



## Water, Wastewater and Ancillary Services (RM3790)

### Frequently Asked Questions

#### 1. FRAMEWORK

**Q. What does water deregulation mean?**

**A.** Customers currently access water services depending on geographic location and as result a customer who has premises across the country may interact with multiple suppliers for the provision of water services. Deregulation results in the same geographic water supply (from Wholesale suppliers) but customer service and billing can be supplied anywhere in the country (from Retail suppliers). This means that a customer with premises across the country will interact with the Retail supplier only for the provision of water services and the Retail supplier is responsible to ensure effective delivery of Wholesale supplier services to customers.

The Water Act 2014 - enabling all business, charity and public sector customers to switch their water and sewerage supplier.

**Q. How was the framework developed?**

**A.** In response to deregulation and to support the public sector by providing a route to market, the framework was collaboratively developed by CCS and Public Buying Organisation (PBOs), namely Yorkshire Purchasing Organisation (YPO), Eastern Shires Purchasing Organisation (ESPO), West Mercia Energy (WME), North East Purchasing Organisation (NEPO) and The Energy Consortium (TEC). Suppliers underwent rigorous evaluation resulting in 13 suppliers being awarded to provide services under RM3790 Water, Wastewater and Ancillary Services.

**Q: What are the benefits of using the framework?**

**A:** The framework provides:

- Improved service levels, increasing flexibility of services, better value for money, and more choice.
- reduced cost from bulk government buying power
- standard procurement process reducing customer time/effort/cost if undertook own procurement
- customer will deal with a single retailer delivering front end customer service and billing (retailer to transact with wholesalers)

**Q. How do I access or find out more information about this framework?**

**A.** The Water Framework Agreement, applicable service Lots, supplier information, customer guidelines and other related documentation can be accessed via this link.

<http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm3790>

**Q. Am I eligible to use the water framework?**

- A.** Ofwat has published full eligibility guidance and supplementary guidance on customer eligibility, this information can be found on the website or using the below links. In general terms customers with premises which are non-residential located in England and Wales are eligible to switch water suppliers. There is no minimum water usage thresholds applicable to premises located in England however a minimum water usage of 50 million litres per annum is applicable to customers in Wales.

<http://www.ofwat.gov.uk/publication/eligibility-guidance-whether-non-household-customers-england-wales-eligible-switch-retailer/>

<http://www.ofwat.gov.uk/publication/supplementary-guidance-whether-non-household-customers-england-wales-eligible-switch-retailer/>

Additional information on types of premises and their eligibility can be found on The Water Report. [http://docs.wixstatic.com/ugd/75eb38\\_80978c820337419fad5d6834935bac5.pdf](http://docs.wixstatic.com/ugd/75eb38_80978c820337419fad5d6834935bac5.pdf)

**Q. What is the term of the framework?**

- A.** The Framework Agreement has been let for an initial term of 3 years (expiring 15/03/2020) with the option to extend by 12 months. To align with Ofwat regulated pricing which sets industry prices for 5 years (next due in 2019 for period 2020 to 2025), the initial CCS aggregated further competition (completed October 2017) was set for 2 years with option to extend for 1 year. Any subsequent CCS aggregated further competition will be set to a term to co-terminate with the initial aggregated further competition term.

Please refer to the customer guidance document on our website for dates of next scheduled further competitions.

**Q: Is the contract term flexible, is it possible to reduce the term but still include an extension option?**

- A:** Yes, if a customer wants more flexibility on the term, for example 1+1, 1+2, 2+1, this can be included in the specification when running a further competition.

**Q. How does the framework term align with Ofwat regulated pricing?**

- A.** Ofwat regulates industry prices for 5 years (next due in 2019 for period 2020 to 2025). The framework expires on 15/3/2020 (with option to extend by 12 months). The framework is therefore well positioned to respond to changes in price.

**Q. We have offices in Wales, Northern Ireland, Scotland and England – can we switch to one supplier through this aggregation?**

- A.** No, this framework applies to non-household located in England (no volume usage threshold) and Wales (where individual premises utilising 50 million litres or more per year). See eligibility

<http://www.ofwat.gov.uk/publication/eligibility-guidance-whether-non-household-customers-england-wales-eligible-switch-retailer/>

<http://www.ofwat.gov.uk/publication/supplementary-guidance-whether-non-household-customers-england-wales-eligible-switch-retailer/>

**Q. Who are the suppliers under the framework?**

**A.** There are 13 suppliers servicing three Lots within the Framework. The suppliers, their contact details and servicing Lots can be accessed via this link (see Lot Details Tab).

<http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm3790>

- Lot 1 - Water and Waste Water - [8 suppliers]
- Lot 2 - Ancillary Services – [11 suppliers]
- Lot 3 - One Stop Shop (water, waste water & ancillary services) – [8 suppliers]

**Q. Can I select a supplier from the framework that I wish to use?**

**A:** No, when a customer runs an independent further competition based on the standard framework specifications, customers should invite all suppliers to bid and the agreement is to be awarded to the supplier who provides the most economical advantageous price. This process promotes competition and best value. The same supplier invitation and award rules apply when a customer runs an independent further competition with bespoke service specifications.

**Q. Can my incumbent Supplier become a Framework Supplier?**

**A.** No. Framework Supplier lists are fixed at the point when the Framework Agreements are awarded and cannot be changed post award.

**Q. What will happen with my current supplier contract?**

**A.** As from the 1<sup>st</sup> April 2017, all supply from retail suppliers will be on a deemed contract basis, this means that you can switch suppliers. However, if you have signed a contract with the retailer for a defined period you will need to discuss the applicable termination process with your current supplier. More information can be found at:

Deemed Contracts: policy conclusions and consultation on draft Retail Exit Code

[https://www.ofwat.gov.uk/wp-content/uploads/2016/02/pap\\_con20160208deemed.pdf](https://www.ofwat.gov.uk/wp-content/uploads/2016/02/pap_con20160208deemed.pdf)

**Q: How do CCS recover costs, is a fee charged for accessing the framework?**

**A:** CCS is part of the Cabinet Office and is a not for profit organisation. Water charges are made up of two elements, wholesale (for water supply) and retail (for customer service and billing). Under the framework CCS charge:

- 1% of the supplier retail margin for Lot 1;
- 1% of all spend for Lot 2;
- Lot 3 (which includes Lot1 & Lot2) is charged as stated above

The charges are payable by the supplier and the supplier shall not pass through or recharge to, or otherwise recover from any customer.

**Q: What is CCS involvement in account management? Would you liaise with suppliers on our behalf or would we do that ourselves?**

**A:** CCS will be fully managing the framework and the suppliers using our Supplier Performance Management model. This involves checking supplier performance against the framework KPI's and service delivery commitments. Whilst customers would manage their own operational relationship with suppliers, CCS will help and support with any escalated issues or problems which a customer has been unable to resolve effectively with the supplier directly. The Consumer Council for Water monitor how well retailers are performing. They will take up individual complaints from non-household customers who have not been able to resolve the matter with their service provider. For more information, email [enquiries@ccwater.org.uk](mailto:enquiries@ccwater.org.uk) or call 0300 034 2222

## Further Competition (aggregated further competitions)

### Q. What is an aggregated further competition?

A. Aggregation is the collation of customer common requirements and collective buying in order to obtain a better price overall. When participating in CCS aggregated further competition, we issue participating customers with a Memorandum of Understanding (MOU) to be signed by your organisation. The MOU confirms your commitment to take part in the process. We will also provide a template to collect the necessary switching details and we will guide and communicate with customers throughout the process.

### Q. When is the next aggregated further competition planned and what is the framework term under the aggregated service offering?

A. The customer guidance document shows indicative dates of future aggregations which may be led by CCS or by one of our collaborative partners who were involved in the development of the framework. Customers may also email [Info@crowcommercial.gov.uk](mailto:Info@crowcommercial.gov.uk) to register interest. The call off term under the aggregation will be confirmed as part of the process.

### Q. What was the framework term offered under CCS 2017 Aggregation further competition?

A. The October 2017 aggregated further competitions was set for 2 years with the option to extend by 1 year. We anticipate any future further competitions will be set to align to co-terminate with the initial further competition term.

### Q. Who else offers aggregated auctions or further competition using the CCS framework?

A. The framework has been collaboratively developed by CCS and Public Buying Organisation (PBOs). We will all run periodic procurement auctions for groups of customers although the structure of the further competition may vary slightly for each organisation. At the end of the process customers and the awarded supplier will sign the framework Call Off Order Form and Contract Terms. To find out more information on upcoming further competition offerings contact:

PBO	Contact	Lot	Indicative Further Competition Date
Yorkshire Purchasing Organisation (YPO)	<a href="mailto:Rob.Clark@ypo.co.uk">Rob.Clark@ypo.co.uk</a>	3	July 2018
Crown Commercial Service (CCS)	<a href="mailto:Info@crowcommercial.gov.uk">Info@crowcommercial.gov.uk</a>	1	September 2018
Eastern Shires Purchasing Organisation (ESPO)	<a href="mailto:energy@espo.org">energy@espo.org</a>		TBC - 2018
West Mercia Energy (WME)	<a href="mailto:jwassall@westmerciaenergy.co.uk">jwassall@westmerciaenergy.co.uk</a>		Q2/3- 2018
North East Procurement Organisation (NEPO)	<a href="mailto:marie.perriam@nepo.org">marie.perriam@nepo.org</a>		Q2/3 - 2018
The Energy Consortium (TEC)	<a href="mailto:Stephen.Creighton@tec.ac.uk">Stephen.Creighton@tec.ac.uk</a>		TBC - 2018

### Q. Where can I get more information on how the new market works?

A. Further information can be found at the below links for Ofwat, Defra and MOSL.

<http://www.ofwat.gov.uk/nonhouseholds/>

<https://www.gov.uk/government/policies/water-and-sewerage-services>

<https://www.mosl.co.uk/>

## 2. Further Competition (sometimes referred to as mini competition)

### **Q. Can a customer run a further competition under the framework?**

**A.** Yes, a customer can run an independent further competition to call off for any of the Lots under the framework. A customer can also add bespoke T&Cs under the further competition. In running an independent competition, customers should invite all suppliers within the required Lot to bid. Details on how to run an independent further competition is included on the website (see customer guidance document under the 'Documents' tab on the web site).

### **Q. What framework term should a customer request under a further competition?**

**A.** CCS guidance is that any call off arrangement is aligned with Ofwat timescales for industry pricing reviews which is scheduled for in 2019 and takes effect in 2020.

### **Q: Can a customer pick and choose which services is required from each separate Lot?**

**A:** Yes - if a customer wishes to run a further competition they can do so from either Lot 1 -supply, Lot 2 ancillary services or Lot 3 a one stop shop for both supply and services.

### **Q. How much time should I allow for my Call Off competition?**

**A:** Allow up to 6 to 8 weeks for a simple requirement, longer for more complex requirements. Restricting the amount of time available to Framework Suppliers to bid may reduce the quality of the bid responses and may mean that you are unable to award your call off contract.

### **Q. Can I directly award without further competition on this Framework Agreement?**

**A.** No, there is no direct award provision under this framework. The only routes to accessing the RM3790 framework is by further competition and awarding to the most economical advantageous supplier or by joining an aggregated further competition (see customer guidance document).

### **Q. Are there any additional Terms and Conditions that I need to sign?**

**A.** No. Customers will only need to sign the frame work Order Form & Call Off Terms and Conditions. This form is located on CCS website.

### 3. Call Offs & Servicing

**Q: How do I run a call off from the framework?**

**A.** A customer can either join an aggregated further competition or alternatively a customer can undertake an independent further competition. Details of how to do this and helpful guidance is available on our webpage. See also the customer guidance document found under the 'Documents' tab on our website. <http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm3790> (under Access tab)

**Q: How will sites transfer initially? One big move or transitionally?**

**A.** Industry standards state a 26 day transfer window (but no more than 40 days).

**Q: Does the contract allow for sites to move on and off the agreement?**

**A:** Once a customer has committed its sites to the contract /awarded supplier, then they will need to remain on contract for the duration specified. The only proviso would be if the property or supply point in question is sold and the customer organisation is no longer responsible. Additional sites can be added to the contract.

**Q. How do I add an additional site or meter?**

**A.** You should contact your framework supplier.

**Q. I am having an issue with the framework supplier, what should I do?**

**A.** If, having raised a query to the supplier and the supplier has been unable to resolve to satisfaction, you can escalate the issue to CCS by contacting the Service Desk on 0345 410 2222 or emailing [Info@crownccommercial.gov.uk](mailto:Info@crownccommercial.gov.uk). Your issue will be sent to the CCS framework manager who will liaise with the supplier on your behalf to manage and progress your issue to resolution.

## 4. GENERAL

**Q. Where can I get my Supply Point Identification Number (SPID)?**

A. You can obtain your SPID from your current supplier.

**Q. Can I change to one supplier if I have multiple premises?**

A. Yes, the intention of the framework is to simplify the water services for customers so that a customer with multiple locations geographically will deal with a single supplier.

**Q. As a hospital we require trade effluent services, are we able to purchase under this framework?**

A. Yes, you will need to provide your Discharge Point Identification Number (DPID).

**Q. I want to switch to metered water – can I still use the framework?**

A. Yes you can still use the framework however the water supply (metered or unmetered) will transfer across as is to the new supplier. Any requirement to change to metered thereafter would have to be discussed with the new supplier.

**Q. During the term of the framework, can I switch from non-metered to metered water supply?**

A. Yes this can be done and you will need to discuss with the framework supplier.

**Q: What meter reading services are available? i.e. once a month for all sites, six monthly, AMR (Automatic Meter Readings)**

A: This will depend on the telemetry a customer has on their existing meter. The suppliers are able to offer a range of meter reading services, including AMR, self reads and walk up reads dependant on customer requirements. Lot 2 of the framework covers services for AMR if customers do not currently have this facility.

**Q. I require ancillary services to reduce my water usage, how can I access Lot 2 services?**

A: Ancillary services should be called off under Lot2 via further competition. A customer can also add bespoke T&Cs under the further competition. In running an independent competition, customers should invite all suppliers within the required Lot to bid. Details on how to run an independent further competition is included on the website

<http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm3790> (under Access tab)

## 5. PRICING

### **Q. What is the difference between wholesale and retail water costs?**

A. Water charges are made up of two elements, wholesale (for water supply) and retail (for customer service and billing). Wholesale costs are regulated by Ofwat. Under deregulation only the retail element is open for further competition. CCS market analysis conducted for the CCS framework showed that retail cost to serve margins varied across the country with customers paying anywhere between 6% and 13%.

Under the framework suppliers retail cost to serve is shown as a %. So for example if your wholesale costs is £100 and the suppliers retail margin is 5% then the total cost would be £105.

### **Q. In using the framework and joining an aggregated further competition am I guaranteed services at a lower cost than my incumbent supplier?**

A. The CCS led further competition aims to attract a large customer participation and in doing so provide a competitive process to obtain a service at the best value for money for customers. If the aggregated further competition does not produce better value for money than your current supplier, customers who have participated in the further competition are not bound to sign the contract and may remain with their incumbent supplier.

### **Q. In using the framework and running my own further competition am I guaranteed services at a lower cost than my incumbent supplier?**

A. Under the CCS framework you will have access to pre-qualified suppliers who have submitted maximum pricing under the framework. Running a further competition and inviting all suppliers within the lot to bid will generate competition between the suppliers and will drive down supplier rates.

CCS ran the first aggregated further competition in October 2017 and delivered on average a 4% saving in retail margins to customers, with some customer saving up to 10%. Please see link to case initial case study.

<https://ccsherehelp.uk/first-uk-water-aggregation-proven-success/>

### **Q. How can I access the framework pricing?**

A. You should complete the Customer Access Agreement available on the website and send to CCS. We will provide the framework prices under commercial confidence and for use under the strict purposes of your procurement.

### **Q: Are supplier prices set for the duration of the framework agreement?**

A. Pricing is set under the agreement and can only be changed through a variation to the contract.

### **Q: What are the payment terms?**

A. Payment terms are in line with Public Contracts Regulations 2015, which state Payment of undisputed invoices within 30 days by contracting authorities, contractors and subcontractors. If a customer wishes to vary the payment terms then they can do so within the specification at further competition stage.