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Tender

Procurement for the provision of Hyperscaler Services to enable Data Centre Exit

HM Revenue & Customs

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

Notice identifier: 2025/S 000-035512

Procurement identifier (OCID): ocds-h6vhtk-04f71d ([view related notices](#))

Published 26 June 2025, 4:09pm

Scope

Reference

SR2407175715

Description

INTRODUCTION & BACKGROUND

HMRC's IT infrastructure has been building increasing levels of technical debt due to the age of the underlying hardware and software, making modernisation a priority for the organisation.

As part of our ongoing technology strategy, we have developed cloud capabilities and platforms to manage parts of our previously migrated estate. This has provided us with valuable insights, reaffirming that cloud capabilities, and their continued evolution, present a strong opportunity to advance our journey towards modernisation.

The Data Centre Exit (DCE) programme has identified that modern hyperscaler cloud technologies would be the preferred solution to transition to, whilst supporting HMRC's

strategic objectives, without affecting business continuity or incurring an unaffordable cost of change. Furthermore, the strategy aligns with the capabilities of the market, the overall aspiration to move to the cloud, and evidence to suggest that transitioning to a cloud solution would be more scalable and cost-effective.

The objective of the programme is to exit all services from three managed data centres and decommission any remaining infrastructure within the current contract period of the incumbent data centre hosting provider (June 2028). The scope of the technical migration is currently all services supported by hardware in the three data centres. Other programmes may have plans to migrate services prior to the DCE exit date and once those programmes are confirmed, HMRC will de-scope from DCE as appropriate.

The procurement of a hyperscaler and subsequent award will provide a vehicle to deliver the technical migration to the public cloud of services within the scope of the programme, and their hosting for the remaining life of the contract. The specifics of the migration plan will be confirmed during the negotiation phase of the procurement process. The procurement of a hyperscaler will depend on meeting requirements that support an efficient, effective, and timely migration of the services within the scope, balancing cost, risk, timescale and without affecting service continuity.

A comprehensive description of the outline services can be found within Annex 2 of the 'HMRC Tender Instructions.docx' document.

Total value (estimated)

- £416,666,666 excluding VAT
- £500,000,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 1 June 2026 to 31 May 2033
- Possible extension to 31 May 2036
- 10 years

Description of possible extension:

The duration of the contract will be 7 years with option to extend a further 2 years and a further option to extend an additional 1 year (a total of 10 years), this includes, Migration, BAU and Contract Exit.

Options

The right to additional purchases while the contract is valid.

During the course of the contract duration HMRC may have a requirement to engage the hyperscaler in additional activities which do not form part of the baseline Contract. These services are deemed to be optional and are offered solely at the discretion of HMRC. The optional services required are likely to include but not be limited to:

- Business Services Transformation - analysis, redesign, reengineering of migrated services
- Migration and/or transformation of existing services hosted in locations other than the three in-scope legacy data centres
- New Business Services Development - design, develop and implement new business services and capabilities enabled by the Cloud
- Business Service roadmap development support
- Technology platform roadmap development support
- Application modernisation and optimisation - assessment and upgrade of legacy applications to take advantage of new infrastructure capabilities, including cloud native refactoring, containerisation, API integrations etc.
- Cloud network optimisation
- Data archiving and purging
- Platform / service cost optimisation
- Application and infrastructure security hardening / improvement works

- Technical debt reduction
- Security improvements
- Well-architected reviews and moderation
- Training and upskilling of Authority personnel

Main procurement category

Services

CPV classifications

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

Contract locations

- UK - United Kingdom

Participation

Legal and financial capacity conditions of participation

Please see full details in the Tender Instructions - Section 3 Questions 3.1 - 3.4 cover the legal and financial capacity conditions of participation.

Technical ability conditions of participation

Please see full details in the Tender Instructions - Section 3 Questions 3.5 - 3.15 cover

the technical ability conditions of participation.

Submission

Enquiry deadline

9 July 2025, 1:00pm

Submission type

Requests to participate

Deadline for requests to participate

23 July 2025, 1:00pm

Submission address and any special instructions

This procurement will be conducted by way of an eSourcing event using HMRC's SAP Ariba eSourcing Portal. Please ensure you are registered with the eSourcing Portal to gain access to the procurement documentation when it is released which will contain full details of the requirement.

If you are not already registered, the registration link is: <http://hmrc.sourcing-eu.ariba.com/ad/selfRegistration>

As part of the registration process you will receive a system generated email asking you to activate your SAP Ariba supplier account by verifying your email address. Once you have completed the activation process you will receive a further email by return confirming the 'registration process is now complete' and providing you with 'your organisation's account ID' number. If an email response from HMRC is not received within one working day of your request, please re-contact sapariba.hmrcsupport@hmrc.gov.uk (after first

checking your spam in-box) notifying non-receipt and confirming when your registration request was first made.

Once you have obtained 'your organization's account ID' number, please email magnus.cole@hmrc.gov.uk and nicola.harris2@hmrc.gov.uk and copy in e.procurement@hmrc.gov.uk with your:

- Contract title and Reference
- Your organisation's HMRC SAP Ariba account ID
- Your organisation name
- Your name
- Your email address
- Your telephone number.

Once you have complied with the foregoing you will receive an e-mail confirming access to the procurement event.

Further information about HMRC's procurement tool SAP Ariba, a Suppliers Guide and general information about supplying to HMRC is available on the HMRC website: www.hmrc.gov.uk/about/supplying.htm

If you have already registered on SAP Ariba then you may also need to re-register on HMRC's SAP Ariba in order to be added to the event

Tenders may be submitted electronically

Yes

Languages that may be used for submission

English

Award decision date (estimated)

27 April 2026

Award criteria

Name	Description	Type	Weighting
Quality	The full award criteria and requirements/questions will be provided to those tenderers who are shortlisted for stage 2 ((ITSIT). HMRC reserves the right to refine the criteria and sub-criteria at any subsequent stage as the procurement progresses in line with S24 of the Procurement Act 2023 if HMRC becomes aware that the original criteria/weighting needs to be amended or added to to reflect any changes in the importance of the relevant award criteria following further consideration during the procurement process	Quality	70%

Name	Description	Type	Weighting
Commercial	The full award criteria and requirements/questions will be provided to those tenderers who are shortlisted for stage 2 ((ITSIT). HMRC reserves the right to refine the criteria and sub-criteria at any subsequent stage as the procurement progresses in line with S24 of the Procurement Act 2023 if HMRC becomes aware that the original criteria/weighting needs to be amended or added to to reflect any changes in the importance of the relevant award criteria following further consideration during the procurement process	Price	20%

Name	Description	Type	Weighting
Social Value	The full award criteria and requirements/questions will be provided to those tenderers who are shortlisted for stage 2 ((ITSIT). HMRC reserves the right to refine the criteria and sub-criteria at any subsequent stage as the procurement progresses in line with S24 of the Procurement Act 2023 if HMRC becomes aware that the original criteria/weighting needs to be amended or added to to reflect any changes in the importance of the relevant award criteria following further consideration during the procurement process	Quality	10%

Other information

Conflicts assessment prepared/revised

Yes

Procedure

Procedure type

Competitive flexible procedure

Competitive flexible procedure description

PROCESS BREAKDOWN

It is anticipated that this competitive flexible procedure will be conducted in four (4) stages, however HMRC may amend the number of stages (upwards or downwards) as negotiation progresses. The four (4) stages are described in more detail below.

Stage 1: Invitation to participate and submit Procurement Specific Questionnaire (PSQ)

1. Stage 1 commences with the issuing of a Tender Notice and the publication of this document.
2. This document includes a Procurement Specific Questionnaire (PSQ) at Schedule 1 which all Tenderers are required to complete and return in accordance with the Procurement Timetable and instructions within this document.
3. The PSQ will be based on a combination of Pass/Fail questions within the Government's Central Digital Platform (CDP), questions that are for information only and qualitative questions to assess Tenderers experience and capabilities that are specific to this procurement.
4. HMRC will use this stage to confirm that neither the Tenderer, nor any related persons within its corporate group, associated persons relied on to meet the conditions of participation, or proposed sub-contractors are listed on the Cabinet Office debarment list.
5. In addition, HMRC will consider whether any Tenderer or related persons within its corporate group, associated persons relied on to meet the conditions of participation, or proposed sub-contractors are excluded or excludable Suppliers, and before HMRC determines that a Tenderer is potentially to be excluded as an excluded or excludable Supplier, it will provide the Tenderer reasonable opportunity to make representations and provide evidence as is proportionate in the circumstances. If the Tenderer is an excluded or excludable Supplier only by virtue of an associated person or proposed sub-contractor, HMRC will notify the Tenderer of its intention to exclude the Supplier and provide the Tenderer with reasonable opportunity to replace the associated person or sub-contractor. If as a consequence of this process HMRC excludes the Tenderer from participating in the

Procurement, or is aware of an associated person or sub-contractor having been replaced, it will give notice of this fact within 30 days of its decision to the Procurement Review Unit (PRU).

6. HMRC will also undertake a review of the completed PSQ (and as confirmed in the detail provided in paragraph 12.4, with reference to any information held on the Central Digital Platform. Responses to any conditions of participation will be assessed in accordance with the selection process and any selection criteria as set out in the Tender Notice, PSQ and described in this document. The assessment of these responses will identify a maximum of three Tenderers to be invited to participate in Stage 2. Note, that the final number of Tenderers shortlisted to proceed is at the discretion of HMRC.

7. Stage 1 will complete with Tenderers being notified in writing of whether or not they have been successfully placed in the top three and thus, shortlisted to participate in Stage 2. Tenderers not invited to Stage 2 will be provided with a written explanation of the reasons why they have not been shortlisted to participate in Stage 2.

8. Tenderers should note that HMRC reserves the right to re-assess any response to the PSQ, in light of any new relevant information that comes to HMRC's attention.

Stage 2: Invitation To Submit Initial Tenders (ITSIT)

9 Stage 2 will commence with the issuing of a letter inviting those Tenderers which have successfully been shortlisted at Stage 1 of the Procurement to submit initial tenders.

10. The letter will also provide details of the additional information made available to Tenderers at this stage of the Procurement. This will include the questions and scoring criteria for that stage of the procurement.

11. Initial tenders must be submitted in accordance with the Procurement Timetable and instructions set out in this document and any additional information provided as part of the ITSIT documentation.

12. Following the deadline for submission of initial tenders, HMRC will assess initial tenders in accordance with the assessment process and award criteria set out in the Tender Notice and described in this document. Note that although Initial Tenders are not formally evaluated for scoring purposes or moderated, any submissions that are received that are non-compliant against criteria defined as Non-Negotiable, may be rejected at this stage.

Stage 3: Invitation to negotiation

14. Stage 3 will commence with the issuing of a letter inviting Tenderers that have successfully passed Stage 2 to attend one or more negotiation meetings. The number,

sequencing, and location of these meetings will be determined by HMRC and communicated to all Tenderers proceeding to Stage 3.

15. The letter will also provide details of any new information made available to Tenderers at this stage in the Procurement.

16. This period will focus on aspects of the Tenderer's response to the ITSIT that HMRC requires further clarification to improve the Tenderer's solution, the commercial outcome, or ensure that the Tenderer is made aware of information that may reduce risk premiums or enable them to develop more innovative approaches to delivering the service. There will be several workstreams operating in parallel during the period of negotiation. These will be communicated but may include (but not be limited to) Technical, Commercial, Legal, and Governance workstreams.

17. During this period, the Tenderers may be asked for access to reference clients, deliver presentations on approaches, or refine solutions for review by HMRC. Any such activity will be to improve understanding, and improve the Tenderer's final submission, but will not be evaluated.

18. Stage 3 will conclude with the issuing of letters to all participating Tenderers confirming the closure of negotiations.

Stage 4: Invitation to Submit Final Tender (ITSFT)

Stage 4 will commence with the issuing of a letter inviting Tenderers that have been successfully shortlisted at Stage 3 and they will be invited to respond to an Invitation to Submit Final Tender (ITSFT). Stage 4 will be the basis on which the final award recommendation is made and may be subject to additional steps to satisfy HMRC that the shortlisted Tenderers are capable of delivering their proposed technical solution for the most competitive commercial offer. Further stages may be added to further reduce risk, validate quality of proposed personnel, iterate plans, or further interrogate costs. This list is non-exhaustive and may be amended. Details of any changes during Stage 4 will be outlined in the ITSFT document.

Final tenders must be submitted in accordance with the timetable and instructions set out in this document and any additional information provided as part of the ITSFT documentation. Following receipt of tenders, HMRC will:

19. Conduct an assessment of all final tenders in order to identify the Tenderer which has submitted the most advantageous tender in accordance with the award criteria and the assessment methodology described in the ITSFT documentation. In carrying out this assessment, HMRC may disregard a tender:

a. from a Tenderer that is not a United Kingdom Supplier or a treaty state Supplier or that

intends to sub-contract the performance of all or part of the Contract to a Supplier that is not a United Kingdom Supplier or a treaty state Supplier; or

b. if the tender breaches a procedural requirement set out in the Tender Notice or associated tender documents; or

c. if the tender offers a price that HMRC considers to be abnormally low for the performance of the Contract. Where HMRC considers that a price offered by a Tenderer in its tender is abnormally low, HMRC will notify the Tenderer and give the Tenderer reasonable opportunity to demonstrate that it will be able to perform the contract for the price offered. HMRC will only disregard the tender if the Tenderer cannot satisfactorily demonstrate that it will be able to perform the Contract for the price offered.

HMRC may disregard a tender that does not satisfy the Conditions of Participation.

20. Once the assessment has concluded, HMRC will provide an assessment summary to all Tenderer that submitted final tenders to:

a. inform them whether they have been successful in being awarded the contract

b. provide an explanation of the assessment of the Tenderer's tender against the relevant award criteria, in accordance with the requirements of the Act

c. where different to the Tenderer concerned, provide information in respect of the most advantageous tender submitted, including details of the assessment of this tender against the relevant award criteria and the Tenderer's name

21. Once the assessment summaries have been provided to the Tenderers that submitted final tenders, HMRC will also publish a contract award notice on the Central Digital Platform to commence the mandatory standstill period.

22. Subject to completion of the mandatory standstill period, Stage 4 will end with HMRC entering into the Contract with the preferred Supplier and publication of a Contract Details Notice on the Central Digital Platform (within 30 days of the date on which the Contract is entered into). Where appropriate, a copy of the Contract may also be published on the Central Digital Platform.

Justification for not publishing a preliminary market engagement notice

Due to tight timescales for the development of the Outline Business Case the Authority was unable to publish a notice or engage in a full market testing exercise on this

occasion. Limited high level engagement was carried out with AWS, Google, IBM, Microsoft and Oracle, being suppliers identified by Gartner published research. This took the form of an RFI pack being sent to each, a 2 hour conversation with each, and a written response. Details of the output can be found as an attachment to this notice (RFI Written Summary.pdf) - This document covers the questions asked and the theme of responses received.

Documents

Associated tender documents

[RFI Written Response Summary.pdf](#)

[HMRC Tender Instructions.docx](#)

Contracting authority

HM Revenue & Customs

- Public Procurement Organisation Number: PVMW-8599-JZNJ

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SW1A 2BQ

United Kingdom

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Region: UKI32 - Westminster

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