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Award

Portsmouth City Council - Term Service Contract for Water Hygiene Compliance -2025

Portsmouth City Council

UK6: Contract award notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-082346

Procurement identifier (OCID): ocds-h6vhtk-059a9b ([view related notices](#))

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Scope

Reference

P00005145

Description

AWARD & STANDSTILL PERIOD

Following receipt of tenders on 4th November 2025 the Council has concluded the assessment process and issued assessment summaries to the successful and unsuccessful suppliers as required under Section 50 of the Procurement Act 23 (the 'Act').

Issuing of this Award Notice will now instigate the mandatory standstill period which will not be less than eight-working days (the Standstill Period), in line with section 51 of the Act.

The Council reserves the right to amend (extend) the Standstill Period if needed; if this right is exercised, the Contract Award Notice will be updated and affected suppliers will be notified accordingly.

After the Standstill Period has expired, and provided no legal challenge has been made by the end of the Standstill Period or any agreed extension, the Council intends to enter into contracts with the Successful Supplier. Following this, the Council also intends to publish a Contract Details Notice.

Procurement description

The Council is looking to appoint a supplier to deliver Water Hygiene services across its housing and corporate stock.

The scope of the service will include statutory water safety inspections, monitoring, and sampling, ensuring compliance with all relevant regulations and maintaining the safety and functionality of the Council's water installations. This is a re-procurement of an existing service provision.

Background information

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.

Within the contract there will be a requirement to monitor approximately 50 of the blocks of flats within the Council's stock, which will mostly be on-island, however, there will be infrequent inspections to the off-island stock as well.

Corporate Assets

The Council is also responsible for approximately 550 corporate assets including buildings such as schools, sports pavilions, care homes and offices; the majority of which are located on-island. There are currently 150 corporate assets that require inspections.

Current & Future Demand

The demand fluctuates annually and is highly dependent upon the number of schools that

access the Council's Service Level Agreements (SLA) within the Corporate assets, however, risk assessments within the residential assets are generally stable. Over the last 12 months approximately 135 risk assessments were undertaken across both asset types. It is anticipated that over the next 24 months this will remain within a +/- range of 15%

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 corporate assets with any incumbent Supplier to work in partnership with the Council to ease pressures where they can.

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 particularly when working in buildings of 6+ storeys.

There will be more focus on the accuracy and timely manner of up-load of compliance information and ensuring Legionella Risk Assessments are well managed and resolved and will be monitored by the Social Housing Regulator.

Scope and Specification

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

- Legionella Risk Assessments
- TMV servicing
- Temperature monitoring
- Clean and descale of shower heads
- Inspection of tanks, calorifiers, etc
- Sampling

Ancillary Scope of Works

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

- Removal of dead legs
- Installation and replacement of valves and TMV

- Repairs to tanks and systems
- Ancillary plumbing in connection with water hygiene

For clarity the contract will focus on monitoring and inspection. However, infrequently the contractor may be required to assist with repairs where it is appropriate to do so.

The Specification has been designed to ensure that all Suppliers have an effective and equal understanding of the contract's functional and performance requirements.

The Council reserves the right to make amendments to the specification if deemed necessary during the clarification stage.

Contract Model

The council intends to award a single M3NHF Schedule of Rates term contract.

Payments will be made in accordance with monthly valuations of completed works.

Contract value

The Council are estimating the contract value will be in the region of £200k per annum.

Based on anticipated inflationary uplifts and potential growth in stock, and the potential impact of LGR the total individual contract spend over the potential 10-year term (5-year base with options to extend) is expected to range between £2m to £3.7m.

Contract duration

The contract term will be for 5 years with options to extend in increments to be agreed up to a maximum of 10 years.

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/>

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.

The impacts of Local Government Review cannot be fully understood at this stage. However, when considering the potential surrounding local authorities and their current property portfolios, the Council anticipate the annual value of the contract could increase in the region of £100k per year, in the event these services needed to be subsumed into this opportunity. Therefore, taking this into account the potential value stated in the total value of the opportunity over the 10-year period could be up to £3.7M.

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/>

Description of risks to contract performance

Known Risks

The Council has identified the following known risks that are likely to occur during the duration of the term of the contract -

- An increase in stock size due to the construction of new build sites or the purchase of additional existing dwellings
- A decrease in stock size due to the sale or decommissioning of existing dwellings (to include any age of boiler)
- An increase in stock size as additional buildings sign up to existing SLAs

Show full description

- A decrease in stock size as buildings no longer want to utilise existing SLAs
- Increased complexity due to -
 - o ageing stock requiring more frequent or complex repairs
 - o increase in the number of boiler replacements needed
 - o inclusion of other heating systems

Other Risks

- Local Government Reorganisation leads to other stock holding Authorities becoming amalgamated with the Council and consequently the contract acquires additional stock numbers, increasing the value of the opportunity. (Based on the SOR's)
- Local Government Reorganisation leads to the Council becoming amalgamated with other Local Authorities and the contract or stock is novated to an alternative contract or supplier, decreasing the value of the opportunity. (using the novation clause)
- KPIs reduce relevance or are found to be ineffective during the contract, potentially following changes in legislation and compliance monitoring, and need to be amended.
- Workstreams are added to provide contingency for other suppliers particularly in relation to repairing remedial actions identified increasing the size and value of the contract. (using the SORs)
- The ongoing costs in delivering the service increases due to larger than predicted inflationary pressures, labour shortages or skills gaps. Impact of technological change in

respect of unknown future standards or innovations - periodic review clause to allow to utilise new technology, mobilisation and purchase of new technology

- Following the acquisition of additional stock, higher than expected costs to bring dwellings to required standards following unknown conditions/unexpected issues that the Council could

not have reasonably been aware at the point of purchase.

- Amendment or introduction of new legislation or changes in building safety legislation, could increase/decrease the cost in delivering the service.

-An endemic or pandemic event such as Covid 19 requires the contractor to achieve contractual outcomes by adapting existing practices.

The Council has identified the risks above associated with the delivery of this contract. In accordance with Schedule 8 of the Procurement Act 2023, the Council reserves the right to modify the contract, without initiating a new procurement procedure, should any of these known risks materialise during the contract term.

Any such modification will be limited to addressing the consequences of the known risk and will not alter the overall nature of the contract. Where applicable, a Contract Change Notice will be published in accordance with the requirements of the Act.

Contract 1. Portsmouth City Council - Term Service Contract for Water Hygiene Compliance

Supplier

- LIBERTY GROUP INVESTMENTS LIMITED

Contract value

- £3,700,000 excluding VAT
- £4,440,000 including VAT

Above the relevant threshold

Award decision date

12 December 2025

Date assessment summaries were sent to tenderers

12 December 2025

Standstill period

- End: 23 December 2025
- 8 working days

Earliest date the contract will be signed

19 January 2026

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 10years.

Main procurement category

Services

CPV classifications

- 90711500 - Environmental monitoring other than for construction

Contract locations

- UKJ31 - Portsmouth
- UKJ35 - South Hampshire

Information about tenders

- 4 tenders received
- 3 tenders assessed in the final stage:
 - 2 submitted by small and medium-sized enterprises (SME)
 - 0 submitted by voluntary, community and social enterprises (VCSE)
- 1 supplier awarded contracts
- 2 suppliers unsuccessful (details included for contracts over £5 million)

Submission

Submission type

Tenders

Procedure

Procedure type

Competitive flexible procedure

Supplier

LIBERTY GROUP INVESTMENTS LIMITED

- Companies House: 00968396
- Public Procurement Organisation Number: PHJQ-7141-TMGN

Wates House

Leatherhead

KT22 7SW

United Kingdom

Email: tenders@liberty-group.co.uk

Website: <http://www.liberty-group.co.uk>

Region: UKJ26 - East Surrey

Small or medium-sized enterprise (SME): No

Voluntary, community or social enterprise (VCSE): No

Supported employment provider: No

Public service mutual: No

Contract 1. Portsmouth City Council - Term Service Contract for Water Hygiene Compliance

Contracting authority

Portsmouth City Council

- Public Procurement Organisation Number: PCNL-5714-PRZV

Civic Offices, Guildhall Square

Portsmouth

PO1 2AL

United Kingdom

Email: procurement@portsmouthcc.gov.uk

Region: UKJ31 - Portsmouth

Organisation type: Public authority - sub-central government