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Planning

DWSP - Bi-Lateral Engagement Summary - UK2

Defence Infrastructure Organisation

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

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Procurement identifier (OCID): ocds-h6vhtk-050318

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Scope

Reference

714602450

Description

The Defence Infrastructure Organisation (DIO) on behalf of the Ministry of Defence (MoD), is looking to secure the provision of end to end Water and Wastewater services including the Operation and Maintenance (O&M) of the MoD's private water network through a single, national Managed Service Provider (MSP).

Following the outcome of Bi-Lateral meetings with Industry this notice is being issued to update and clarify the Key Outcomes of this engagement. A DWSP Concept Paper which outlines the intentions of an MSP and how DIO envisions the entity to function has been linked to through an opportunity listing attached.

Total value (estimated)

- £2,600,000,000 excluding VAT
- £3,120,000,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 1 February 2028 to 31 January 2035
- Possible extension to 31 January 2041
- 13 years

Main procurement category

Services

CPV classifications

- 65110000 - Water distribution
- 50413200 - Repair and maintenance services of firefighting equipment
- 50411100 - Repair and maintenance services of water meters
- 45232451 - Drainage and surface works
- 71900000 - Laboratory services
- 44482200 - Fire hydrants
- 48444100 - Billing system
- 79993000 - Building and facilities management services

- 44163112 - Drainage system

Contract locations

- UKM - Scotland
- UKL - Wales
- UKC - North East (England)
- UKD - North West (England)
- UKF - East Midlands (England)
- UKG - West Midlands (England)
- UKH - East of England
- UKJ - South East (England)
- UKK - South West (England)

Engagement

Engagement deadline

8 August 2025

The engagement was carried out before this notice was published.

Engagement process description

The Defence Water Services Programme has engaged with a number of potential service providers on the shaping of requirements and delivery of services after the expiry of the Aquatrine PFIs. As the current series of bilateral meetings have come to a close DIO have chosen to publish all clarifications from these meetings to ensure all information released

is public:

-The Managed Service Provider (MSP) option has been selected as the preferred option to ensure service continuity to the MOD estate and on the premise of improving DIO's Intelligent Client Capability and gain a greater understanding of MOD's Water and Wastewater requirements. When tender documents are released it will be procured with a hybrid specification that will focus on outcomes and outputs where practicable to do so. A Concept Document further outlining the MSP entity has been attached through an Opportunity Listing on the Defence Sourcing Portal here:

<https://contracts.mod.uk/esop/guest/go/opportunity/detail?opportunityId=60136>

-Pricing mechanisms are still in process of being created and will be the topic of Co-Create workshops during the PSQ stage; DIO is not currently looking at replicating the PFI or FDIS models for DWSP. These workshops will be a collaborative venture between DIO and potential prime tenderers primarily focussing on pricing, contract performance metrics, risk transfer, technical requirements finalisation and innovation. They may also broach the topic of “recalibration points”, elaborated on further in the notice.

-The contract duration has now been confirmed as seven years plus two three year options (7+3+3). The price included now reflects this change.

-DIO is also investigating the idea of “recalibration points” in the contract which would integrate points for contract change when legislation changes in the industry to be as equitable as possible over the whole duration. This will not include any break in contract.

-The suppliers holding non-Aquatrine contracts that fall into the scope of DWSP have received a letter confirming DIO's plans to integrate these contracts into the DWSP on contract expiry.

-CAPEX Investment is to be funded by the Authority for the duration of the contract. It will be designed and forecasted to avoid the fluctuations of the OFWAT AMP period and prevent boom-bust investment cycles.

-DIO is recommending that all potential bidders familiarise themselves with the PSQ guidance document on the Gov.UK website.

Further information on the procurement and market engagement will be released through Find A Tender Notices at the appropriate time.

Submission

Publication date of tender notice (estimated)

22 September 2025

Contracting authority

Defence Infrastructure Organisation

- Public Procurement Organisation Number: PPWG-8368-RJMG

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Organisation type: Public authority - central government