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Tender

Combined Heat and Power Engines

THAMES WATER UTILITIES LIMITED

UK4: Tender notice - Procurement Act 2023 - [view information about notice types](#)

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Procurement identifier (OCID): ocds-h6vhtk-05d7ce

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Scope

Reference

FA2277

Description

This procurement relates to the supply, commissioning and maintenance support of Combined Heat and Power (CHP) engines across multiple Thames Water wastewater treatment sites to maximise engine availability / performance. The scope includes the provision of new CHP units and associated services to support operational efficiency and energy recovery, as well as spare parts stock holding and technical support.

Objectives and Expected Outcomes

Effective utilisation of the biogas produced during the treatment of sludge, minimising flaring of gas, maximising electrical heat and power production

- Securing Capacity: Ensure supply of CHP Engine requirement through AMP 8 and AMP 9
- Standardisation: Promote consistency across the CHP estate to reduce complexity and improve asset availability
- Commercial Value: Leverage volume-based incentives and long-term value through strategic sourcing
- Serviceability: Ensure availability of cost-effective spare parts and technical support
- Efficiency & Sustainability: Support energy recovery and carbon reduction goals by securing high-performance, low-emission CHP solutions
- Regulatory Changes: Ensure compliance with evolving regulatory requirements
- Innovation: Accommodate benefits from innovation

Procurement Approach: A competitive tender process will be undertaken to appoint a supplier capable of delivering the full scope. We anticipate awarding the contract to a single supplier but reserve the right to award to more than one supplier if it is deemed to deliver best value.

Background: Thames Water (TW) currently operates 47 Combined Heat and Power Engines (CHP) across 24 wastewater treatment sites. These engines vary in age, size and output, and many are approaching the end of their lifecycle (typically 20 years).

Anticipated Requirements:

- Replacement of end-of-life engines during AMP 8 with estimated 10 - 16 new engines (Estimated range between 100kW - 1500kW electrical output) expected to be installed within AMP 8 alone. Further new engines will be required for AMP 9
- Specification: to be provided at PSQ
- Support innovation: We are always looking for ways to improve what we do, and welcome innovative ideas/solutions
- Compliance with evolving environmental regulations, especially around emissions to air (e.g. methane slip and possible carbon capture under the Industrial Emissions Directive)
- Integration of AMP 9 requirements, to leverage further standardisation and volume-based discounts: The engines on an additional 7 wastewater treatment sites planned to be upgraded in AMP 9

What we anticipate purchasing

TW is seeking to procure a comprehensive solution for CHP engines, which includes:

- Supply, installation, and commissioning of new CHP engines across the TW estate
- Ancillary components required for engine connection and operation
- Provision of spare parts to support ongoing maintenance
- Planned and reactive maintenance in line with the manufacturers O&M manual
- Technical support to ensure safe and efficient operation through the lifecycle of the asset

The procurement will cover both replacement of end-of-life engines and new installations to meet growing demand. The current aim is to award a single-source agreement to enable standardisation, improve serviceability, and reduce complexity across the estate.

Please note that that deadline for asking for access to the PSQ & submitting of the PSQ is 28th November 2025, at 10 am.

Commercial tool

Establishes a framework

Total value (estimated)

- £0 including VAT

Above the relevant threshold

Contract dates (estimated)

- 1 June 2026 to 30 May 2034
- 7 years, 11 months, 30 days

Main procurement category

Goods

CPV classifications

- 34311110 - Spark-ignition engines
- 42110000 - Turbines and motors
- 42510000 - Heat-exchange units, air-conditioning and refrigerating equipment, and filtering machinery
- 50530000 - Repair and maintenance services of machinery

Contract locations

- UKI - London
- UKJ - South East (England)

Framework

Maximum number of suppliers

Unlimited

Maximum percentage fee charged to suppliers

0%

Framework operation description

This framework agreement establishes the terms under which contracting authorities may award future call-off contracts for the provision of Combined Heat and Power Engines. It is designed to ensure transparency, value for money, and fair competition in accordance with the Procurement Act 2023.

Price Determination

Prices under this framework may be determined through one or more of the following mechanisms:

- Pre-agreed rate cards: Suppliers submit fixed or benchmarked rates for defined roles or services at the framework stage
- Scenario testing: Contracting authorities may model pricing across different service configurations to assess cost-effectiveness
- Negotiation levers: Prior to award, authorities may negotiate discounts, rebates, offshoring commitments, or payment profiling to optimise commercial outcomes

Award of Contracts

Contracts awarded under this framework will follow:

- Direct Award: Where the framework is with a single supplier or where the framework clearly defines the call-off terms and includes an objective mechanism for supplier selection

The framework will be awarded based on the Most Advantageous Tender (MAT), taking into account price, quality, and other relevant criteria as defined.

Award method when using the framework

Without competition

Contracting authorities that may use the framework

Establishing party only

Participation

Particular suitability

Small and medium-sized enterprises (SME)

Submission

Enquiry deadline

7 November 2025, 5:00pm

Submission type

Tenders

Tender submission deadline

28 November 2025, 10:00am

Submission address and any special instructions

To gain access to the PSQ documents, please fill out the details from this form;

<https://forms.office.com/e/pb0jdHXSdy>

Tenders may be submitted electronically

Yes

Languages that may be used for submission

English

Award decision date (estimated)

30 March 2026

Award criteria

Name	Type	Weighting
Technical	Quality	60%
Commercial	Quality	40%

Other information

Conflicts assessment prepared/revised

Yes

Procedure

Procedure type

Competitive flexible procedure

Special regime

Utilities

Competitive flexible procedure description

The procurement will follow a Competitive Flexible Procedure in line with the Procurement Act 2023. The process will include multiple stages, with opportunities for clarification, negotiation, and refinement of award criteria before final contract award.

Stage 1: Tender Notice Publication

- The process begins with the publication of the Contract Notice on the Find a Tender Service (FTS)
- This will outline the scope of requirements, procurement stages, and timelines

Stage 2: Pre-Specific Questionnaire (PSQ)

- PSQ Publication: The PSQ will be published alongside the contract notice
- Supplier Response: Suppliers will complete and submit the PSQ by the stated deadline
- Clarification Period: A defined window will allow suppliers to raise queries and Thames Water to provide clarifications
- Evaluation: PSQ responses will be assessed on a pass/fail basis against mandatory criteria
- Outcome: Successful suppliers will be shortlisted and invited to the next stage

Stage 3: Preliminary Tender Submission

- Issue of Documents: Shortlisted suppliers will receive the full information pack
- Clarification: Suppliers submit any clarification questions to the tender. TW will answer

- Submissions: Suppliers submit bid submissions (technical and commercial proposals)
- Clarification and Questions: TW submit clarifications and questions to the supplier responses
- Evaluation: Submissions are assessed against published criteria

Stage 4: Negotiation Stage

- Shortlisted suppliers will receive invitations to negotiate and further information about the process
- Negotiation and Refinement: Negotiations with suppliers to refine solutions and optimise value
- Updated Submissions: Suppliers to submit revised bids following negotiation rounds

Stage 5: Final Evaluation and Selection

- Evaluation: Final submissions are evaluated against weighted criteria

Stage 6: Contract Award

- Notification: Successful and unsuccessful suppliers will be informed in writing
- Standstill Period: A mandatory standstill period will apply before contract signature
- Contract Execution: Following standstill, the contract will be awarded and signed

Contracting authority

THAMES WATER UTILITIES LIMITED

- Companies House: 02366661
- Public Procurement Organisation Number: PNQQ-4647-DTCV

Clearwater Court

Reading

RG1 8DB

United Kingdom

Email: procurement.supportcentre@thameswater.co.uk

Region: UKJ11 - Berkshire

Organisation type: Private utility