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Planning

## **Portsmouth City Council - Term Service Contract for the Servicing, Maintenance and Compliance (Gas, M&E and Buildings) for Council Managed Assets**

Portsmouth City Council

UK3: Planned procurement notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-017829

Procurement identifier (OCID): ocds-h6vhtk-0509c0 ([view related notices](#))

Published 30 April 2025, 9:54am

### **Scope**

#### **Description**

##### Overview of Procurement Objectives

Portsmouth City Council (the Council) is seeking to appoint a contractor to deliver Gas Servicing and Repair services across its housing stock, with an estimated annual value of between £4M and £5M. The contract will be let for an initial 5-year term, with the option to extend by up to a further 5 years in intervals to be agreed.

The scope of services will include statutory gas safety inspections, responsive repairs, and planned maintenance works, ensuring compliance with all relevant regulations and maintaining the safety and functionality of the Council's gas installations.

Based on anticipated inflationary uplifts and potential growth in housing stock, the total individual contract spends over the potential 10-year term (5-year base with options to extend) is expected to range between £45M to £55M. The impacts of Local Government Review have not been considered in this current value and the likely increases in the total value of the opportunity, brought about through the reform, will be addressed when the

formal tender notice is issued.

### Housing Stock Information

The Council has a housing stock of approximately 17,500 properties of which approximately 15,500 are socially rented and then there are approximately 2000 leasehold properties. Within the stock there is a mix of housing types including houses and bungalows; however the majority of the dwellings are within purpose-built blocks of flats constructed in the 1950s and 1960s.

Traditionally the estate has been spread across the two geographical areas of Portsea Island (on-island, PO1 to PO5) and Paulsgrove and Havant (off-island, PO6 to PO9).

A recent acquisition of approximately 800 properties has however subsequently increased the 'off-island' area to sites in Gosport, Fareham and Winchester.

### Current & Future Demand

Over the last 5 years there have been approximately 13,000 gas safety checks annually and 9000 annual gas and general boiler repairs, which is likely to remain consistent over the course of any new contract.

The Council is currently working on a number of development options, and it is anticipated that within the next 5-10 years there is potential for up to 1000 additional dwellings to be created that will require some level of maintenance and consequently will need to be absorbed into any new contract.

However, with the impending changes to gas installations post 2025 it is unlikely that there will be an increase in demand for annual gas servicing as a result of any development and as the stock decarbonises the current level of demand may reduce.

### Changing Context and Objectives

Over the next 5-10 years the Council is expecting to experience a number of challenges with regards to the maintenance of its housing and general fund properties with any incumbent provider to work in partnership with the Council to ease pressures where they can.

There will be significant pressure to decarbonise the stock to align with local political objectives and comply with national Government energy legislation.

Significant changes in legislation such as the Building Safety Act and Fire Safety Act will require greater scrutiny from suppliers to ensure they are working in a compliant way and may require them to adopt new skills such as undertaking works as a result of Building

Safety Cases for buildings of 6+ storeys.

There will be more focus on the accuracy and timely manner of up-load of compliance information and ensuring repairs, particularly around damp and mould are well managed and resolved and will be monitored by the Social Housing Regulator.

### Local Government Review

As part of the wider Local Government Review (LGR), the Council is required to actively engage in discussions with neighbouring authorities to explore potential opportunities for collaboration, shared service delivery, and governance alignment. While this engagement is ongoing, no formal decisions or agreements have been reached at this stage.

Under current LGR proposals, it is likely to require Portsmouth City Council to form a new Authority by merging with other neighbouring Authorities. For Portsmouth, this will result in a new Council being created to provide the same services to everyone in the city, whilst covering a larger area and have a different name. Effectively all the current council services in the area of the new council boundary would be merged to create a new Council.

At this stage, the Council can only confirm its current demand and scope of requirements; however, this may be subject to change should additional needs arise from other local authorities as part of wider structural reforms.

Any tender opportunities and contracts will be structured to allow adjustments in the scope of services and the value of contracts to the Council to respond to changes in demand and budgetary constraints, whilst ensuring that services remain efficient and continue to provide value for money. Additionally, provisions will be included to adapt to changes in geographical boundaries resulting from any reorganisation. This will ensure that services can be extended or retracted to align with new administrative areas.

In the event of reorganisation, contracts will include clauses that allow for the assignment of the contract to successor authorities. Any assignment clause is likely to state any contract may be assigned to any new authority that succeeds the original contracting authority.

For further details in respect of LGR see the following link -

<https://www.portsmouth.gov.uk/services/council-and-democracy/devolution-and-plans-for-local-government-reorganisation/>

### Existing Gas Servicing & Repairs Contract

A single term service provider has managed all gas servicing across the housing stock

under an NEC 4 Option E Cost Reimbursement contract. The gas servicing contract covers residential housing stock only and does not include any corporate assets.

The contract has been in operation for just over 10 years and is currently utilising the extent of its extensions and will expire in March 2026 with an estimated overall contract value of approximately £70m.

The existing arrangement has incorporated a number of functions and has not been solely gas related

### New Gas Servicing & Repairs Contract

A single term service provider will still have the responsibility in managing all gas servicing across the residential housing stock only. However, the Council will be looking to award on the basis of a M3NHF 3\* contract, with an initial base term of 5 years and the option to extend the contract for a further 5 years, in increments to be agreed. The Council are estimating the contract value will be in the region of £4M to £5M per annum.

The core scope of works, which the successful supplier will be required to deliver are -

- Landlord Gas Safety Check
- Annual Gas Servicing
- CO Detector Checks
- Gas Boiler Installations
- Gas Boiler and Heating Repairs
- Voids Gas Safety Works
- Out of hours cover

The supplier will be required to resource an out of hours service which is available 365 days a year.

### Ancillary Scope of Works

The ancillary scope of works, which the successful supplier may be required to deliver, namely:

- Commercial and Communal Landlord annual gas safety check;

- Commercial gas boiler and heating repairs; and
- Commercial gas boiler installations including heating systems, controls and all pipework.
- Commercial and Commercial gas boiler servicing
- Servicing and maintenance to air source heat pumps
- Supplementary repairs to other water systems, valves, pumps, etc

### Partnership Working

In addition to working in close partnership with the council, the supplier will also be required to work in partnership with the council's other existing term service contractor partners.

### Social Value

The Council are committed to continuously reviewing and improving the approach to social value delivery, and suppliers can find further information using the following link -

<https://www.portsmouth.gov.uk/services/council-and-democracy/social-value/>

### **Total value (estimated)**

- £55,000,000 excluding VAT
- £66,000,000 including VAT

Above the relevant threshold

### **Contract dates (estimated)**

- 1 April 2026 to 31 March 2031
- Possible extension to 31 March 2036
- 10 years

Description of possible extension:

The contract will be awarded for an initial term of five years thereafter the council will have the option to extend the term by a period(s) of up to a maximum of five years.

Any period(s) of extension will be at the council's sole discretion. The maximum allowable term is 10 years.

## **Main procurement category**

Services

### **CPV classifications**

- 45232100 - Ancillary works for water pipelines
- 45232141 - Heating works
- 45261420 - Waterproofing work
- 45262100 - Scaffolding work
- 45262330 - Concrete repair work
- 45262522 - Masonry work
- 45262660 - Asbestos-removal work
- 45311000 - Electrical wiring and fitting work
- 45331100 - Central-heating installation work
- 45331110 - Boiler installation work
- 45331200 - Ventilation and air-conditioning installation work
- 45331220 - Air-conditioning installation work
- 45331230 - Installation work of cooling equipment

- 45332300 - Drain-laying work
- 45333000 - Gas-fitting installation work
- 45350000 - Mechanical installations
- 50510000 - Repair and maintenance services of pumps, valves, taps and metal containers
- 50531100 - Repair and maintenance services of boilers
- 50531200 - Gas appliance maintenance services
- 50710000 - Repair and maintenance services of electrical and mechanical building installations
- 50720000 - Repair and maintenance services of central heating
- 50730000 - Repair and maintenance services of cooler groups
- 71251000 - Architectural and building-surveying services
- 71321000 - Engineering design services for mechanical and electrical installations for buildings

## **Contract locations**

- UKJ31 - Portsmouth
- UKJ35 - South Hampshire

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## **Participation**

### **Legal and financial capacity conditions of participation**

To be confirmed when Tender Notice is published.

## **Technical ability conditions of participation**

To be confirmed when Tender Notice is published.

## **Particular suitability**

Small and medium-sized enterprises (SME)

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## **Submission**

### **Publication date of tender notice (estimated)**

27 May 2025

### **Enquiry deadline**

18 June 2025, 4:00pm

### **Submission type**

Requests to participate

### **Deadline for requests to participate**

27 June 2025, 12:00pm

### **Submission address and any special instructions**

<https://www.portsmouth.gov.uk/ext/business/business.aspx>

**Tenders may be submitted electronically**

Yes

**Languages that may be used for submission**

English

**Suppliers to be invited to tender**

4 to 6 suppliers

Selection criteria:

To be confirmed when Tender Notice is published.

**Award decision date (estimated)**

10 November 2025

**Recurring procurement**

Publication date of next tender notice (estimated): 28 May 2030

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**Other information**

**Applicable trade agreements**

- Government Procurement Agreement (GPA)

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## Procedure

### Procedure type

Competitive flexible procedure

### Competitive flexible procedure description

Market Testing

Portsmouth City Council (the 'Council') undertook two Soft Market Testing (SMT) exercises as part of a strategic review of delivery options for the provision of Repairs & Maintenance (R&M) across residential and commercial properties, Gas Servicing & Repairs (GSR) for residential properties and Fire Safety Compliance Services (FSCS) across its managed building assets.

Two separate Prior Information Notices were issued, being -

- SMT 1 - Housing, Neighbourhood and Building Services - Repairs & Maintenance and Gas Servicing & Repair Delivery Options Appraisal, Portsmouth- Wednesday 9th October 2024 - Reference - 2024/S 000-032496
- SMT 2 - Housing, Neighbourhood and Building Services - Repairs & Maintenance, Gas Servicing & Repair and Fire Safety Compliance Services Delivery Lotting Options Appraisal 2025 - Friday 23rd February 2025- Reference 2025/S 000-006741

The Council's main aim in undertaking SMT 1 was to understand the market's interest, capacity, capability, and ideas for delivering these services and inform an options appraisal which considered in-sourced, out-sourced and other alternative delivery options appraisal.

The subsequent options appraisal report submitted on 19th February 2025 to the Cabinet Member for Housing & Tackling Homelessness recommended continuation of outsourcing delivery and requested the following -

- Delegated authority to the Director of Housing, Neighbourhood and Building Services (HNB) to determine
  - o the lotting strategy
  - o contractual arrangements
  - o individual contract durations be for a minimum of five years, with the option to extend for up to 5 years subject to contractor performance
  - o commencement of a procurement exercise to re-tender the R&M and GSR contracts
  - o ability to proceed with the contract award and enter into contract with the preferred bidders
- Review the R&M contract Scope of Service with Cabinet member for approval
- Duty to consult and engage Portsmouth Homes (council housing service) tenants, leaseholders and shared owners
- Update the Cabinet member, housing opposition portfolio members and the Residents Consortium, at the key procurement milestones.

All recommendations and requested delegations were approved. For full details of the Council's formal report and associated appendices can be found using the following link -

<https://democracy.portsmouth.gov.uk/ielssueDetails.aspx?Ild=31340&PlanId=0&Opt=3#A125498>

A subsequent round of SMT was undertaken (SMT2) primarily to inform and refine the proposed lotting strategy, scope and contracting models. The following lotting structure, which included for combined bid options, were investigated with the market -

- Lot 1 - R&M On-Island (Lot1A) and R&M Off-Island (Lot 1B) (this is one lot with two separate contract awards to different suppliers) - estimated annual value from £14M to £18M per supplier, total value both suppliers of around £36M
- Lot 2 - R&M Corporate Assets - estimated annual value from £400k to £600k
- Lot 3 - GSR - estimated annual value from £4M to £5M
- Lot 4 - FSCS - estimated annual value from £500k to £1M

Following analysis of supplier feedback and a review of the risks and benefits, the Council

now intends to proceed with separate staggered procurement processes on individual programmes for the following service areas:

- Gas Servicing & Repairs
- Fire Safety Compliance Services
- Repairs & Maintenance\*

\*The proposed Corporate Assets R&M is likely to be combined into the R&M opportunity.

By tendering these services separately, the Council aims to:

- Maximise market engagement, particularly among SMEs and specialist contractors
- Allow suppliers to bid for the areas most aligned with their expertise and capacity
- Support higher service quality and compliance through focused delivery
- Maximise financial benefits through direct contracting with specialist suppliers for high volume/value requirements
- Align with the Council's strategic priorities around value for money, local economic support, and effective service delivery

Feedback from suppliers indicates increased interest in tendering for these contracts separately rather than on a combined basis. There appears to be a larger market of suppliers who are capable of tendering for these contracts on an individual basis, compared to relatively few suppliers who are interested in delivering against multiple contracts who have direct delivery capacity and required level of experience.

Following completion of the SMT processes, the Council has produced summary reports that can be found as appendix 1 & 2, which can be found under the documents section of this notice.

The Council now intends to undertake procurement process for the three main service areas inline with the following summary programmes -

- Gas Servicing & Repairs
  - o Issue Tender Notice - May/June 2025
  - o Contract Award - November 2025

- o Contract Start - April 2026
  - Fire Safety Compliance Services
- o Issue Tender Notice -August/September 2025
- o Contract Award - January 2026
- o Contract Start - June 2026
  - Repairs & Maintenance
- o Tender - May/June 2026
- o Contract Award - November 2026
- o Contract Start - April 2027

For further details of the outline programmes see the relevant Planned Procurement Notices-

GSR - PPN - 2025-000023

FSCS - PPN - 2025-000026

R&M - PPN - 2025-000027

The Council will publish the GSR and R&M contracts using a Competitive Flexible Procedure (CFP), which will encompass the utilisation of conditions of participation stage to create a shortlist of suppliers. The FSCS contract is also likely to be procured under a CFP, though the Council will review the option of using the Open Procedure before publishing the tender notice.

GSR - CFP Design

The Council will run this procurement using the Competitive Flexible Procedures, which will be akin to the Restrictive Procedure under the Public Contracts Regulations (2015), with two separate stages -

Stage 1 - Initial Selection

This stage focuses on shortlisting suppliers that meet the necessary technical, financial, and operational capabilities required for the contract. It aims to reduce the number of bidders to a manageable level through consideration of current experience, capacity,

systems, accreditations, financial standing, legal standing, etc.

The Council envisages the shortlisting process will have 4 to 6 suppliers.

Stage 2 - Invitation to Tender (ITT)

The second stage, shortlisted suppliers are invited to submit detailed proposals, including price, delivery methodology, and any specific solutions they propose.

The council may also consider the use of interviews and site visits, on a verification and due diligence basis. The procurement process will also consider the viewpoint of residents at every stage including for development of requirements and assessment of resident engagement proposals.

The Council are intending to follow the subsequent Procurement Programme -

FTS & Tender Notice issued - Tuesday 27th May 2025

Tender issued and procurement documents published on Intend - CFP Stage 1 - Tuesday 27th May 2025

Deadline for requests for clarification - Wednesday 18th June 2025 by 16:00

CFP Stage 1 submission deadline - Friday 27th June 2025 by 12:00

Notification of shortlisting decision - Monday 21st July 2025

Final procurement documents published on Intend - CFP Stage 2 - Monday 28th July 2025

Deadline for requests for clarification - Monday 8th September 2025 by 16:00

Tender return deadline - Friday 26th September 2025 by 12:00

Contract Award Notice Published - Monday 10th November 2025

Standstill and section 20 notification start - Tuesday 11th November 2025

Standstill finish - Friday 28th November 2025

Section 20 Notice Finish - Tuesday 9th December 2025

Contract award - Wednesday 10th December 2025

Contract commencement - Wednesday 1st April 2026

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## Documents

### Associated tender documents

#### [Soft Market Testing Reports.zip](#)

Soft Market Testing Reports following the Prior Information Notices published on -

- Outsourcing Options Appraisal - Wednesday 11th October 2024
- Lotting and Contracting Options Appraisal - Friday 23rd February 2025

#### [SMT Briefing 2 - R&M, Gas & associated lots 2025 v2.0.zip](#)

Supporting information for SMT 2 - including the background information regarding the proposed lotting structure, example questionnaire and attached appendices.

### Documents to be provided after the tender notice

The Council will publish the associated tender documents via Intend, the Councils e-tendering platform.

<https://www.portsmouth.gov.uk/ext/business/business.aspx>

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## **Contracting authority**

### **Portsmouth City Council**

- Public Procurement Organisation Number: PCNL-5714-PRZV

Civic Offices, Guildhall Square

Portsmouth

PO1 2AL

United Kingdom

Telephone: +44 2392688235

Email: [procurement@portsmouthcc.gov.uk](mailto:procurement@portsmouthcc.gov.uk)

Region: UKJ31 - Portsmouth

Organisation type: Public authority - sub-central government