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Planning

Multi-Sourcing of Horizon IT Services

Post Office Limited

UK3: Planned procurement notice - Procurement Act 2023 - [view information about notice types](#)

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Procurement identifier (OCID): ocds-h6vhtk-050efb

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Scope

Description

The current service being provided to POL relies on a system known as "Horizon" to process all of its transactions with customers which includes numerous legacy systems and assets ("Horizon Services").

The suppliers will be required to take on delivery of relevant parts of the Horizon Services within the respective Lot scope and provide, in each case where relevant, transition and transformation services to modernise and streamline the Horizon Services.

The Horizon Service applicable to Lot 1 Replacement Services Provider scope is currently comprised of:

- the management and execution of activities for all physical and digital infrastructure and all data within the datacentres used for the Horizon Service, including but not limited to:
 - i. servers, databases, application management systems, storage devices, back-up systems, and associated processes;
 - ii. In-scope Datacentre network hardware including switches, firewalls, tooling, operating systems, management systems, and other software;

- iii. batch scheduling;
- iv. back-up and recovery;
- v. patching and upgrades;
- vi. ongoing infrastructure developments and associated release management as required by POL;
- vii. lifecycle management of certificates and licences relating to the operation of the system;
- viii. Key Transition and Transformation Outcomes:
 - Migration from the on-premise data centre to the Cloud, enabling modernised counter capabilities
 - Establishment of a modern, cloud-native back office and channel platform
 - Implementation of a zero-trust security model and enhanced reporting capabilities
 - Redesign of the Route-to-Live process to align with the new cloud production environment
 - Enablement of omni-channel customer journeys
 - Introduction of new ways of working to support incremental value delivery
 - Completion of the Oracle 2x upgrade, significantly reducing technology risk
 - Post Office transitions to become the Platform Operator and Service Integrator
 - Target Operating Model implemented to support ongoing operations
 - Adoption of a continuous improvement lifecycle for ongoing technology evolution; and
 - the management and execution of activities for all applications and data used for the Horizon service including:
 - i. third and fourth line application support;
 - ii. ongoing application development and associated release management;
 - iii. lifecycle management of certificates relating to the operation of the service; and

iv. operation of other application services.

The Lot 2 COTS - EPOS scope is set out further below (Description of the Procurement).

Description of the Procurement

This is a single Procurement consisting of two Lots:

- Lot 1 - Replacement Service Provider - Datacentres Operations and Levels 3 and 4 Application Support and Management including transition and virtualisation to Cloud based technologies.
- Lot 2 COTS - EPOS - Transformation of POL's technology using COTS software.

Lot 1 Replacement Services Provider

Lot 1 will require the supplier to:

- take over the existing Horizon Services (as detailed above) on a WITO basis (excluding network interconnections between data centres);
- be responsible for maintaining and supporting IT infrastructure within the data centre;
- manage bespoke applications and integrations;
- stabilise the current Horizon Services; and
- execute key transformations such as cloud migration.

Lot 1 will have an initial term of 5 years plus two optional 1-year extensions (to be exercised at POL's discretion).

Lot 2 Commercial-off-the shelf (COTS) electronic point of sale (EPOS) Software Provider

Lot 2 COTS - EPOS will require the supplier to transform POL's retail technology platform to meet evolving business, operational, and customer requirements which shall:

- be cloud hosted, and be a consumption and/or flexible based eCommerce service;
- use event-driven microservice architecture using standards based integration (API) and industry recognised core service;
- include a structured data layer or open standards integration to other COTS data platforms; and

- be a modular service structure that includes:
 - i. journey engine;
 - ii. point of sale (POS), EPOS & mobile POS services;
 - iii. customer engagement & insights;
 - iv. retail and/or retail POS integration;
 - v. counter solutions; and
 - vi. options for pick up and drop off, and self-service kiosks.

The Lot 2 COTS - EPOS supplier shall additionally be required to:

- assess and select appropriate EPOS COTS solutions tailored to POL's future needs;
- ensure compatibility with existing systems (where applicable) and enable future enhancements;
- support implementation, including configuration, testing and rollout;
- comply with the target operating model implemented to support ongoing operations; and
- provide ongoing support, updates, and optimisation services.

The Lot 2 COTS - EPOS Supplier must be capable of delivering a modern, scalable, and future-ready solution for a term of 12 years.

Total value (estimated)

- £410,000,000 excluding VAT
- £492,000,000 including VAT

Above the relevant threshold

Main procurement category

Services

CPV classifications

- 72000000 - IT services: consulting, software development, Internet and support

Contract locations

- UK - United Kingdom

Not the same for all lots

Contract dates are shown in Lot sections, because they are not the same for all lots.

Lot 1. Replacement Service Provider

Description

Replacement Service Provider (comprising Walk In & Take Over from the incumbent rapidly, virtualise & transition to cloud, transform operations);

- the management and execution of activities for all physical and digital infrastructure and all data within the datacentres used for the Horizon Service, including but not limited to:

i. servers, databases, application management systems, storage devices, back-up systems, and associated processes;

ii. In-scope Datacentre network hardware including switches, firewalls, tooling, operating systems, management systems, and other software;

- iii. batch scheduling;
- iv. back-up and recovery;
- v. patching and upgrades;
- vi. ongoing infrastructure developments and associated release management as required by POL;
- vii. lifecycle management of certificates and licences relating to the operation of the system;
- viii. Key Transition and Transformation Outcomes:
 - Migration from the on-premise data centre to the Cloud, enabling modernised counter capabilities
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 - Target Operating Model implemented to support ongoing operations
 - Adoption of a continuous improvement lifecycle for ongoing technology evolution; and
 - the management and execution of activities for all applications and data used for the Horizon service including:
 - i. third and fourth line application support;
 - ii. ongoing application development and associated release management;
 - iii. lifecycle management of certificates relating to the operation of the service; and

iv. operation of other application services.

Lot value (estimated)

- £269,000,000 excluding VAT
- £322,800,000 including VAT

Contract dates (estimated)

- 5 June 2026 to 4 June 2031
- Possible extension to 4 June 2033
- 7 years

Description of possible extension:

Optional extensions of 1+1 years will be at the Authority's discretion. Possible reasons for invoking extensions include:

- ensure key transformations and transitions have concluded

Same for all lots

CPV classifications and contract locations are shown in the Scope section, because they are the same for all lots.

Lot 2. COTS - EPOS - Software Provider

Description

The Lot 2 COTS - EPOS Software Provider shall be required to:

- assess and select appropriate EPOS COTS solutions tailored to POL's future needs;
- ensure compatibility with existing systems (where applicable) and enable future enhancements;
- support implementation, including configuration, testing and rollout;
- comply with the target operating model implemented to support ongoing operations; and
- provide ongoing support, updates, and optimisation services.

The Lot 2 COTS - EPOS Supplier must be capable of delivering a modern, scalable, and future-ready solution for a term of 12 years.

Lot value (estimated)

- £141,000,000 excluding VAT
- £169,200,000 including VAT

Contract dates (estimated)

- 7 July 2026 to 6 July 2036
- Possible extension to 6 July 2038
- 12 years

Description of possible extension:

Optional extensions of 1+1 years will be at the Authority's discretion. Possible reasons for invoking extensions include:

- ensure key transformations and transitions have concluded

Same for all lots

CPV classifications and contract locations are shown in the Scope section, because they are the same for all lots.

Submission

Publication date of tender notice (estimated)

30 June 2025

Submission type

Requests to participate

Deadline for requests to participate

31 July 2025, 5:00pm

Tenders may be submitted electronically

Yes

Languages that may be used for submission

English

Award decision date (estimated)

5 June 2026

Award criteria

Name	Description	Type	Weighting
Qualitative	70% of the total marks available is allocated to the qualitative element of the tender.	Quality	70%
Commercial	30% of the total marks available is allocated to the commercial element of the tender.	Price	30%

Procedure

Procedure type

Competitive flexible procedure

Competitive flexible procedure description

The following stages will be followed:

1. Issuing of this PPN to make the broad opportunity visible to a wide range of suppliers in the relevant markets.
2. Issuing of a Tender Notice inviting suppliers to submit a request to participate in the procedure.
3. Potential suppliers will be sent Non-Disclosure Agreements to sign. On signature the Procurement Specific Questionnaire, (PSQ), will be released. The PSQ will be structured in such a way that potential providers can submit and be evaluated for the specific lots in which they are interested. POL will make draft procurement documents and artefacts

available when issuing the PSQ. The PSQ will address background information, economic standing, capability, capacity and experience, but will not require any pricing at this stage.

4. The PSQ submissions will be evaluated and moderated and the top six highest scoring bidders for each lot will be Invited to submit an Initial Tender as part of the Initial Tender Stage (ITS). The PSQ submission will be evaluated against a set of criteria that test bidders' capacity, capability and experience. At the ITS of the procurement, requirements will be assessed on how the solution will be delivered, how much it will cost and under what terms they will be supplied. There will be weightings applied to the qualitative and quantitative assessment criteria set out in the ITS documentation. Any tender submitted, at ITS, must be capable of acceptance without the need to engage in dialogue.

5. Where POL decides to continue to the dialogue stage, it intends to invite up to four (or five if the scores are particularly close) bidders with the highest scoring Initial Tenders for each lot from the ITS to participate with POL in dialogue.

6. Dialogue will be staggered with Lot 1 starting first and Lot 2 starting when Lot 1 dialogue has completed.

7. Once dialogue completes, the bidders invited to dialogue will be Invited to Submit Final Tenders (ITSFT) against the refined requirements (solution, commercial and contractual) and the weightings that apply to this stage (which will be set out in the ITSFT).

8. POL will evaluate and moderate the final tenders and assess which tenders offer the MAT.

9. Preferred bidder(s) will be announced and POL intends to work with them to finalise contracts.

Contracting authority

Post Office Limited

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- Public Procurement Organisation Number: PRNP-5883-YMLG

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London

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United Kingdom

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Region: UKI31 - Camden and City of London

Organisation type: Public authority - central government