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Planning

## Sheffield Heat Network Development Partner

Sheffield City Council

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

Notice identifier: 2025/S 000-067500

Procurement identifier (OCID): ocds-h6vhtk-05ac08

Published 22 October 2025, 2:02pm

### Changes to notice

This notice has been edited. The [previous version](#) is still available.

Update 22nd October 2025 - The market engagement activity originally scheduled for this project including the market engagement days has been postponed following the receipt of updated information from the Department for Energy Security and Net Zero (DESNZ). This new information has implications for the scope and timing of the procurement, and we are currently reviewing the appropriate next steps.

### Scope

## Reference

CT07 - Construction

## Description

This notice relates to the proposed market engagement activity for the heat network development opportunity for which Sheffield City Council intends to shortly procure a Development Partner. Sheffield City Council has been selected as part of the Department of Energy Security & Net Zero's Advanced Zoning Programme to develop the country's first zonal scale heat networks. To deliver this, Sheffield City Council is seeking a Development Partner to develop (and present for their approval) a zonal scale heat network in the Sheffield area. Sheffield City Council has undertaken work to identify a reference scheme in an area of Sheffield city which has an estimated annual heat demand of c. 60 GWh. The area which will be the subject of the procurement (and which the Development Partner will be invited to deliver development proposals in respect of) is wider and has an estimated annual heat demand of up to. 900GWh. Sheffield City Council intends to conduct a procurement using the open procedure in accordance with the Procurement Act 2023 to select the development partner for this opportunity. If successful, the parties would enter an agreement for development services only (known as the Development Agreement Only model) under which the Development Partner would put forward proposals for a zonal scale heat network in the area. These proposals would need to meet minimum criteria and would be subject to review and approval by Sheffield City Council. Delivery of such a network in the area would be on a non-exclusive basis (subject to any future regulation). Sheffield City Council does not propose to have any shareholding in the corporate vehicle which will develop and, subject to the terms of the Development Agreement, go on to deliver and operate the heat network in Sheffield. More information on the scale of the opportunity, the reference scheme and the contractual and procurement approach will be presented at the Market Engagement Day.

## Total value (estimated)

- £1,000,000 excluding VAT
- £1,200,000 including VAT

Above the relevant threshold

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

- 1 April 2026 to 1 April 2027
- 1 year, 1 day

### **Main procurement category**

Services

### **CPV classifications**

- 09323000 - District heating
- 42511110 - Heat pumps
- 44622000 - Heat-recovery systems
- 45211360 - Urban development construction work
- 45232140 - District-heating mains construction work
- 45232141 - Heating works
- 45232142 - Heat-transfer station construction work
- 71314000 - Energy and related services

### **Contract locations**

- UKE32 - Sheffield

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### **Engagement**

## Engagement deadline

30 November 2025

## Engagement process description

The preliminary market engagement related to this project will take the form of a Market Engagement Day which will be held on 5th November 2025 in The International Suite, Sheffield United Football Club, Bramall Lane, Sheffield, S2 4SU Main session: Suppliers interested in bidding for this opportunity should complete an online registration form following the link: <https://forms.office.com/e/akwPwfySmg> Places are limited to 3 representatives per organisation. Booking of places will be on first come first served basis. Networking session: There will also be an opportunity for local suppliers to attend a networking lunch from 12:30 to find out how they might become involved in the project. Suppliers wishing to join the networking session should register using the following link: <https://forms.office.com/e/SBjM9cwvrm> Places are limited and will be allocated on a first come first served basis. All questions raised either via the YORtender platform or at the event will be answered after the event and circulated to all attendees alongside the materials from the presentation. Both will also be included in the procurement documents published alongside the Tender Notice. Any queries regarding the Market Engagement Day should be emailed to the team on: [heatnetworks@sheffield.gov.uk](mailto:heatnetworks@sheffield.gov.uk) This market engagement exercise is not an invitation to tender or a request for formal expressions of interest. Sheffield City Council is not committed to commence a procurement in respect of this opportunity as a result of issuing this notice or conducting any market engagement.

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## Submission

### Publication date of tender notice (estimated)

12 December 2025

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## Contracting authority

## Sheffield City Council

- Public Procurement Organisation Number: PPQT-9425-JWVM

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Region: UKE32 - Sheffield

Organisation type: Public authority - sub-central government