

Department for Transport

Thameslink Franchise

PRE-QUALIFICATION PROCESS DOCUMENT

Commercial and Technical Services

Date: 19 December 2011

IMPORTANT NOTICE

This Document is issued by the Department for Transport (the “Authority”) pursuant to the functions and duties of the Secretary of State for Transport’s (the “Secretary of State”) functions and duties under the Railways Act 1993 as amended (the “Railways Act”).

This Document is not a recommendation by the Secretary of State, or any other person, to enter into a franchise agreement or to acquire shares in a franchisee or a parent undertaking. In considering any investment in a franchise, franchisee or a parent undertaking, you should make your own independent assessment and seek your own professional financial and legal advice.

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The only information which will have any legal effect and/or upon which any person may rely will be such information (if any) as has been specifically and expressly represented and/or warranted in writing to a successful franchisee in the relevant franchise agreement or in any other relevant agreement entered into at the same time as the franchise agreement is entered into or becomes unconditional.

This Document is being distributed only to, and is directed at, (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (b) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as “**relevant persons**”). Any investments to which this Document may relate are available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such investments will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Document or any of its contents.

This Document does not constitute an Invitation to Tender ("**ITT**"). In due course, the Authority expects to issue an ITT for the Thameslink Franchise (see Section 5 of this Document). This Document is designed to assist you in deciding whether to lodge an expression of interest. An ITT will be issued to you only if you successfully qualify on the basis of the process set out in this Document.

Any person proposing to submit an application to receive an ITT for the Thameslink Franchise will be required to enter into a Franchise Letting Process Agreement ("**FLPA**") including confidentiality and non-collusion undertakings. Nothing in this Document supersedes, or in any way amends or affects, any provision of the FLPA. If the two documents conflict, the terms of the FLPA will prevail.

Legal and technical advisers will be acting for the Secretary of State in relation to the letting of this Franchise and will not regard any other person as their client or be responsible to anyone other than the Secretary of State for providing the protections afforded to their client or for advising any other person on the contents of this Document or any matter referred to in it.

December 2012

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1 TERMS AND DEFINITIONS USED IN THIS DOCUMENT

“Authority” means the Department for Transport which is seeking to award a contract.

“Franchise” means the train franchise described in Annex 1 to the PQQ for which the Potential Provider would like to be considered.

“Lead Operator” means the Member of a consortium or joint venture to whom effective control over day-to-day management of an element of the operation of the Franchise has been assigned by the consortium or joint venture.

“Member” means a participant in a consortium or a shareholder in a joint venture (and where relevant the ultimate parent of any Member).

“Parent” means the legal entity that owns (or will own) a Potential Provider falling within the provisions of sub clause a) of the definition of "Potential Provider" below (and the ultimate parent(s) where the corporate structure involves holding company(ies) which own the Parent).

“Potential Provider” means either of the following:-

- a) an entity (whether or not incorporated) owned (or to be owned) by a single incorporated entity (the Parent);
- b) a consortium or joint venture (whether or not incorporated) comprising two or more Members.

2 INTRODUCTION AND PURPOSE OF THIS DOCUMENT

2.1 Background

The Secretary of State has announced her intention to invite expressions of interest for the Thameslink Franchise in order to let the Franchise following the expiry of the franchise agreement relating to the operation of the existing franchise on 15 September 2013.

This document is addressed to parties which may be interested in the proposed letting of the above Franchise.

This document:

- (a) provides background information and details of the Franchise;
- (b) outlines the letting process;
- (c) describes the process for pre-qualification for receipt of an ITT; and
- (d) confirms the evaluation criteria and selection process.

The powers of the Secretary of State in relation to franchising and the letting of franchises can be found in the Railways Acts and the Transport Act 2000, which can be accessed via www.opsi.gov.uk.

3 FRANCHISE OBJECTIVES

The Secretary of State has set out the objectives for the Franchise as follows:

- The franchisee will take a leading role in enabling the successful delivery of the Thameslink programme, and will work collaboratively with the Authority and other industry partners to ensure that the envisaged programme benefits are fully realised on time. This will include but not be limited to: the introduction into service of new trains and depots; managing the return of displaced stock to the owning ROSCO; proactively supporting the integration of operations and new infrastructure and train control systems to deliver an enhanced train service;
- The franchise will be required to have an effective change management organisation for: the Thameslink programme, implementation of any rail value for money study recommendations and any other industry initiatives that may be required to enable the successful delivery of this franchise;
- This franchise will be required to support the creation of the future long-term Thameslink franchise that will operate when the Government's investment in the Thameslink programme has been delivered;
- Ensure the overall passenger experience improves throughout the life of the franchise. Specifically this will include but not be limited to improvements in: service quality; retailing; provision of information to customers particularly during times of planned and unplanned disruption; implementing 'smart' technology and integrated ticketing throughout the franchise area on an interoperable basis; improving accessibility (including disabled access) and access to all stations and services; passenger security and improving the transparency of information about the franchise;
- Ensure that train services perform to the highest practical reliability and punctuality standards and continue to be amongst the most reliable and punctual services on the national network. Benchmark and optimise the overall environmental performance and minimise the carbon footprint for the franchise;
- Deliver services in the most cost-effective and efficient manner possible and, where appropriate, consider improving alignment and better collaboration between Network Rail and other relevant industry partners.

Further details of the Thameslink Franchise can be found in Annex 1 to the PQQ.

4 OVERVIEW OF THE PRE-QUALIFICATION PROCESS

4.1 Qualification to receive an ITT

Potential Providers are invited to express an interest in qualifying to receive an ITT in respect of the Thameslink Franchise by completing and submitting the PQQ and FLPA which are available on the Authority's website (<http://www.dft.gov.uk/pgr/rail/passenger/franchises/>). Subject to section 4.6 of this document, submission of the PQQ and signed FLPA will constitute permission to the Authority to disclose all or any of the information contained in or supplied in connection with the submission on the basis set out in the FLPA.

The FLPA must be completed by the Potential Provider (where incorporated), or by the Parent or separately by each Member (where the Potential Provider is not incorporated).

The Secretary of State is required under Section 26(2) of the Railways Act to consult with the Office of Rail Regulation (“**ORR**”) before issuing an ITT. In addition, Section 26(3) of the Railways Act stipulates that the Secretary of State may not issue an ITT to any person unless she considers that such person has the appropriate financial position and managerial competence, and is otherwise suitable to be the franchisee.

The Authority reserves the right to invite bids from any number of Potential Providers. If there are a sufficient number of suitable Potential Providers, the Authority expects to invite between **three** and **five** Potential Providers to submit a bid for the Franchise. This will be done on the basis of ranking the Potential Providers on the scoring achieved for the PQQ responses submitted. In addition, the Authority will assess any past failure to deliver on contractual commitments, including those of price and quality, whether arising from over-optimistic bidding or from poor management. In the case of rail franchise contracts this will apply to those let since January 2001. Where the Authority considers that a severe incidence of failure to deliver contractual commitments may have occurred it will review the circumstances against the following four indicators: the significance of the contractual breach; the time elapsed since the breach occurred; the relevance of the circumstances to UK passenger rail franchising; and the materiality of any estimated financial loss to the taxpayer or counterparty. The Authority reserves the right to exclude a Potential Provider where it considers that a severe past failure to deliver contractual commitments has occurred.

Potential Providers completing the PQQ will be offered a de-briefing on their submission. This will include whether the Potential Provider passed or failed Parts B, C, D and F, their percentage scores for Parts G and H and their ranking vis-a-vis other Potential Providers. The Authority will not disclose the breakdown of percentage scores, the scores of other Potential Providers or the rankings and preferences of other Potential Providers.

4.2 Competition Matters

Potential Providers are advised that, while they are free to submit a 'notification' to the Office of Fair Trading ("OFT") at any stage after qualifying to receive the Thameslink ITT, they may wish to delay doing so.

The OFT expects that notification will be made to them following the announcement by the Authority of the identity of the Thameslink franchisee. The OFT requires the parameters of the Franchise to be reasonably clearly established in order to undertake competitive analysis, which will only be possible after this date. This should also save substantial public and private costs. Notwithstanding this, the OFT strongly encourages any Potential Provider who believes that a successful bid would give rise to a substantial number of overlaps with its other transport interests to contact the OFT as soon as possible, on an informal basis, to discuss the OFT's requirements in the event of a successful bid.

More detailed advice will be provided in the ITT.

4.3 Changes in Circumstances

Potential Providers (including, for this purpose, each Parent and Member as defined in section 1) are required to inform the Authority promptly and in any case no later than twenty-one days after the occurrence of:

- (a) Any change to their corporate structure from that set out in their PQQ (but not where this relates specifically to changes to the bid vehicle, which is dealt with in accordance with paragraph 4.4 below). This includes the grant of any options to acquire shares, any agreement relating to the exercise of rights attaching to such shares, and any amendments to a shareholders' agreement, articles of association or similar constitutional documents;
- (b) Any changes to the information provided to the Authority as part of the pre-qualification process;
- (c) Any other changes to their circumstances, or the basis of their PQQ submissions, which may reasonably be expected to influence the Authority's decision on their suitability for qualification for receipt of an ITT or to be a successful franchisee.

The Secretary of State will ordinarily grant her consent to a change in the membership of the bid vehicle where:

- (d) that consent is requested in writing 10 or more working days before the change takes effect;
- (e) the Potential Provider has not yet submitted its tender for the Franchise;
- (f) she is satisfied that the change would not substantially and adversely affect the capability of the Potential Provider or its affiliates to operate the Franchise or the basis on which the Potential Provider qualified to participate in the Franchise letting process; and

- (g) the change would not enable a person whose application to qualify to participate in the Franchise letting process has been rejected by the Secretary of State to have a substantive influence over the Potential Provider or its proposal for the Franchise.

However, the Secretary of State reserves the right to approve or reject such changes at her absolute discretion (including any changes to the basis on which the Potential Provider may be qualified to receive an ITT), or to impose such conditions as she considers appropriate. A rejection of the changes may result in the Potential Provider being excluded from further participation in the competition if the changes take place.

4.4 Changes to Bid Vehicles

Potential Providers which are joint ventures or consortia may wish to qualify to receive an ITT. In these circumstances, the Authority would require details of the proposed arrangements set out in a shareholder agreement in order to assess their robustness.

Under UK and EU procurement law the Authority must treat all Potential Providers equally and transparently. Prior to the issue of an ITT, the Authority will establish whether Potential Providers are suited to receive an ITT in accordance with the requirements of Section 26(3) of the Railways Act and carry out its assessments of Potential Providers for this purpose at the pre-qualification stage.

This means that it may not be possible for the Authority to accept bids from entities that are materially different from those that it qualifies to receive an ITT.

The Authority reserves the right to approve or reject any proposed changes.

The Authority therefore recommends that Potential Providers consider carefully whether they wish to bid as part of a joint venture or consortium and, if so, to have developed the terms upon which they intend to do so prior to submitting their response to the PQQ.

4.5 Changes to Information Provided in Parts A, B, C, D, E, F and I (Core and Supplemental Parts where applicable)

Potential Providers (including, for this purpose, each Parent and Member as defined in section 1) are required to inform the Authority immediately if any event occurs that materially changes the Potential Provider's status in respect of the information provided in response to Sections I and II and Part F of Section III of the PQQ.

4.6 Transparency and Freedom of Information Act 2000

The Authority is committed to transparency in the procurement of its contracts. This includes the publication of all tender documents for contracts over £10,000 on a single website, and the publication of contracts in full. By responding to the PQQ and, if successful to the ITT, Potential Providers are agreeing to abide by these commitments.

The Freedom of Information Act 2000 (“**FOIA**”) provides a general right of access to all information held by public authorities. The general right of access to information is then limited by a number of exemptions. The Authority is a public authority. Upon a request for information, the Authority must release the requested information unless one of the exemptions applies.

Potential Providers are invited to identify which parts, if any, of their completed PQQ response are provided to the Authority in confidence and provide reasons why the information should be held in confidence. Potential Providers should however be aware of the Secretary of State for Constitutional Affairs’ Code of Practice issued under section 45 of the FOIA (which can be accessed at <http://www.justice.gov.uk/guidance/docs/foi-section45-code-of-practice.pdf>). This sets out limits on the circumstances under which a public authority should agree to hold information in confidence.

Potential Providers’ attention is also drawn to the provisions of the FLPA, which permits in certain circumstances disclosure of information by the Authority, as well as the provisions in relation to the disclosure of information contained in the Environmental Information Regulations 2004 and section 145(2) of the Railways Act.

Potential Providers should note that at ITT stage Potential Providers will be required to acknowledge the following:

- That, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of the franchise agreement is not confidential information. The Authority shall be responsible for determining in its absolute discretion whether any of the content of the franchise agreement is exempt from disclosure in accordance with the provisions of the FOIA. Notwithstanding any other term of the franchise agreement, the Potential Provider hereby gives its consent for the Authority to publish the franchise agreement in its entirety, (but with any information which is exempt from disclosure in accordance with the provisions of the FOIA redacted) including from time to time agreed changes to the franchise agreement, to the general public.
- The Authority may consult with the Potential Provider to inform its decision regarding any redactions but the Authority shall have the final decision in its absolute discretion. The Potential Provider shall assist and cooperate with the Authority to enable the Authority to publish the Contract.

5 OVERVIEW OF THE BIDDING PROCESS AND AWARD OF FRANCHISE

5.1 Procurement Process

The proposed procurement timetable for the Thameslink Franchise is given below. This is intended as a guide and, whilst the Authority does not intend to depart from the timetable, it reserves the right to do so at any stage.

Date	Action
9 February 2012	Return of PQQ
April 2012	Shortlisted Potential Providers confirmed
October 2012	ITT issued to Potential Providers
January 2013	Bids due
May 2013	Successful Bidder announced
September 2013	New franchise starts

It is envisaged that those Potential Providers who have successfully pre-qualified to receive an ITT will at the appropriate time be provided with documentation that includes:

- (a) an ITT, giving details of the bidding timetable and procedures, the information required in bids and the criteria for evaluating bids;
- (b) full details of the terms and specification relating to the Franchise, including a draft franchise agreement; and
- (c) details of other documents and operational and financial information to be found in the data site.

Potential Providers will have one opportunity to put in a comprehensive, best value bid.

Between issuing these documents and receiving tenders, meetings may be held with Potential Providers to enable the Authority to consult Potential Providers and for the Authority to provide guidance to Potential Providers as to the Authority's requirements. After receipt of bids the Authority may hold clarification meetings with the Potential Providers. The aim of this process is to gain a greater understanding of the bids, and to aid in the evaluation of the bids. Following the evaluation of bids, a shortlist of Potential Providers may be selected to conclude final negotiations. The Authority takes the view that this process ought not to be protracted because the

specification set out in the ITT documentation should be clear and precise. The Authority reserves the right to require clarification submissions from shortlisted Potential Providers throughout this process.

5.2 Award of the Franchise

The Franchise will be awarded to the Potential Provider which presents the most economically advantageous tender in terms of the criteria specified in the ITT. The Authority reserves the right not to award the Franchise to any Potential Provider.

There will be a number of conditions precedent to the completion of the franchise agreement, for example, relating to the execution of track access agreements, other contractual agreements and the provision of financial guarantees where these are required. The ITT and related documentation will contain further information. Potential Providers' attention however is drawn at this stage to the following, which will be included as conditions precedent:

- (a) the obtaining of the appropriate licences from the ORR. Further details will be given in the ITT but information can also be found in the Railways Act and the Transport Act 2000 and by accessing the ORR website at www.rail-reg.gov.uk. Potential Providers should be aware that the ORR and the Government are considering consulting on the future role of the ORR in rail passenger franchising.
- (b) possession of a Safety Certificate and Safety Authorisation issued by the ORR. Further details will be given in the ITT but information can also be found in the Railways and Other Guided Transport Systems (Safety) Regulations 2006 and the Railway Safety (Miscellaneous Amendments) Regulations 2001 (which can be accessed via the HMSO website given above) and by accessing the HMRI pages of the Office of Rail Regulation website at www.rail-reg.gov.uk

The Authority may, at any time during the letting process, require Potential Providers to demonstrate that they will be in a position to obtain the necessary licences, Safety Certificate and Safety Authorisation from the ORR. The Authority may, at any time, during the letting process require Potential Providers to apply for the necessary licences, Safety Certificate and Safety Authorisation from the ORR in order to ensure that each is obtained prior to the Franchise start date.

Each of the steps in the Franchise letting process described above is indicative only and the Authority reserves the right to vary, suspend or terminate the process in any way including:

- terminating negotiations for the award of the Franchise after or before the selection of a preferred Potential Provider; and
- deciding whether or not to select a single preferred Potential Provider with whom to negotiate and conclude on the basis of its tender.

No discussions or negotiations will be legally binding on the Authority unless expressly agreed otherwise in writing.

6 INSTRUCTIONS FOR LODGING AN APPLICATION

6.1 Who should provide the PQQ Response?

Where the Potential Provider falls within the provisions of sub clause (a) of the definition of Potential Provider given in section 1 of this PPD (i.e. not a consortium or joint venture) the Potential Provider should complete all sections of the PQQ. If the Potential Provider is not yet incorporated or has only recently been incorporated then the Parent must complete all sections of the PQQ.

Where the Potential Provider is a consortium or a joint venture the percentage of holding by each Member and the effective controlling structure must be stated. Where a Lead Operator has been defined by the Potential Provider for particular elements of the operation of the Franchise then the Lead Operator should complete the relevant part of the PQQ. Where no Lead Operator has been defined for any particular element of the operation of the Franchise each Member must complete the PQQ.

The Authority may consider that the assignment of a Lead Operator by a Potential Provider does not accurately reflect the involvement of the Members of a consortium or joint venture. The Authority may in this circumstance require additional Members to complete one or more parts of the PQQ and for a Potential Provider’s response to be evaluated on the evidence provided in relation to all Members the Authority considers relevant.

The Parent, or Lead Operator, may use information in support of its PQQ submission from other entities within its control provided that it demonstrates how such information, support and/ or relevant experience will be available to the Potential Provider

If a Member or Parent is participating in an application for qualification for two or more franchises, the procedure set out in paragraph 6.5.1 of this document applies.

The following table sets out which party should complete which section:

Part	To be completed by
Part A (Core and Supplemental)	Potential Provider and each Member and Parent
Part B	Potential Provider and each Member and Parent
Part C (Core and Supplemental)	Potential Provider and each Member and Parent
Part D (Core and Supplemental)	Potential Provider and each Member and Parent
Part E	Lead Operator or Parent
Part F	Lead Operator or Parent
Part G	Lead Operator or Parent
Part H	Potential Provider, Lead Operator or Parent
Part I	Parent or Members

6.2 Instructions for Submission of Applications

Potential Providers are required to submit two hard copies in ring binders plus one electronic copy on CD of a completed response to the PQQ, answering all of the questions completely. Completed responses should be delivered at or prior to **10.00** on **Thursday 9 February 2011** to Dale Ward, Department for Transport, Zone 4/21 Great Minster House, 33 Horseferry Road, London, SW1P 4DR. Submissions should be taken to the loading bay which is accessed from Page Street.

No other documents or information should be submitted with the completed response. The responses should be submitted in boxes marked "Thameslink Passenger Rail Franchise - Pre-Qualification for receipt of ITT". The boxes should not be marked in any way that would indicate the identity of the Potential Provider. Responses received after the deadline set out above or which are not duly completed and signed may be disregarded. Nevertheless, the Authority expressly reserves the right, at its discretion, to treat any response to the PQQ as valid and to proceed with the inclusion of any Potential Provider notwithstanding any procedural defect in relation to a response to the PQQ.

When completing the PQQ, Potential Providers should note the following:

- (a) Please answer every question. Many procurements generate a great deal of interest from potential suppliers, so please ensure that you complete the PQQ as requested. Failure to do so may result in your application being disqualified. If the question does not apply to you please write 'Not Applicable'; if you do not know the answer please write 'Not Known'.
- (b) All responses must be in English.
- (c) All financial information supplied on the form or in enclosures created for the Pre-Qualification Process must be clearly denominated in either Pounds Sterling or Euros. This requirement does not apply to any enclosures which are not created for the Pre-Qualification Process (e.g. company financial reports), which should use the original currency.
- (d) Please state if specific project financial information cannot be provided for reasons of contract confidentiality provisions.
- (e) The font size used for submissions should be 11 pt minimum, the font type Arial (not Arial Narrow), line spacing 13 pt minimum and margin size no less than 2.5 cms.

An application to qualify for receipt of an ITT will be considered on the basis of information supplied in accordance with the requirements of the PQQ. The Authority expects the information supplied in responses to the PQQ to be concise and unambiguous and remain within the required page count. Any submission beyond the required page count will not be considered as the limit is considered to be a reasonable size to allow the Potential Provider to answer in the breadth and depth required at this stage. However, the Authority reserves the right to seek clarification of any information contained in responses to the PQQ from Potential Providers. As a

precondition to accepting a Potential Provider's PQQ the Authority must be in receipt of a duly executed FLPA in the required form.

Electronic copies of the PQQ and the required form of FLPA are available on the Authority's website: www.dft.gov.uk/topics/rail-passenger-franchises/background

It is anticipated that Potential Providers will be informed by 12 April 2012 whether or not they have qualified to receive an ITT. The information set out in this document represents the Authority's current intentions with regard to the franchise letting process. The Authority reserves the right to change the timing and any other aspect of the proposed Franchise letting process at any time and will notify Potential Providers of any such change.

In no circumstances will the Authority be responsible for any costs incurred by Potential Providers in the preparation of responses to the PQQ and/or in connection with the process for the award of the Thameslink Franchise.

6.3 Verification of Information Provided

The higher the risk of the procurement, the higher the level of verification is likely to be required. Not all questions require supporting documents up front at this stage (for example certificates, statements with this PQQ). However, the Authority may ask to see these documents at a later stage, so it is advisable you ensure they can be made available upon request.

6.4 Requests for Clarification

Potential Providers may request clarification of the matters covered by this document. These issues should be sent by email to PQQ@dft.gsi.gov.uk. Potential Providers should show the Franchise name in the 'subject' field of the email.

Clarification requests can be made at any time. However, Potential Providers should note that the last date for the receipt of clarification questions is 26 January 2012. Responses will be made by the Authority by 2 February 2012.

The Authority will issue, from time to time, a bulletin summarising the clarification requests and the Authority's response. This bulletin will be posted on the Authority website: www.dft.gov.uk/topics/rail-passenger-franchises/background

6.5 Completion of Pre-Qualification Questionnaire

6.5.1 Applications for the Essex Thameside, Great Western and Thameslink franchises

The pre-qualification processes for the Essex Thameside, Great Western and Thameslink franchises are being run concurrently. Where a Potential Provider with the same Parent/Members is seeking to pre-qualify for two or three franchises the same responses to the questions asked in Parts F and G should be submitted. The Authority will evaluate the common responses to Parts F and G once.

In addition, if a Potential Provider with the same Parent/Members is seeking pre-qualification for two or three franchises, it is not necessary to submit two or three sets of the same Health & Safety policy documents and financial accounts that are requested in Parts D and F of the PQQ. In these circumstances Potential Providers may submit one set in its response on one of the franchises, and clearly cross-refer to this set in its response on the other franchise(s).

6.5.2 Part F

Part F of the PQQ asks Potential Providers to provide evidence relating to three different aspects of safety: corporate health and safety; railway safety and safety-related incidents. The section is seeking to ensure Potential Providers have an appropriate level of understanding of and experience in health and safety policy and transport safety.

In its evaluation of the evidence provided the Authority will be assessing the following:

- the content and appropriateness of Potential Providers' corporate health and safety policies;
- whether a Railway Safety Certificate/Authorisation (or overseas equivalent) is currently held, or if not, that the Potential Provider is able to demonstrate a sufficient level of understanding of the requirements for obtaining a Railway Safety Certificate; and
- Potential Providers' history of severe transport safety-related incidents and/or enforcement action taken against them by the Office of Rail Regulation (or equivalent overseas body).

Where the Authority considers that a severe health and safety related incident may have occurred it will review the circumstances against the following three indicators: the significance of the incident; the time elapsed since the incident occurred; and the subsequent mitigating actions taken. The Authority reserves the right to exclude a Potential Provider where it considers that a severe health and safety related incident has occurred.

Potential Providers may find it helpful to review the information that the Health and Safety Executive publish on their website <http://www.hse.gov.uk/business/policy.htm> in relation to health and safety policy. The Office of Rail Regulation also provides guidance on what a health and safety policy should contain and how it should be used <http://www.rail-reg.gov.uk/upload/pdf/management-maturity-model.pdf>.

6.5.3 Part G

In Part G of the PQQ the Authority uses the Results Section of the European Foundation for Quality Management ("EFQM") Excellence Model 2010 in conjunction with the RADAR^{®1} Assessment and Management Tool for Results to evaluate Potential Providers' responses. The RADAR[®] methodology for Enablers will be used

¹ The RADAR[®] scoring matrix is the evaluation method used to score applications for the European Quality Award.

to assess bid plans submitted in response to the ITT. Further information on EFQM and the RADAR[®] method can be found at www.bqf.org.uk.

The Authority is seeking demonstration of a proven track record of service delivery and financial management in relevant areas of public transport activity (which need not necessarily be within the UK).

Potential Providers should limit their submission for Part G to a maximum of 25 printed A4 pages including any charts or diagrams used, unless they operate more than two franchises (in the UK and/or overseas) in which case the limit can be increased by two pages for each additional franchise. Font size used in submissions should be a minimum of 11pt, font type should be Arial (not Arial Narrow), line spacing a minimum of 13pt and page margins a minimum of 2.5cm. All Appendices in Part G will count towards the overall page limit, with the exception of those used in response to Question 2.1.

When answering the questions in Part G, Potential Providers should describe the policies and strategies adopted that influence the results described in their PQQ submission. The cause and effect link between approaches adopted and the results achieved should be made clear. They should also support their answers, where possible, with at least two years of results of targets, trends, comparators and causes with sufficient scope to demonstrate their capabilities.

Where a Potential Provider (or any affiliate of a Potential Provider) is a passenger heavy rail franchise operator in the UK it should provide evidence for each of its relevant operations for each of the questions. A relevant operation is one that is a company in the same owning group as the Potential Provider or a member of the Potential Provider's consortium and:

- the Potential Provider has been operating it for at least two years; and
- the Potential Provider continues to operate it or where operations ceased within the last year.

Where a Potential Provider is a passenger rail franchise operator in any country outside of the UK, a non-franchise UK passenger rail operator, and/or manages other types of transport operations, it may provide such evidence from these operations as it considers appropriate. If an operation is used as evidence however, it must be so used for each of the questions.

Where a Potential Provider is an existing UK passenger rail franchise operator, the Authority's assessment of its responses will take into account relevant performance data and recorded breaches of agreements held by the Authority, National Passenger Survey results held by Passenger Focus and other performance data held by Network Rail, in addition to the submission. This evidence will be in relation to companies in the same owning group as that of the Potential Provider or members of the Potential Provider's consortium.

6.5.4 Part H

Potential Providers should limit their submission for Part H to a maximum of 25 printed A4 pages including any charts or diagrams used. The font size used should be a minimum of 11pt, font type should be Arial (not Arial Narrow), line spacing a minimum of 13pt and page margins a minimum of 2.5cm. All Appendices in Part H will count towards the overall page limit.

Potential Providers should note that Parts G and H will be marked by separate evaluation teams. Therefore, Potential Providers should not cross-refer between their Part G and Part H responses.

6.5.5 Part I

The Authority is seeking details about the maximum numbers of bids Potential Providers wish to progress, their capability to do so and their order of preference.

Responses to this Part should be limited to a maximum of 2 printed A4 pages including any charts or diagrams used. The font size used should be a minimum of 11pt, font type should be Arial (not Arial Narrow), line spacing a minimum of 13pt and page margins a minimum of 2.5cm.

7 EVALUATION CRITERIA AND SELECTION

The objective of the evaluation process is to assess the PQQ responses and select Potential Providers to be invited to tender.

The PQQ submissions of Potential Providers will be evaluated on the basis of the evaluation method, score and weightings set out in the following table.

The Authority may seek independent financial and market advice to validate information declared or to assist in the evaluation.

Part	Evaluation Method	Evaluation Score and Weighting
Part A	Organisation and Contact Details For information purposes only	None
Part B	Grounds for Mandatory Rejection An answer of 'yes' to any question in this Part means the application is most likely to be rejected	Pass / Fail
Part C	Grounds for Discretionary Rejection An answer of 'yes' to any question in this Part means the application is most likely to be rejected	Pass / Fail
Part D	Economic and Financial Standing Financial Information: The solvency and financial strength of a Potential Provider, or of each member of a consortium, is assessed by: <ul style="list-style-type: none"> • A check of Article 49(2) of the Financial Services and Markets Act 2000; • Ability of the Potential Provider to meet the funding requirements; • Assessment of economic and financial standing; • Review of qualitative factors; and • Assessment of other indicators including data held by the Authority 	Pass / Fail

	<p>Insurance:</p> <p>For information purposes only. All Potential Providers must either hold Public Liability, Employer Liability and Professional Indemnity insurance when submitting the PQQ or by no later than their submission of the ITT if they successfully pre-qualify.</p>	
Part E	<p>Technical and Professional Ability</p> <p>For information purposes only.</p>	None
Part F	<p>Safety</p> <p>Potential Providers must provide adequate evidence of their Health and Safety Policies, Railway Safety Certificates and health and safety record.</p>	Pass / Fail
Part G	<p>Transport Industry Performance and Experience</p> <p>Responses will be evaluated using the RADAR Assessment and Management Tool for RESULTS.</p>	Maximum Score = 50% with the weighting given below for each question
	1 Customer Results	30% (of Part G)
	<ul style="list-style-type: none"> • Question 1.1 	75% (of Q1)
	<ul style="list-style-type: none"> • Question 1.2 	25% (of Q1)
	2 Key Results	40%
	<ul style="list-style-type: none"> • Question 2.1 	30% (of Q2)
	<ul style="list-style-type: none"> • Question 2.2 	30% (of Q2)
	<ul style="list-style-type: none"> • Question 2.3 	40% (of Q2)
	3 People Results	15%
	<ul style="list-style-type: none"> • Question 3.1 	75% (of Q3)
	<ul style="list-style-type: none"> • Question 3.2 	25% (of Q3)
	4 Society Results	15%
	<ul style="list-style-type: none"> • Question 4.1 	50% (of Q4)
	<ul style="list-style-type: none"> • Question 4.2 	50% (of Q4)
Part H	Franchise Specific	Maximum score = 50%

	Responses will be assessed for the extent to which they address the franchise objectives using the following criteria:	Responses to the first two objectives are double weighted. The balance of the score is allocated equally to the other objectives. The scoring method is given below.
	Meets the requirements very strongly. For all components demonstrates comprehensive evidence of the understanding and experience required. Demonstrates added value on majority of components. Proposes innovative solutions.	100% of score available
	Meets the requirements strongly. For majority of components demonstrates clear evidence of the understanding and experience required. Demonstrates added value on some specific and relevant components.	75% of score available
	Meets the requirements adequately. For majority of components demonstrates evidence of the understanding and experience required.	50% of score available
	Meets the requirements partially. Demonstrates evidence of the understanding and experience required for only some of the components.	25% of score available
	Does not meet the requirements at the required level. Demonstrates little to no evidence of the understanding and experience required for most of the components.	0% of score available
Part I	Information Regarding Multiple Applications Responses will be assessed to determine whether the resourcing proposed is adequate to deliver a credible and deliverable bid at the ITT stage	None. May result in a Potential Provider being restricted to bidding for a single franchise only