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Award

Portsmouth City Council - Term Service Contract for the Servicing, Maintenance and Compliance of Gas for Council Managed Assets - 2025

Portsmouth City Council

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

Notice identifier: 2025/S 000-082809

Procurement identifier (OCID): ocids-h6vhtk-0509c0 ([view related notices](#))

Published 15 December 2025, 11:05am

Scope

Reference

P00005106

Description

AWARD & STANDSTILL PERIOD

Following receipt of tenders on 3rd October 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.

DESCRIPTION OF THE CONTRACT

Portsmouth City Council (the Council) is seeking to appoint a contractor to deliver Gas Servicing and Repair services across its housing stock.

The scope of services will include statutory gas safety inspections, responsive repairs, and planned maintenance works, ensuring compliance with all relevant regulations and maintaining the safety and functionality of the Council's gas installations.

Based on anticipated inflationary uplifts and potential growth in housing stock, the total individual contract spends over the potential 10-year term (5-year base with options to extend) is expected to range between £45M to £55M.

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.

Current & Future Demand

Over the last 5 years there have been approximately 13,000 gas safety checks annually and 14000 annual gas and general boiler repairs, 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.

However, 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.

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.

New Gas Servicing & Repairs Contract

A single term service provider will still have the responsibility in managing all gas servicing across the residential housing stock only. However, the Council will be looking to award on the basis of a M3NHF 3* contract, with an initial base term of 5 years and the option to extend the contract for a further 5 years, in increments to be agreed. The Council are estimating the contract value will be in the region of £4M to £5M per annum.

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

- Landlord Gas Safety Check
- Annual Gas Servicing
- CO Detector Checks
- Gas Boiler Installations
- Gas Boiler and Heating Repairs

- Voids Gas Safety Works
- Out of hours cover

The supplier will be required to resource an out of hours service which is available 365 days a year.

Ancillary Scope of Works

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

- Commercial and Communal Landlord annual gas safety check;
- Commercial gas boiler and heating repairs; and
- Commercial gas boiler installations including heating systems, controls and all pipework.
- Commercial and Commercial gas boiler servicing
- Servicing and maintenance to air source heat pumps
- Supplementary repairs to other water systems, valves, pumps, etc

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 Gas Servicing and Repairs could increase in the region of £1M to £2M per year, in the event these services needed to be subsumed into this opportunity. Therefore, taking account the potential value stated in the total value of the opportunity over the 10-year period could be up to £65M.

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/>

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

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)
- A change in heating system, e.g. air source heat pumps. (decarbonisation)

In all of the above cases, the change will result in a change to the number of properties and the annual value of the contract.

- 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

In the above situation, any requirements deemed not to be part of the 3* servicing and maintenance cost will be paid using the SORs.

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 commercial boilers and air source heat pumps 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 in gas engineering and supply chain disruptions (e.g., parts availability) Impacts 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 gas legislation, changes in building safety legislation, evolving decarbonisation targets & net-zero obligations and potential changes in tenant rights and/or service expectations 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 the Servicing, Maintenance and Compliance of Gas for Council Managed Assets

Supplier

- SURESERVE COMPLIANCE SOUTH LIMITED

Contract value

- £65,000,000 excluding VAT
- £78,000,000 including VAT

Above the relevant threshold

Award decision date

15 December 2025

Date assessment summaries were sent to tenderers

15 December 2025

Standstill period

- End: 24 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 10 years.

Main procurement category

Services

CPV classifications

- 45232100 - Ancillary works for water pipelines
- 45232141 - Heating works
- 45262100 - Scaffolding work
- 45262300 - Concrete work
- 45262330 - Concrete repair work
- 45262500 - Masonry and bricklaying work
- 45311000 - Electrical wiring and fitting work
- 45331000 - Heating, ventilation and air-conditioning installation work
- 45332200 - Water plumbing work
- 45332300 - Drain-laying work
- 45333000 - Gas-fitting installation work
- 45350000 - Mechanical installations
- 50510000 - Repair and maintenance services of pumps, valves, taps and metal containers
- 50531100 - Repair and maintenance services of boilers
- 50531200 - Gas appliance maintenance services

- 50710000 - Repair and maintenance services of electrical and mechanical building installations
- 50720000 - Repair and maintenance services of central heating
- 50730000 - Repair and maintenance services of cooler groups
- 71251000 - Architectural and building-surveying services
- 71321000 - Engineering design services for mechanical and electrical installations for buildings

Contract locations

- UKJ31 - Portsmouth
- UKJ35 - South Hampshire

Information about tenders

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

Unsuccessful suppliers

- [TSG UK SOLUTIONS LTD](#)
- [SMITH AND BYFORD LIMITED](#)

- [CORRECT CONTRACT SERVICES LIMITED](#)

Submission

Submission type

Tenders

Procedure

Procedure type

Competitive flexible procedure

Suppliers

CORRECT CONTRACT SERVICES LIMITED

- Companies House: 06368614
- Public Procurement Organisation Number: PMYP-9526-GNWM

Fleming Court Leigh Road

Southampton

SO50 9PD

United Kingdom

Website: <https://www.correctcs.co.uk/>

Region: UKJ35 - South Hampshire

Small or medium-sized enterprise (SME): Yes

Voluntary, community or social enterprise (VCSE): No

SMITH AND BYFORD LIMITED

- Companies House: 01074356
- Public Procurement Organisation Number: PQBQ-6895-RBWJ

St George House, Station Approach

Cheam

SM2 7AT

United Kingdom

Website: <http://www.smithandbyford.com>

Region: UKI63 - Merton, Kingston upon Thames and Sutton

Small or medium-sized enterprise (SME): No

Voluntary, community or social enterprise (VCSE): No

SURESERVE COMPLIANCE SOUTH LIMITED

- Companies House: 05158607

- Public Procurement Organisation Number: PPBM-9442-QQGG

Norfolk House

London

WC1A 2AJ

United Kingdom

Email: bidteam_south@sureserve.co.uk

Website: <https://www.sureserve.co.uk/sureserve-compliance/>

Region: UKI31 - Camden and City of London

Small or medium-sized enterprise (SME): No

Voluntary, community or social enterprise (VCSE): No

Supported employment provider: No

Public service mutual: No

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TSG UK SOLUTIONS LTD

- Companies House: SC517423
- Public Procurement Organisation Number: PYBN-7763-GHVV

19 Canning Street

Edinburgh

EH3 8EH

United Kingdom

Region: UKM75 - Edinburgh, City of

Small or medium-sized enterprise (SME): No

Voluntary, community or social enterprise (VCSE): No

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