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Planning

Conversational Al Platform

Department for Work & Pensions

UK3: Planned procurement notice - Procurement Act 2023 - <u>view information about notice</u> <u>types</u>

Notice identifier: 2025/S 000-076129

Procurement identifier (OCID): ocds-h6vhtk-0547fa

Published 21 November 2025, 3:24pm

Changes to notice

This notice has been edited. The <u>previous version</u> is still available.

The Authority has revised the figure for the "Total Contract Value (estimated)" for this procurement based upon:

- 1) Revised business forecast data for the anticipated use and consumption of the future Natural Language Call Steering solution.
- 2) Further analysis of the findings from the Preliminary Market Engagement exercise focused on commercial models and pricing.

Scope

Reference

C7876

Description

The Department for Work and Pensions (DWP) is responsible for welfare, pensions, and child maintenance policy within the UK. As the UK's biggest public service department, it administers the State Pension and a range of working age and disability benefits to around 20 million UK citizens. DWP is committed to doing everything it can to enhance the overall citizen experience.

Citizens contact DWP wishing to start, validate, change or query their benefit claims. Calls using free phone Non-Geographic Numbers (NGNs) are answered by advisors within the DWP contact centre, which is the largest platform of its kind across all UK Government Departments and is one of the largest in Europe. The contact centre managed service ensures that all twenty-seven of DWP's Business Groups can connect with and support citizens, while also offering specialist services such as debt recovery and support for citizens with complex needs.

Conversational AI Platform is a Natural Language Call Steering (NLCS) solution which allows citizens to speak naturally to determine why our citizens are calling, which then enables the guiding of the call to the right agent which in turn offers the ability to provide personalised call deflection and/or self-service offerings. The net result creates several operational efficiencies. This solution will be integrated into the DWP contact centre platform to better serve millions of citizens by improving how DWP handle inbound calls, route queries intelligently, and offer self-service options.

Total value (estimated)

- £19,500,000 excluding VAT
- £23,400,000 including VAT

Above the relevant threshold

Contract dates (estimated)

- 6 July 2026 to 5 July 2030
- Possible extension to 5 July 2032
- 6 years

Description of possible extension:

Two separate 12-month extensions

Main procurement category

Services

CPV classifications

- 48512000 Interactive voice response software package
- 79512000 Call centre
- 64227000 Integrated telecommunications services
- 72000000 IT services: consulting, software development, Internet and support

Contract locations

• UK - United Kingdom

Participation

Legal and financial capacity conditions of participation

Legal Conditions

The Authority intends to use the GOV.UK Mid-Tier Contract as the basis for this Contract amended only to the extent required to accommodate the specific needs of this procurement and incorporate the Tender response of the successful Supplier.

Financial Conditions

In line with the 'Assessing and monitoring economic and financial standing (EFS) guidance note', the Supplier is required to complete the Financial Viability and Risk Assessment Tool (FVRAT) template (with input from any Related Persons and/or Sub-Contractors) that will be included in the Portal library.

Insurance Conditions

The following levels of insurance cover will be required at contract award:

- a. Employer's Liability Insurance = Not less than £10 million per claim
- b. Third Party Public and Product Liability Insurance = Not less than £25 million in respect of any one occurrence, the number of occurrences being unlimited in any annual policy period, but £15 million in the aggregate per annum in respect of products and pollution liability
- c. Professional Indemnity Insurance = for a potential breach of professional duty by the Supplier in connection with professional advice and /or professional services, not less than £10 million per claim and such policy to be maintained for 6 years following the End Date
- d. Cyber Liability Insurance = for cyber risk exposures, not less than £10 million per claim
- e. Fidelity Insurance = in respect of the loss, theft or misappropriation of sums appropriate to the Contract while such sums are in the possession of the Supplier, not less than £1 million per claim

Technical ability conditions of participation

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

1. DWP procurement policies and procedures including the security policies and standards:

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

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

2. HMG security policy framework:

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

- 3. National Institute of Standards and Technology (NIST) and National Cyber Security Centre (NCSC) standards (e.g. FIPS 140-2, SP 800-175B, SP 800-67).
- 4. '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, https://www.gov.uk/guidance/make-things-accessible which currently requires WCAG 2.2 AA standard as a minimum.

Particular suitability

Small and medium-sized enterprises (SME)

Submission

Publication date of tender notice (estimated)

5 January 2026

Enquiry deadline

16 January 2026, 12:00pm

Submission type

Requests to participate

Deadline for requests to participate

2 February 2026, 9:00am

Submission address and any special instructions

The Enquiry Deadline and Participation Deadline specifically relate to the Participation Stage. The Award Decision Date specifically relates to the Tender Stage. The elapsed time for enquiries and submission in the Tender Stage are expected to closely mirror those of the Participation Stage.

All procurement documentation will be shared via the DWP e-Sourcing tool (the Portal). The Portal is based on the Atamis software. The Portal is free of charge for Suppliers to use.

Interested suppliers should register at: https://dwp2.my.site.com/s/Welcome

For further assistance in relation to the Portal, please consult the online help.

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:

Any interested Suppliers will be invited to respond to a Procurement Specific Questionnaire (PSQ). The PSQ will contain a mixture of informational, pass/fail and scored requirements. The pass/fail questions will be based on the Conditions of Participation outlined in this Notice which must be met for a Supplier to advance to the Tender Stage of this competition.

The scored component will focus on technical and professional ability by reference to the contract examples, covering aspects of design, implementation, integration, and service delivery.

The evaluation framework (including the scoring methodology and question weighting) will be set out in the tender documents and will be applied in a transparent and non-discriminatory manner.

In the event of a tie-break, the Authority reserves to right to either (a) invite, or (b) exclude, all equally tied Suppliers to/from the Tender Stage.

Award decision date (estimated)

1 June 2026

Recurring procurement

Publication date of next tender notice (estimated): 7 January 2030

Other information

Payment terms

The process for submitting invoices and dealing with disputed invoices will align with the approach described in the Mid-Tier Contract and will be further detailed in the draft Mid-Tier Award Form that will be provided alongside the draft Contract as part of the tender process.

Description of risks to contract performance

DWP 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 draft Contract. They are therefore intended to be permitted modifications pursuant to Schedule 8 Procurement Act 2023:

- 1. Government changes to welfare policy not covered by the qualifying change in law provisions in the draft contract, and
- 2. Changes required due to government re-organisation.

Procedure

Procedure type

Competitive flexible procedure

Competitive flexible procedure description

This procurement is being conducted under a Competitive Flexible Procedure in accordance with the Procurement Act 2023 using a two (2) stage approach. The evaluation framework, including the Participation Stage down-selection and Tender Stage award criteria, will be set out in the Competitive Flexible Procedure (CFP) Pack that will

be issued in parallel with the Tender Notice. Please note that the Participation Stage and Tender Stage evaluation criteria will differ. For example, price will only be considered at Tender Stage. The evaluation framework will be applied in a transparent and non-discriminatory manner.

1) Participation Stage

Any interested Suppliers will be invited to respond to a Procurement Specific Questionnaire (PSQ). The PSQ will contain a mixture of informational, pass/fail and scored requirements. The pass/fail questions will be based on the Conditions of Participation outlined in this Notice which must be met for a Supplier to advance to the Tender Stage of this competition. The scored component will focus on technical and professional ability.

Alongside the PSQ response, Suppliers will be required to submit a signed Non-Disclosure Agreement (NDA) and a completed Financial Viability Risk Assessment Tool (FVRAT) using the template provided. The FVRAT is used to assess and monitor the economic and financial standing of potential Suppliers. In addition, if any potential conflicts are identified by the contracting authority, Suppliers may also be required to sign an Ethical Wall Agreement (EWA). No pricing information will be required or scored at the Participation stage, but Suppliers will be required to acknowledge the budget for the procurement.

The CFP Pack, PSQ, FVRAT, NDA and EWA will all be provided to the Supplier alongside the Tender Notice. The Authority will also make available a complete draft Contract which will include the required service specification, performance levels and an outline implementation plan.

The Authority intends to select a maximum of five (5) suppliers to advance to the Tender Stage, based on the five highest scoring responses from the qualified Suppliers.

2) Tender Stage

Shortlisted Suppliers will be invited to formally respond to a set of Quality questions and submit pricing in the form of a Financial Model, allowing the Authority to assess the overall tender submission. Following evaluation and a period of governance, Suppliers will be notified of the outcome, and the winning Supplier awarded the Contract.

The information provided here is based on the latest available information but may be subject to changes during the procurement. The Authority reserves the right to update or confirm aspects of the procurement process and associated timetable at any stage during the procurement; or circulate updated documents in respect of the procurement process. If it exercises these rights, it will inform all participating Suppliers of the proposed changes and impact on the process and any related documents via the Portal.

Contracting authority

Department for Work & Pensions

• Public Procurement Organisation Number: PJCP-7274-TLRQ

Caxton House, 6-12 Tothill Street, London, SW1H 9NA

London

SW1H 9NA

United Kingdom

Email: cp.commercial@dwp.gov.uk

Website: https://www.gov.uk/government/organisations/department-for-work-pensions

Region: UKI32 - Westminster

Organisation type: Public authority - central government