism to guarantee the pre-2020 RCV – allowances set to recover efficient costs
 - If risk of asset stranding arose (e.g. at PR 24), we will consider then whether to have an explicit mechanism for pre-2020 RCV

Sludge production in tonnes dry solids for the average revenue price control:

- is a measure of untreated sludge (primary, secondary and tertiary) produced by in-area wastewater treatment processes in a year;
- does not include the grit and screenings removed through preliminary wastewater treatment processes but does include the grit and screenings removed at the sludge treatment centre
- is ~~directly~~ measured at the point of treatment, ideally ~~rather than deemed~~ and follows these principles by preference:
 - ~~Measured – compulsory after 2020 for both flow and dry solids (rather than calculated);~~
 - ~~measured~~ by instrumentation rather than ~~composite sampling~~, but ~~composite sampling~~ rather than spot sampling.

Sludge Working Group: Summary and feedback

Alison Fergusson



- **Timescale:** We started the SWG approximately a year ago – 25th January. We have now had 8 sessions covering a variety of themes.
- **Aim:** The primary role of the Working Group has been to engage on the design and implementation of the bioresources market mechanism and price review design features in sludge. **It is not a decision making body.**
- **Membership:** Membership has been open to all interested parties – WaSCs; potential entrants, industry bodies, government departments and bodies.
- **Transparency:** We have published notes, and presentations that have been given as part of the working group meetings.
- **Participation:** Many working group members have presented at these workshops and facilitated constructive and informative discussion.
Thank you!



The sludge/ N+ boundary

- Anglian Water facilitated discussions on the boundary between sludge and Network plus activities [3 March 2016] .
- In the 2016-17 regulatory accounting guidelines (RAGs) we provided details of the definition of sludge.

Form of price control

- May Water2020 document: we confirmed Sludge will have a **separate binding price control** set on an **average revenue control** at **company level**.
- Two Sludge Working Group Sessions: 15 June 2016 & 8 Sept 2016
 - Welsh Water looked at issues regarding practical application of the sludge price control;
 - Thames water explored issues around price control and tariffs.

Volume measure: Tonnes Dry Solids

- Summer 2016: Yorkshire Water and Ofwat developed a questionnaire to companies to challenges in measures TDS - All companies responded.
- Results were presented at the SWG on 8 September 2016.
- Challenges further discussed at the 'Form of Control' workshop (17 January 2017).

RCV allocation to bioresources

May Water 2020 Document:

- We confirmed that we would allocate RCV on a focused approach.

Sludge Working Group considered:

- Costs of carrying out valuation;
- Objectives of carrying a valuation;
- Different approaches to valuation (including pros and cons) - Southern Water and United Utilities facilitated discussions
- CEPA report: findings/ assumptions around valuations;

Market Information

May Water 2020 Document:

- We confirmed that companies will publish physical information (but not price information) and outline contract information on successful bids.

Sludge Working Group:

- United Utilities have helped to develop the physical market data template.
- Alexander Maddan facilitated discussion on the contract template (today).
- We have discussed the timescales for implementation (today).

Environmental Regulations

May Water 2020 Document:

- We identified it as a barrier to developing markets in bioresources.

Sludge Working Group:

- The Environment Agency (EA) has engaged on environmental regulations throughout working group discussions;
- The EA and Defra led a special workshop in July 2016 to provide clarity over environmental regulations and understand issues/potential solutions.
- Defra (supported by the EA) providing an update (today).

Transfer Pricing

May Water 2020 Document:

- We will consider our approach to non-appointee revenues and transfer pricing.

Sludge Working Group:

- Sludge cost assessment (Thames Water);
- Pricing-both transfer pricing and market prices (United Utilities);
- Transfer Pricing and Trading (Wessex Water).

We would like your feedback on the working group: What have we done well? What can we do better?



Organisation of the working group meetings

Membership of the working group

Themes of the working group

Working with members to facilitate discussions



- We are continuing with more focused engagement to address outstanding issues, for example:
 - one-to-one meetings between Ofwat and water companies about transfer pricing;
 - the recent company workshop on form of the PR19 price control
- We will be monitoring bioresources market development over coming months and years.
- We expect to want feedback on how the market is going from the perspective of all sludge working group members and market participants and will convene ad-hoc meetings as the need arises.
- Our door continues to be open to engage on bioresources market matters
- Thank you for the helpful engagement so far and we look forward to more in the future!