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Tender

Future Debt Solution

Department for Work & Pensions

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

Notice identifier: 2026/S 000-000698

Procurement identifier (OCID): ocds-h6vhtk-051b05 ([view related notices](#))

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Scope

Reference

project_26685, C8618

Description

The Department for Work and Pensions (DWP) ("the Authority") has an obligation to protect public funds and to ensure wherever possible, overpayment and penalty debt is recovered subject to legislative limitations and safeguards. It is Government policy to recover all debt where it is reasonable and cost effective to do so without causing undue financial hardship to debtors.

The DWP is undertaking a competitive flexible procedure to appoint a supplier to provide a commercial off the shelf (COTS) software as a service (SaaS) debt management system to meet DWP requirements and manage the recovery of debt and other monies owed to the Government, allowing the DWP to recover over £2billion of debt annually. The contract will include the design, configuration, testing, support to migration from the existing platform and post go live support.

The duration of the contract will be up to 8 years (Initial Term) with the option to extend

the Initial Term by one or more extension periods provided that the aggregate of any such extensions is no greater than 36 months.

The estimated value of the contract over the Initial Term of the contract (8 years) is up to £47,000,000.00 (excluding VAT). This figure has been calculated from past and forecasted spend and shall not be taken by Suppliers as a commitment or a forecast of likely revenue.

The estimated total contract value (inclusive of any options) is up to £79,800,000.00 million (excluding VAT). This value has been calculated based on indicative volumes provided within the specification and any future initiatives and optional services. The total published contract value as published in this Tender Notice (UK4) is an indication to the market of the maximum amount which could be spent through this contract and shall not be taken by Suppliers as a commitment or a forecast of likely revenue.

The supplier will support the implementation of the SaaS system and provide support for any future upgrades and modifications in-life.

The scope of the SaaS includes:

- Software as a Service (SaaS) debt management solution to meet DWP functional and non-functional requirements
- User friendly modern debt collection and management capabilities
- Flexible and business user configurable
- Hosted in the UK with 99.9% availability
- Scalable to meet projected growth in accounts and users
- Innovative future roadmap
- Implementation of a SaaS debt management solution
- Design and configuration
- Integration to DWP architecture
- Migration of data from current solution
- Testing and assurance
- Training and knowledge transfer

- Supplier project management
- BAU support for a SaaS debt management solution
- Service desk
- System maintenance
- Performance monitoring
- Change management support

The geographical scope of the Future Debt Solution will be for Great Britain and Northern Ireland.

Total value (estimated)

- £79,800,000 excluding VAT
- £95,760,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 14 January 2027 to 13 January 2035
- Possible extension to 13 January 2038
- 11 years

Description of possible extension:

The duration of the contract will be up to 8 years (Initial Term) with the option to extend the Initial Term by one or more extension periods provided that the aggregate of any such extensions is no greater than 36 months. Any extensions will be at the sole discretion of the Authority.

Options

The right to additional purchases while the contract is valid.

Optional services are defined as services that are not part of the core deliverables and will only be implemented at DWP's discretion, subject to the appropriate contract modification process, and in-line with Procurement Act 2023.

Main procurement category

Services

CPV classifications

- 48100000 - Industry specific software package
- 48442000 - Financial systems software package
- 72212440 - Financial analysis and accounting software development services

Contract locations

- UK - United Kingdom

Participation

Legal and financial capacity conditions of participation

Legal

The Authority is using the GOV.UK Model Services Contract (MSC) as the basis for this Contract, amended only to the extent required to accommodate the specific needs of this

procurement, and to incorporate the Tender response of the preferred Supplier.

Financial

The Supplier is required to complete the Financial Viability Risk Assessment (FVRA) tool as part of their Tender response.

Technical ability conditions of participation

Suppliers must score a minimum of 55 in every question (apart from Social Value where the minimum is 25 in every Social Value question) to progress. Suppliers who do not achieve the minimum score of 55 in every question (apart from Social Value) will be excluded and will not be invited to the next stage of the process.

The Supplier must confirm that any proposed solution will be UK-shored in a dedicated cloud environment, compliant with:

a) The Authority's procurement policies and procedures including the security policies and standards detailed within the following

links:<https://www.gov.uk/government/collections/dwp-procurement-policies-and-procedures>; and

<https://www.gov.uk/government/publications/dwp-procurement-security-policies-and-standards>.

b) HMG security policy framework detailed within the following

link:<https://www.gov.uk/government/publications/security-policy-framework/hmg-security-policy-framework>.

c) National Institute of Standards and Technology (NIST) and National Cyber Security Centre (NCSC) standards.

d) The Public Sector Bodies (Websites and Mobile Applications) (No.2) Accessibility Regulations 2018'in line with the HM Government's Technology Code of Practice point 2 detailed in the following link: <https://www.gov.uk/guidance/make-things-accessiblewhich> currently requires WCAG 2.2 AA standard as a minimum.

Particular suitability

Small and medium-sized enterprises (SME)

Submission

Submission type

Requests to participate

Deadline for requests to participate

12 February 2026, 12:00pm

Submission address and any special instructions

Suppliers who wish to participate in public procurements are required to register on the Government's Central Digital Platform (CDP). The CDP is available at <https://www.gov.uk/find-tender>.

This procurement will be conducted electronically via the Portal. All communications with the Authority must be conducted via the Portal, which can be accessed here: <https://dwp2.my.site.com/s/Welcome>.

Suppliers must ensure they are registered on the Portal to gain access to the procurement documentation, which contains full details of the requirement. If not already registered, Suppliers can register here: https://dwp2.my.site.com/ProSpend_eSourcing_Community_Registration?locale=uk

Tenders may be submitted electronically

Yes

Languages that may be used for submission

English

Suppliers to be invited to tender

Maximum 5 suppliers

Selection criteria:

Suppliers will be invited to submit tenders at stage 2 (Initial Tender) and stage 4 (Final Tender) based on their scoring position within stage 1 (Request to Participate).

The top 5 Suppliers will be invited to tender if they achieve the minimum thresholds for the Key Technical Participation Requirement Questions and do not fail any sections of the Procurement Specific Questionnaire (PSQ) or the Key Procurement Specific Participation Requirements.

Award decision date (estimated)

1 December 2026

Award criteria

Name	Type	Weighting
System Capability	Quality	17.5%
System Flexibility	Quality	17.5%
Integration	Quality	15%
Deployment	Quality	10%
Risk Management	Quality	10%
Deployment Facilitation	Quality	10%
Social Value	Quality	10%
Account Management	Quality	5%
Alignment to DWP priorities	Quality	5%

Other information

Description of risks to contract performance

The Authority has identified the following known risks which satisfy the description at paragraph 6(a) of Schedule 8 of the Procurement Act 2023, because if they arise, either individually or otherwise, they could jeopardise the satisfactory performance of the contract and, because of their nature, cannot be addressed unambiguously in the contract as awarded. They are therefore intended to be permitted modifications pursuant to Schedule 8 Procurement Act 2023:

- a) significant change in volumes of debt stock and debtors
- b) future Government initiatives in relation to debt recovery or changes to policy in relation to debt recovery
- c) any optional services or future innovations that become available within the solution at a later date
- d) Inflation - unexpected increases in the Consumer Price Index (CPI) which may significantly raise the cost of delivering the contracted services, potentially rendering the contract financially unviable over time.
- e) Departmental reprioritisation - there is a risk that changes in Government policy, ministerial priorities, or funding allocations particularly following a General Election, departmental restructuring or HM Treasury spending reviews may significantly impact the delivery of debt recovery services.

Conflicts assessment prepared/revised

Yes

Procedure

Procedure type

Competitive flexible procedure

Competitive flexible procedure description

DWP is conducting this procurement via a Competitive Flexible Procedure in accordance with the requirements of the Procurement Act 2023. The procurement will consist of 5 stages.

The stages of this Competitive Flexible Procedure are as follows:

Stage 1 - Request to Participate (RTP). This stage commences with the issuing of this Tender Notice. A Procurement Specific Questionnaire (PSQ) is available on the Portal which all Suppliers are required to complete in accordance with the Procurement Timetable and instructions within the Instructions to Suppliers (ITS) document, as well as passing the Key Procurement Specific Participation Requirements and achieving the minimum thresholds for the Key Technical Participation Requirements Questions.

Stage 2 - Initial Tender. As a result of the RTP, up to 5 supplies will be invited to submit an Initial Tender where Technical, Social Value and Commercial questions will be asked but not scored.

Stage 3 - Clarification Phase. Suppliers' responses to the Initial Tender will be reviewed and areas for Clarification identified which will be discussed 1 to 1 with suppliers over 2 rounds of clarification (first round for Technical and second round for Commercial).

Stage 4 - Final Tender and Demonstrations. As a result of the Clarification Phase, consolidated feedback and updated Tender documents will be issued (which may be amended based on clarifications). Suppliers will be invited to submit their Final Tender. Suppliers who have submitted compliant tenders will be invited to a Demonstration session, where they will demonstrate their solution based on an agenda provided in the Tender documents, enabling DWP to verify that the requirements and proposed solution can be delivered.

Stage 5 - Evaluation and Moderation. Responses to the Final Tender will be evaluated and moderated to identify the Supplier who has submitted the Most Advantageous Tender (MAT). Compliant tenders will be evaluated on a Weighted Value for Money Index (WVFMI) basis where a ratio of 60:40 (quality:cost) weighting (i.e. $\wedge 1.5$) has been selected for this procurement.

The Award Criteria is explained further within the ITS.

Contracting authority

Department for Work & Pensions

- Public Procurement Organisation Number: PJCP-7274-TLRQ

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Region: UKI32 - Westminster

Organisation type: Public authority - central government