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Planning

Housing, Neighbourhood and Building Services - Repairs & Maintenance and Gas Servicing & Repair Delivery Options Appraisal , Portsmouth

Portsmouth City Council

F01: Prior information notice

Prior information only

Notice identifier: 2024/S 000-032496

Procurement identifier (OCID): ocids-h6vhtk-04a74a

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Section I: Contracting authority

I.1) Name and addresses

Portsmouth City Council

Civic Offices, Guildhall Square

PORTSMOUTH

PO12AL

Contact

Procurement Service

Email

procurement@portsmouthcc.gov.uk

Telephone

+44 2392688235

Country

United Kingdom

Region code

UKJ31 - Portsmouth

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

<https://www.portsmouth.gov.uk/services/business/procurement/contract-opportunities-with-us/>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://www.portsmouth.gov.uk/services/business/procurement/contract-opportunities-with-us/>

Additional information can be obtained from the above-mentioned address

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Housing, Neighbourhood and Building Services - Repairs & Maintenance and Gas Servicing & Repair Delivery Options Appraisal , Portsmouth

II.1.2) Main CPV code

- 50700000 - Repair and maintenance services of building installations

II.1.3) Type of contract

Services

II.1.4) Short description

Portsmouth City Council (the 'Council') is undertaking a Soft Market Testing (SMT) exercise as part of a strategic review of delivery options for the provision of repairs & maintenance and gas servicing across its managed building assets. The Council is responsible for managing a portfolio of properties that require regular repairs and maintenance, along with gas servicing to ensure safety, compliance, and efficiency to Council properties.

The Council currently have three separate contracts in place for Gas Servicing and Repairs & Maintenance across Council managed assets, that are due to expire on 31/03/2026 -

- Term Service Contract for the Servicing, Maintenance and Compliance (Gas, M&E and Buildings) - approximate Value of Contract - £7M per annum
- Housing Repair and Maintenance - PO1 to PO5 (on Portsea Island and commercial properties) - approximate Value of Contract - £20M per annum
- Housing Repair and Maintenance - PO6 to PO9 (off Portsea Island and commercial properties) - approximate Value of Contract - £20M per annum

The Council's options appraisal will consider the merits of both in-sourced and out-sourced delivery models in delivering the council's strategic objectives, addressing emerging risks & opportunities and, vitally, addressing resident needs.

The Council have published this Prior Information Notice and subsequent associated documents under the current Public Contract Regulations 2015. However, if the Council

chooses to pursue an outsourced delivery model, the subsequent formal procurement will commence in May 2025 at which point the forthcoming Procurement Act 2023 will have come into force legally, subject to their being no further significant delays to the current go live date of 24th February 2025.

To avoid any future compliance issues impacting a subsequent procurement process, the Council has designed an SMT process that will align with the requirements of the Procurement Act 2023, particularly in relation to the increased transparency, conflict assessment and risk assessment considerations that the act will impose.

The Council's aim in undertaking this SMT exercise is to understand the market's interest, capacity, capability, and ideas for delivering these services. The Council is also seeking to assist main contractors and sub-contractors with identifying and engaging potential delivery partners with which they could provide the Council's requirements through facilitating networking and information sharing.

The Council will be keeping residents informed at all stages of the process via resident consortiums and resident maintenance subgroups. However, it will also be necessary for the Council to consider wider consultation and representation with its secure tenants, as directed by legislation, where a decision could result in a change of practice or policy in relation to a programme of maintenance before reaching any conclusions.

The feedback will inform the Council's strategic options appraisal and help ensure that any subsequent procurement strategy is optimised to meet resident needs, strategic objectives, statutory obligations and best value duties.

The Council will be running an in-person event on Wednesday 23rd October 2024 and, for those unable to attend in person, a subsequent Microsoft Teams event on Friday 25th October 2024.

Interested parties are encouraged to attend the in-person event, if possible, as it will present an opportunity to network and investigate new business relationships as well as providing an opportunity to meet Council officers, residents and other key stakeholders.

To review and feedback on the delivery strategy and options, the Council have published a SMT Questionnaire to be completed via Survey Monkey, available through the Councils e-tendering portal - Intend.

The Council are requesting the survey is completed by Friday 8th November 2024 at 14:00, any responses after this deadline may not be considered in the final options report.

II.1.5) Estimated total value

Value excluding VAT: £500,000,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 45311000 - Electrical wiring and fitting work
- 45312100 - Fire-alarm system installation work
- 45315100 - Electrical engineering installation works
- 45315300 - Electricity supply installations
- 45315400 - High voltage installation work
- 45315500 - Medium-voltage installation work
- 45315600 - Low-voltage installation work
- 45317100 - Electrical installation work of pumping equipment
- 45317200 - Electrical installation work of transformers
- 45317300 - Electrical installation work of electrical distribution apparatus
- 45324000 - Plasterboard works
- 45331000 - Heating, ventilation and air-conditioning installation work
- 45332000 - Plumbing and drain-laying work
- 45333000 - Gas-fitting installation work
- 45341000 - Erection of railings
- 45342000 - Erection of fencing
- 45343100 - Fireproofing work
- 45343200 - Firefighting equipment installation work

- 45351000 - Mechanical engineering installation works
- 45410000 - Plastering work
- 45421000 - Joinery work
- 45422000 - Carpentry installation work
- 45430000 - Floor and wall covering work
- 45440000 - Painting and glazing work
- 45451000 - Decoration work
- 45452000 - Exterior cleaning work for buildings
- 45453000 - Overhaul and refurbishment work
- 45454000 - Restructuring work
- 50711000 - Repair and maintenance services of electrical building installations
- 50712000 - Repair and maintenance services of mechanical building installations
- 50720000 - Repair and maintenance services of central heating
- 50730000 - Repair and maintenance services of cooler groups
- 50760000 - Repair and maintenance of public conveniences
- 50870000 - Repair and maintenance services of playground equipment
- 51100000 - Installation services of electrical equipment
- 51120000 - Installation services of mechanical equipment

II.2.3) Place of performance

NUTS codes

- UKJ31 - Portsmouth
- UKJ32 - Southampton

- UKJ35 - South Hampshire

Main site or place of performance

Portsmouth PO1 to PO9

II.2.4) Description of the procurement

The Council are conducting the SMT exercise to:

- Provide a platform to share information on:
 - o Current scope & potential future demand
 - o Envisaged contracting strategy options
 - o Lotting options for individual and combined delivery of services
 - o Changing financial climate and associated pressures
 - o Key Council policies and future decision-making processes
 - o Indicative procurement and mobilisation programme
- Review and understand:
 - o Market capacity and capability to deliver service requirements, either directly or through partnership/consortium/sub-contracting arrangements
 - o Suppliers current market presence and coverage
 - o Current contracting model market norms
 - o Market interest and preference in respect of potential delivery model options
 - o Existing pricing models
 - o Types of ICT systems used by suppliers to manage and monitor the delivery of services
 - o Developments of industry accreditations, compliance and best practice
- To gauge interest from different types of suppliers, including both regional Small and Medium Enterprises (SMEs) and large contractors

- Facilitate the development of new supplier relationships in order to maximise access to the procurement opportunity and maximise competition
- Inform the further development of the procurement strategy, process and programme
- Manage potential conflicts of interest early in the process
- Future proof compliance of any subsequent procurement process with the increased transparency obligations, risk assessment and conflict assessment requirements of the forthcoming Procurement Act 2023

Housing Stock Background -

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, Southampton and Winchester.

Existing Gas Service 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 and has included but is not exhaustive of:

- Annual gas servicing
- Replacement & maintenance of boilers
- Emergency callouts
- HIU servicing and repair

- Water quality testing**
- Electrical inspection and testing**
- Fire door, sprinkler and smoke detector checks**

** whilst the existing scope of services includes these activities, these are viewed as low value non-core requirements, which could be removed from future scope or included as a potential option for service delivery

Existing Repairs & Maintenance

Two term service providers have managed the general repairs and maintenance requirements across the housing stock under an NEC 4 Option E Cost Reimbursement contract.

Each service provider has covered a distinct geographical area with one provider being responsible for 'on-island' repairs and one contractor being responsible for 'off-island' repairs. The 'on-island' contractor also manages repairs to a number of the Council's corporate assets.

The contract with each service provider has been in operation for just under 10 years and will expire in March 2026 with an estimated overall combined contract value of approximately £400m split fairly evenly across both geographical areas.

The existing arrangement has incorporated a number of functions and has included but is not exhaustive of:

- General responsive repairs
- General void property works
- Disabled adaptations
- Decorations
- Compliance testing
- Solar panel repairs
- Fire door, sprinkler and smoke detector checks
- Catering and Laundry Appliance Servicing and Repairs

Overview of lotting Options

The current model for gas and repairs maintenance has been delivered with a single term service provider for gas, covering both on and off-island and two term service providers for repairs, with one covering on-island and one covering off-island.

As both the gas contract and the two repair contracts are due to expire in March 2026 there is an opportunity, should an outsourcing strategy be pursued, to run the re-procurement of these concurrently and explore the possibility of combining the service.

There is no set model of how the new service might appear, consequently the concept of lotting has been introduced so that the Council can review a variety of strategies from returned questionnaire responses. The SMT questionnaire will assist the Council in determining the final appearance of the lotting options included in any subsequent procurement process.

Lot 1, 2 & 3 - This is the retention of the existing arrangement with three separate lead suppliers, with individual contracts -

- Lot 1 - Gas Servicing - all areas (on-island and off-island)
- Lot 2 - Repairs & Maintenance - on-island
- Lot 3 - Repairs & Maintenance - off-island

Lot 4 & 5 - This is an alternative delivery model with two separate lead suppliers*** -

- Lot 4 - Repairs & Maintenance and Gas Servicing - on-island
- Lot 5 - Repairs & Maintenance and Gas Servicing - off-island

***Whilst these lotting options will have one supplier per lot to deliver the Repairs & Maintenance and Gas Servicing, the Council envisages each supplier will have a separate contract for the Repairs & Maintenance and a separate contract Gas Servicing. Effectively, Lot 4 will have two contracts with one supplier and Lot 5 will have two contracts with one supplier.

Lot 6 & 7 - This is an alternative delivery model, where the Gas Servicing has been split to on-island and off-island**** -

- Lot 6 - Gas Servicing - on-island
- Lot 7 - Gas Servicing - off-island

****The Repairs & Maintenance provisions would be delivered under lot 2 & 3 above, so there are four separate lead suppliers, with individual contracts

The Council envisages suppliers will be able to apply for multiple lotting options but will only be awarded a contract under one of the lots for which they apply.

The Council reserve the right to award under any or a mix of the above lotting options i.e. the Council could award the on-island works under lot 4 Repairs & Maintenance and Gas Servicing to a single contractor, whilst awarding the off-island contract under lot 3 - Repairs & Maintenance & lot 7 - Gas Servicing.

The final lotting arrangement has not been set but is likely to be similar to the options set out below or a combination of the options. Whilst the Council has identified a number of lotting options above, suppliers have the option within the SMT Survey to suggest alternative lotting options, with supporting rationale for the delivery of the core services under.

Envisaged contract terms and durations

It is proposed under any of the lotting above, that the contract to be used will be an NEC 4 Term Service Contract utilising one or more of the following pricing options:

Option A: Priced contract with activity schedule

Option C: Target contract with activity schedule

Option E: Cost reimbursement contract

However, during the response to the SMT Survey, the Council will review alternative contracting strategies that suppliers identify for the delivery of requirements under any of the specific lotting options.

The Council envisages the contract will run for a minimum term of five years and an option to extend for a further five years, in increments to be agreed, at the end of the initial five years. Therefore, the contract could run for between five to ten years.

SMT Events, Agenda and Registering interest

As part of the soft market testing the Council will be running the following events -

- In Person Event - Lord Mayor's Banqueting Suite, Guildhall, Portsmouth on Wednesday 23rd October 2024 from 13:00
- Microsoft Teams meeting on Thursday 24th October 2024 from 10:00

To book a place on the in-person event and/or the Microsoft Teams meeting, suppliers are to complete Appendix 10 - Request for participation at SMT events, available via Intend, and return this using the correspondence function on Intend.

Suppliers will be limited to three delegates for the in-person event and should submit their request to attend no later than Wednesday 23rd October 2024 by 10:00.

Suppliers are not limited to the number of delegates for the Microsoft Teams meeting and should submit their request to attend no later than Thursday 24th October 2024 by 16:00.

SMT Questionnaire Return Requirements

The Council request have included a survey link in the SMT Briefing document, available through Intend, for interested suppliers to complete online by Friday 8th November 2024 by 14:00 .

Suppliers will have the ability to submit a response past the deadline above. However, if questionnaires are not submitted by this deadline the Council may not be able to use the information provided, and subsequently take this into account as part of the options appraisal produced.

II.2.14) Additional information

The Council is issuing the Prior Information Notice under the Public Contract Regulations (2015), though the intention will be to run the procurement process using a Competitive Flexible Procedure (CFP) under the Procurement Act 2023, which is due to be live from the 24th February 2024.

The design of the CFP is being formulated and a separate SMT exercise is likely to be issued early in 2025 to redefine specific elements, which are likely to include but not limited to the scope, contract, key performance indicators, minimum requirements for participation, social value, environment & sustainability considerations, evaluation criteria etc.

The Council anticipate the Competitive Flexible Procedure 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 will issue a Contract Notice outlining the key details and requirements, including

the overview of the procurement process & associated programme, value of the opportunity, scope of the contracts, lotting options & associated contractual terms, minimum levels of technical experience & accreditations and evaluation & award criteria.

The notice will provide all necessary information for potential suppliers to assess and apply for the opportunity under any of the relevant lotting options specified.

Any interested suppliers will need to register on the governments Central Digital Platform for the Council to review any potential grounds for exclusion and a debarment check. The Central Digital Platform is currently not live, and the Council are awaiting further details as to when and how suppliers will be able to register on the platform.

It is worth noting, the Council will be required to undertake checks on any named subcontractor a tenderer incorporates into their bid. If the subcontractor was to not meet the exclusion grounds and/or be listed on the debarment list, then the Council will need to investigate this as part of any award decision .

It is likely following the stage 1 returns; the Council are likely to create a shortlist of 3-5 suppliers per lotting option who will subsequently be invited to submit formal tenders.

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 enter into clarification and / or negotiations to ensure requirements are fully considered and / or optimise final tenders, making it more flexible than the traditional open or restricted procedures.

The council may also consider the use of interviews and site visits. 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 details for as and when this may occur will be outlined in the initial Tender Notice

Suppliers will be required to provide tender specific proposals in delivery of the services under any of the specific lotting options, which the Council will undertake a review of, including qualitative and pricing responses

The Council are intending to run the SMT and the subsequent envisaged tender process under the following indicative Procurement Programme -

PIN- 09/10/24

SMT Briefing One - Lord Mayor's Banqueting Suite - 23/10/24 from 13:00

SMT Briefing Two - Microsoft Teams Meeting - 25/10/24 from 10:00

SMT Clarification Deadline - 30/10/24 by 16:00

SMT Survey Monkey Questionnaire Deadline - 08/11/24 2024 by 14:00

SMT Draft Feedback Report - shared with suppliers taking part with the SMT process - 02/12/24

SMT Draft Feedback Report - Deadline for supplier comments - 09/12/24 by 10:00

Options Appraisal review at Cabinet Member for Housing and Tackling Homelessness -19/02/25

Optional additional SMT Event - March 2025 to April 2025

FTS & Contract Notice issued - 12/05/25

Tender issued and procurement documents published on Intend - CFP Stage 1 12/05/25

Deadline for requests for clarification - 04/06/25 by 16:00

CFP Stage 1 submission deadline - 13/06/25 by 12:00

Final procurement documents published on Intend - CFP Stage 2 - 28/07/25

Deadline for requests for clarification - 08/09/25 by 16:00

Tender return deadline - 26/09/25 by 12:00

Contract Award Notice Published - 03/11/25

Standstill and section 20 notification start - 04/11/25

Standstill finish - 13/11/25

Section 20 Notice Finish - 01/12/25

Contract award - 02/12/25

Contract commencement - 01/04/26

SMT Draft Feedback Report

Any suppliers who complete the survey or attend either the in-person event and/or the Microsoft Teams meeting, will be sent a draft SMT Feedback Report by Monday 2nd December 2024. A final version of the SMT feedback will be shared with suppliers ahead of the cabinet meeting on Wednesday 19th February 2025

II.3) Estimated date of publication of contract notice

12 May 2025

Section IV. Procedure

IV.1) Description

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

Section VI. Complementary information

VI.3) Additional information

Systems Thinking Approach

The previous contracts have been managed on a full open book partnership basis with adoption of a range of Vanguard Systems Thinking designed processes and performance measures. The Council envisages these principles will still form part of any ongoing delivery strategy for the Gas Servicing and Repairs & Maintenance contracts, though potentially their application may be modified dependant on the chosen delivery model.

Improvements to the system of management are made based on knowledge gained using the Systems Thinking method by undertaking Check, Plan, Do, together with using the Council's principles of work.

Further information on System Thinking can be freely accessed via the Vanguard site using the link below.

<https://vanguard-method.net/the-vanguard-method-and-systems-thinking/>

Further information regarding the Council's application of the Systems Thinking methodology, IT systems, repairs & maintenance services, statutory compliance activities, asset improvement and partnership working is included within Council's Asset Management Strategy 2021.

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.

Over the last 5 years there have been approximately 16,000 annual general repairs and maintenance tasks undertaken across the 'on-island' stock and 15,000 annually across the 'off-island' stock, 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.

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.

Social Value

The provision of social value is an increasingly important topic for the Council and within public sector procurement, with the Council adopting an updated policy in 2021, see the following link - [Social-Value-Policy March 2021](#)

Gas Servicing and Repairs & Maintenance Contracts will need to incorporate social value to ensure the Council achieves community benefits from the contracts beyond the core service provisions. This commitment aligns with the Council's strategic priorities to foster local economic growth, improve social outcomes, and enhance environmental sustainability.

The Council are committed to continuously reviewing and improving the approach to social value delivery, and suppliers will be encouraged to innovate and suggest new ways of increasing their contribution to commitments made towards Economic Regeneration, Employment, Skills, and Training, Environmental Considerations and Community Engagement, whilst working in Partnership with the Council and partner organisations.

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.

It will be expected that any incumbent contractor will align their processes with the Council, particularly around systems thinking and that the contractor will lead on social value commitment and contributing to and supporting the surrounding community.