

## PART D: FURTHER TECHNICAL QUESTIONS

These Further Technical Questions form Part D of the Franchise EoI for the West Midlands Franchise dated December 2015 and are being made available for Franchise Applicants to view on the e-sourcing portal on issue of the Franchise EoI Pack.

Responses to these Further Technical Questions should not be submitted as part of the initial Franchise Application. The Further Technical Questions will only be activated where Franchise Applicants are to be ranked for the purposes of shortlisting, as set out in section 4.4 of the Franchise Pre-Qualification Process Document for the West Midlands Franchise competition dated December 2015 (**Franchise PPD**). If responses to the Further Technical Questions are required, the Authority will expressly confirm to Franchise Applicants that the Further Technical Questions have been activated and that it requires responses from them.

Where responses are required, the Franchise Applicant must produce a separate document (to be formatted in compliance with section 3.2 of the Franchise PPD) containing the Franchise Applicant's responses to the Further Technical Questions set out below. The separate document should also include the Franchise Applicant's response to the required update to question B1.3(iii) of the Franchise EoI, as set out below. Franchise Applicants should note the page limit in section 3.2(f) of the Franchise PPD – the total responses to the four Further Technical Questions, including supporting information, must not exceed 20 sides of A4. For the avoidance of doubt, the response to the required update to question B1.3(iii) will not count towards this page limit.

This separate document must be converted to a searchable pdf, which must then be uploaded via the portal. Franchise Applicants must upload a fully completed response together with the required supporting information using the Authority's franchising e-sourcing portal, before the return deadline specified by the Authority when the Further Technical Questions are activated.

No other documents or information should be submitted.

### **Further Technical Questions**

| <b>D1. FURTHER TECHNICAL QUESTIONS</b> |  |
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| <b>D1.1</b>                            | <b>Performance</b>   |
|  | Using examples from the past three (3) years demonstrate your ability to lead sustained and improved performance including: <ul style="list-style-type: none"><li>a) the regimes and innovative approaches you have put in place to ensure continual improvement both from an operational and engineering perspective and how quickly the results they</li></ul> |

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|      | <p>delivered were realised;</p> <ul style="list-style-type: none"> <li>b) how you worked collaboratively with other stakeholders to deliver the best outcomes for passengers;</li> <li>c) how you identified repeat issues, cultural boundaries and resistance to deliver positive change; and</li> <li>d) how you managed through, recovered and learned from incidents that significantly affected customer journeys with examples as to how this learning was utilised in subsequent events for the better.</li> </ul>   |
| D1.2 | <p><b>Capacity utilisation</b></p> <p>Using examples from the past three (3) years demonstrate your experience and approach to making the best use of capacity in passenger transport, including:</p> <ul style="list-style-type: none"> <li>a) how you have focused on demand and maximised the use of resources to reduce crowding on services;</li> <li>b) how you have optimised the utilisation of capacity to maximise value, for example through timetabling, fleet deployment and operational robustness;</li> <li>c) how you have planned capacity to meet future growth and how you have responded to sustained downturns in demand; and</li> <li>d) what innovative solutions have been used and the results of those solutions.</li> </ul>  |
| D1.3 | <p><b>Major projects</b></p> <p>Using examples from the past five (5) years demonstrate your experience in supporting delivery of large scale infrastructure schemes involving large scale investment, including:</p> <ul style="list-style-type: none"> <li>a) how you managed complex and major change to transport services;</li> <li>b) whether any of these changes to services have involved intensive commuter services;</li> <li>c) how you have minimised the impact of disruption in planning and delivery phases;</li> <li>d) how you ensured passengers were kept informed of the effects of service changes and during any disruption;</li> <li>e) how you satisfied yourself that any amended timetables were capable of being operated robustly;</li> <li>f) how you proactively engaged with industry groups on major infrastructure projects to deliver on time providing evidence of your contribution;</li> <li>g) how you worked collaboratively with stakeholders, industry</li> </ul> |

|      |  |
|------|--|
|      | <p>partners and other operators to maximise the benefits of the project;</p> <p>h) how you managed the risk to the business and operations during associated organisational and external change; and</p> <p>i) what outcomes your approach delivered.</p>  |
| D1.4 | <p><b>Market segmentation</b></p> <p>Using examples from the past three (3) years demonstrate your experience of a market focused approach to passenger services delivery including:</p> <p>a) how you have identified and implemented differentiated marketing and branding strategies;</p> <p>b) how you have responded to differing customer priorities in different market segments;</p> <p>c) how you have made use of market segmented costs and revenues to identify opportunities for efficiencies; and</p> <p>d) what innovative approaches you have developed to deliver passenger services tailored to local market requirements.</p> |

If responses to the Further Technical Questions are required by the Authority, the Franchise Applicant will be required to respond to the questions above in relation to the following:

- the Franchise Applicant (including, where the Franchise Applicant is a joint venture or consortium, the members of that joint venture or consortium who will be involved in operating the Franchise);
- any other person on which the Franchise Applicant will rely to operate the Franchise (whether or not an Affiliate of the Franchise Applicant);
- any person (whether or not an Affiliate of the Franchise Applicant) whose resources (including management, manpower, equipment and knowhow) the Franchise Applicant will use to operate the Franchise; and
- any person (whether or not an Affiliate of the Franchise Applicant) which uses the same resources (including management, manpower, equipment and knowhow) that will be used to operate the Franchise.

Franchise Applicants will be required to respond to the questions on the basis of how the Franchise Applicant intends to operate the Franchise should the Franchise Applicant be successful. In particular, responses should rely on the capability and technical abilities of any person only in relation to the elements of the Franchise operation which such person will perform.

Further information on how a Franchise Applicant should respond is set out in the Franchise PPD, particularly in sections 3.2 and 3.6. The Franchise Applicant's responses to the Further Technical Questions must be consistent with the responses that they have already given to Part D (Capability and Technical Ability) of the Passport PQQ (in the Passport Application and/or Temporary Visa

Information as applicable), subject to any changes that have been notified to the Authority in accordance with section 5.4 of the Passport PPD, in terms of (where relevant) the allocation of elements of the Franchise operations across members of the joint venture or consortium, and/or reliance on the capability, competence and past experience of any other person.

**Scoring of Further Technical Questions**

The responses to each of the Further Technical Questions will be scored using the marking scheme in Table 2 in section 4.2 of the Franchise PPD, which is repeated below for ease of reference.

| <b>Marks</b> | <b>Characteristics</b>   |
|--------------|--|
| 100          | Evidence submitted shows the ability to deliver, very strongly supported by relevant and transferable past experience and achievements.  |
| 80           | Evidence submitted shows the ability to deliver, supported by relevant and transferable past experience and achievements.  |
| 60           | Evidence submitted shows the ability to deliver in most areas, but the Authority has concerns in a few areas, about the relevance and transferability of past experience and achievements and/or about the approach described. |
| 40           | Evidence submitted shows the ability to deliver in some areas, but the Authority has concerns in some areas, about the relevance and transferability of past experience and achievements and/or about the approach described.  |
| 20           | Evidence submitted shows the ability to deliver in a few areas, but the Authority has concerns in most areas, about the relevance and transferability of past experience and achievements and/or about the approach described. |
| 0            | Evidence submitted does not show the ability to deliver.   |

The following weightings apply to the Further Technical Questions:

| <b>Further Technical Questions - Weightings</b> |                    |       |
|---|--------------------|-------|
| Question  | Question Weighting | Total |
| D1.1  | 22%                | 100%  |
| D1.2  | 25%                |       |
| D1.3  | 31%                |       |
| D1.4  | 22%                |       |

### **Update to Franchise Specific Grounds for Discretionary Rejection**

The Franchise Applicant must notify the Authority, by way of an update to the original response to question B1.3(iii) of the Franchise EoI if the "Franchise Applicant" (to be read for the purposes of this update in the same way as it was to be read in Part B of the Franchise EoI):

- has shown significant or persistent deficiencies in the performance of a substantive requirement under any contract or operation which has been referenced in the responses to the Further Technical Questions, in which the Franchise Applicant has been engaged in the last 3 years;
- those deficiencies led to early termination of that prior contract, damages, enforcement action taken pursuant to Section 55 of the Railways Act (or equivalent under the laws and regulations of any State), failure to be awarded a contract renewal or extension that would otherwise have been awarded, or other comparable action or sanctions; and
- the original response to question B1.3(iii) as part of the Franchise Application did not take account of that contract or operation, because the Franchise Applicant had not anticipated referencing it in the responses to the Further Technical Questions at the time when the Franchise Application was submitted.

Where there is no update to the response to question B1.3(iii), the Franchise Applicant should state "B1.3(iii) – no update".

Where there is such an update, the Franchise Applicant should provide an updated response to question B1.3(iii), by providing details including:

- information about the offence or misconduct, or other relevant situation, including a summary of the relevant circumstances, key dates and who within the Franchise Applicant was involved;
- whether the Franchise Applicant has paid or undertaken to pay compensation in respect of any damage caused. Please provide any evidence;

- whether the Franchise Applicant has clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities. Please provide any evidence;
- whether the Franchise Applicant has taken concrete technical, organisational and personnel measures that are appropriate to prevent recurrences. Please provide any evidence; and
- any other relevant information that may be reasonably considered relevant to the Authority's consideration of the matter.

The Authority will then take that update into account in evaluating, or revisiting the evaluation of, the Franchise Applicant's response to Part B of the Franchise EoI, in accordance with the evaluation process set out in section 4 of the Franchise PPD.