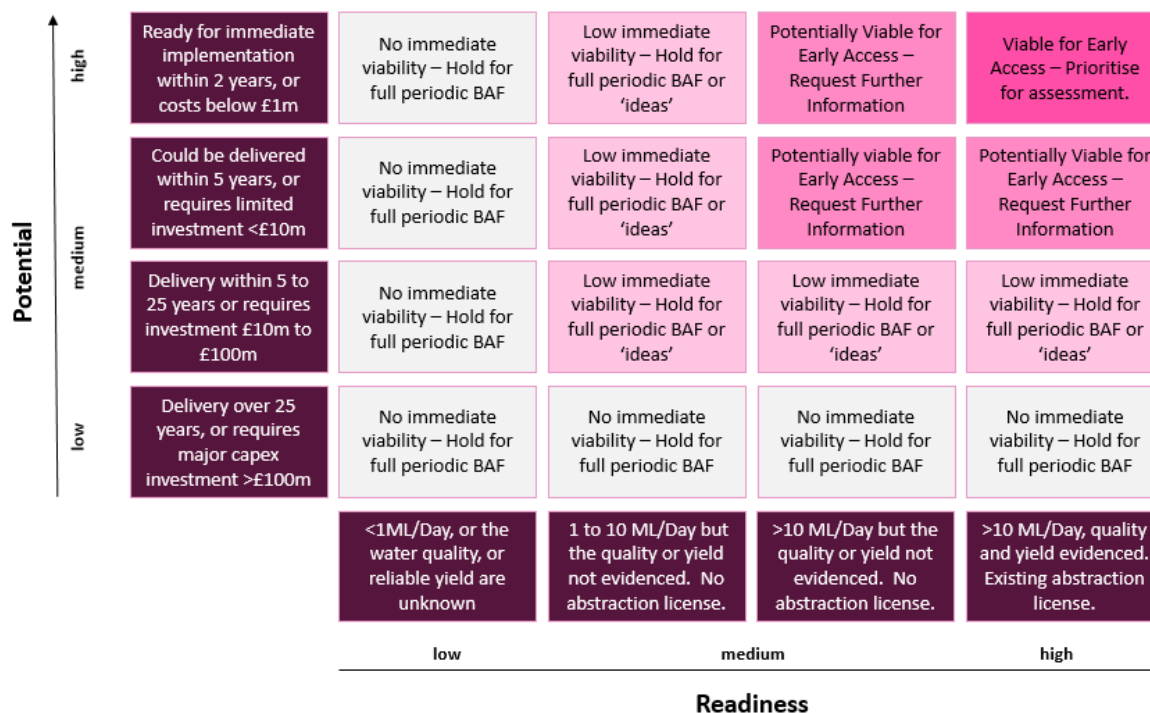


### 1.0 Water Resources Evaluation Criteria

When a proposal for water resources is submitted, it will be assessed against the matrix shown in Figure 1. The matrix shows the various outcomes of the assessment process for a water resources proposal, similar matrices are available for leakage and demand management.

Figure 1: Proposal Viability & Early BAF Matrix for Water Resources



### 1.1 Water Resources Criteria

The key assessment criteria for a bid to supply United Utilities with water resources are:

Subject	Rating	Criteria
The amount of water available  Proposals must make a sufficient contribution to water supplies for the North West to justify detailed evaluation.	Excellent	An evidenced reliable yield of greater than 10 million litres per day would be a significant source, and would favourably contribute towards United Utilities operations.
	Above Average	Sources with a reliable yield between 1 and 10 million litres per day will be assessed and prioritised based on the wider suite of assessment criteria, such as existing regulatory approval.
	Below Average	A source with a reliable yield of below 1 million litres per day is below the threshold for inclusion in the United Utilities Water Resources Management Plan.
	Poor	Where a source has no evidenced reliable yield.

<p><b>Regulatory permissions to use the water</b></p> <p>Water abstraction is a regulated activity. Anyone who abstracts more than 20,000 litres per day from a water source in England must obtain an Abstraction Licence from the Environment Agency.</p>	<p><b>Gateway</b></p>	<p>A key step in the assessment of a water resource bid will be to determine what volume of water is permitted to be abstracted under the Abstraction Licence.</p> <p>If a bidder does not have an Abstraction Licence, then the bid is unlikely to be considered. In exceptional circumstances a bid may be considered, if the bidder is proposing a new water source which has not yet received its Abstraction Licence from the Environment Agency. Under these circumstances we would require a high degree of evidence (including written confirmation from the Environment Agency) that the source will be issued with an Abstraction Licence, along with details of the conditions that may be applied to the licence.</p>
<p><b>Water Quality</b></p> <p>United Utilities is committed to providing great quality water for homes and businesses across the North West. The quality of water supplied to customers is regulated by the Drinking Water Inspectorate. The water supplied to United Utilities customers is treated to the highest standards at our water treatment works. Ensuring the quality of the water that is initially fed into our treatment works is an important first step.</p>	<p><b>Gateway</b></p>	<p>United Utilities takes great care to ensure that the water being fed into our treatment works is as clean and wholesome as possible. Water that is contaminated with dirt, chemicals or harmful micro-organisms might be challenging to treat, and may not meet the high standards that our customers rightly expect.</p> <p>Bids which include evidenced details of water quality (from an ISO 17025 accredited laboratory) are more likely to be considered.</p> <p>Bids which do not include evidence of historic water quality are less likely to be successful. Under exceptional circumstances we may consider bids without detailed evidence of water quality (for example, bids from operators of very large licenced abstractions) providing the bidder is prepared to carry out a range of assessments as required by United Utilities. Bidders without details of water quality should discuss likely requirements with United Utilities at an early stage, as the detail of the requirements may vary from source site to site.</p>
<p><b>Practicality and cost to United Utilities of implementation</b></p> <p>New water resources will not be currently connected to the United Utilities network of pipes and aqueducts. We will need to work with successful bidders to develop a strategy for physically accommodating the new water supply into the network. The costs and practicalities of this activity will vary considerably, depending upon the location of the bidder's water source.</p>	<p><b>Gateway</b></p>	<p>A bid from a water source operator at a location close to United Utilities existing network would be viewed favourably. United Utilities current focus of operations is the North West of England.</p> <p>If a bid is received from the operator of a source located a great distance from the North West, or from a very remote location in the North West, then the cost and practicality of accepting the water may affect the viability of the bid. For example, a bid offering a water source with a reliable yield of 10 million litres per day is more practical to implement if the source is located within a few kilometres of one of our treatment works, compared to a source with a similar yield that was located hundreds of kilometres outside of the North West of England.</p>
<p><b>Timescale for implementation</b></p>	<p><b>Excellent</b></p>	<p>Bids for sources which would take less than 2 years to implement are more likely to be considered.</p>
	<p><b>Above Average</b></p>	<p>Bids for sources which would take between than 2 and 5 years to implement are less likely to be considered.</p>

<p>In the UK, planning for water resources is a long term activity. United Utilities, along with other companies, develop long term forecasts of the amount of water that customers will need in the future.</p> <p>We will consider bids which are not available now, but which could be developed over time. Our long term plan for our water resources need is the United Utilities Water Resources Management Plan.</p>	Below Average	Bids for sources which would take between than 5 and 25 years to implement are unlikely to be considered.
	Poor	Bids for sources which would take longer than 25 years to implement are highly unlikely to be considered, as we would have less certainty that the bid will still be applicable to meet our requirements when implemented.
<p>Cost of the bid that is offered</p> <p>United Utilities will carefully consider the costs of the bids that are offered. We will compare the cost of the water being offered by the bidder, to the costs of us developing a similar water source ourselves.</p>	Excellent	We are more likely to consider Bids if they can demonstrate that the cost of the bid is significantly less than the costs that would be incurred by United Utilities developing a water source itself.
	Above Average	We are less likely to consider Bids if they can demonstrate that the cost of the bid is marginally less than the costs that would be incurred by United Utilities developing a water source itself.
	Below Average	We are unlikely to consider Bids if they demonstrate that the cost of the bid is the same as or marginally more than the costs that would be incurred by United Utilities developing a water source itself.
	Poor	We are highly unlikely to consider Bids if they demonstrate that the cost of the bid is the same as or significantly more than the costs that would be incurred by United Utilities developing a water source itself.

## 2.0 Water Demand (including Leakage) Evaluation Criteria

An evidenced sustainable reduction of demand greater than 10 million litres per day would be a significant demand management option, and would favourably contribute towards United Utilities operations.

A demand reduction below the de-minimis values in figure 2 would be below the threshold for inclusion in the United Utilities Water Resources Management Plan, and does not make sufficient contribution to water supplies for the North West to justify detailed evaluation.

**Figure 2: Option de minimis from the United Utilities Water Resources Management Plan 2019 (WRMP19)**

Resource Zone	De minimis option demand reduction benefit considered (cubic metres per day, m <sup>3</sup> /day)	De minimis option demand reduction benefit considered (Ml/day)
Carlisle	29	0.029
Integrated/Strategic	1700	1.7
North Eden	5.8	0.0058
West Cumbria	52	0.052

Options with a sustainable reduction between the de minimis and 10 million litres per day will be assessed and prioritised based on the wider suite of assessment criteria.

### 2.1 Water Demand (including Leakage) Criteria

The key assessment criteria for a bid to help United Utilities manage demand and reduce leakage are:

Subject	Rating	Criteria
<p>Impact on United Utilities existing network management and maintenance activities</p> <p>United Utilities has a significant number of operational staff and partner organisation that daily manage a water network consisting of over 42,000 km of water pipes and more than 3.2m connected properties.</p>	Gateway	Any demand or leakage reduction bids through this process need to be considered in the context of that ongoing management and maintenance activity. We will need to work with bidders to develop delivery strategies to ensure that any benefits can be realised without disrupting critical operational activities of impacting on the level of service to customers.
<p>Impact on customers</p> <p>United Utilities is proud to serve over 7 million people in the north west of England and how our customer perceive our brand is very important to us. We recognise that demand reduction options may require some interaction with customers in order to offer services or incentive to reduce consumption.</p>	Gateway	Such arrangement will not be entered into lightly and we will need to work closely with Bidders with any proposals of this nature to ensure that the United Utilities service / commitment to quality / brand is maintained in the highest regard by customers.
<p>Timescale for implementation</p> <p>In the UK, planning for water resources is a long term activity. United Utilities, along with other companies, develop long term forecasts of the amount of water that customers will need in the future.</p> <p>We will consider bids which are not available now, but which could be developed over time. Our long term plan for our water resources need is the United Utilities Water Resources Management Plan.</p>	Excellent	Bids for demand reduction options which would take less than 2 years to implement are more likely to be considered.
	Above Average	Bids for demand reduction options which would take between than 2 and 5 years to implement are less likely to be considered.
	Below Average	Bids for demand reduction options which would take between than 5 and 25 years to implement are unlikely to be considered.
	Poor	Bids for demand reduction options which would take longer than 25 years to implement are highly unlikely to be considered, as we would have less certainty that the bid will still be applicable to meet our requirements when implemented.
<p>Cost of the bid that is offered</p>	Excellent	We are more likely to consider Bids if they can demonstrate that the cost of the bid is significantly less than the costs that would be incurred by United Utilities developing a water source or demand reduction itself.

# Bid Assessment Framework

## BAF Evaluation Criteria



Water for the North West

United Utilities will carefully consider the costs of the bids that are offered. We will compare the cost of the demand reduction being offered by the bidder.	Above Average	We are less likely to consider Bids if they can demonstrate that the cost of the bid is marginally less than the costs that would be incurred by United Utilities developing a water source or demand reduction itself.
	Below Average	We are unlikely to consider Bids if they demonstrate that the cost of the bid is the same as or marginally more than the costs that would be incurred by United Utilities developing a water source or demand reduction itself.
	Poor	We are highly unlikely to consider Bids if they demonstrate that the cost of the bid is the same as or significantly more than the costs that would be incurred by United Utilities developing a water source or demand reduction itself.