

# Great Western Franchise

## OJEU Notice

### Section I

I.1) Name, Addresses and Contact Point(s):

Department for Transport (“DfT”)  
Zone 21, Floor 4, Great Minster House  
33 Horseferry Road  
London SW1P 4DR United Kingdom  
Tel (+44) 207 944 3693  
Fax: (+44) 207 944 3533  
Email: pqq@dft.gsi.gov.uk  
<http://www.dft.gov.uk/topics/rail-passenger-franchises/background>

Mr Dale Ward

Further information can be obtained at: As in above-mentioned contact point(s)

Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained at: As in above-mentioned contact point(s)

Tenders or requests to participate must be sent to: As in above-mentioned contact point(s)

I.2) Type of contracting authority and main activity or activities:

Ministry or any other national or federal authority, including their regional or local sub-divisions

Other: Transport

The contracting authority is purchasing on behalf of other contracting authorities: No

### Section II: Object of the Contract: SERVICES

II.1) Description

II.1.1) Title attributed to the contract by the contracting authority: Great Western Franchise Letting

II.1.2) Type of contract and location of works, place of delivery or of performance: SERVICES

Service Category: 18

Region Codes: UK - UNITED KINGDOM

II.1.3) The notice involves: A public contract

II.1.5) Short description of the contract or purchase(s):

The DfT is seeking to appoint an appropriately experienced and qualified transport operator to operate the Great Western rail passenger franchise. Expressions of interest are now being sought from the market and shortlisted potential providers will receive the Invitation to Tender planned to be issued in May 2012. It is expected that the successful bidder will be announced in December 2012 with the contract commencing in April 2013.

The length of the franchise term will be 15 years.

II.1.6) Common procurement vocabulary (CPV): 60200000 - Railway transport services.

II.1.7) Contract covered by the Government Procurement Agreement (GPA): Yes

II.1.8) Division into lots (*for information about lots, use Annex B as many times as there are lots*): No

II.1.9) Variants will be accepted: No

II.2) Quantity or Scope of the Contract

II.2.1) Total quantity or scope (*including all lots and options, if applicable*):

The Great Western franchise provides long distance, commuter, regional and branch line train services from London Paddington to the Midlands, Cotswolds, South Wales and West of England, the South Coast, Devon and Cornwall. The franchise serves the key locations of London, Reading, Oxford, Bath, Bristol, Cardiff, Swansea, Exeter, Plymouth, Penzance, Southampton, Portsmouth, Newbury, Gloucester, Hereford and Worcester.

In 2010/11 the services that make up the current Great Western franchise had total passenger-related revenue of GBP 679 million, covering 90 million passenger journeys and 3.4 million passenger miles.

The new Great Western franchise will be largely based upon the present service structure with the following expected changes:

- The current Heathrow Connect services are planned to be transferred to the Crossrail operator from May 2018.
- The full Crossrail service is planned to operate from December 2019 and will replace the majority of the relief line services from Maidenhead to Paddington.

- In line with the Government's aspiration for decentralisation, the franchise may be let so as to permit future changes in the way that discrete parts of the network are financed, monitored and managed by organisations other than the DfT.

Options for longer term enhancements of rail links to Heathrow, such as Western Access and Airtrack Lite, are being considered and the franchise operator will be expected to engage constructively with industry partners in developing these options. The franchise operator may have the opportunity to tender for the operation of such services in due course.

It is currently expected that the franchise operator will take responsibility for the provision of rolling stock. This is likely to include the procurement of a fleet of Electric Multiple Units to take advantage of the planned electrification. From 2017 new Intercity Express Trains ("IEP") are anticipated to be delivered to the franchise operator with the full fleet available from early 2018, which, in the event, would cause changes for the high speed fleet.

The franchise operator will be expected to take cost and revenue risk for the period of the Great Western contract. Revenue risk will be subject to a support mechanism probably linked to economic factors. This support would be complemented by a mechanism to share higher than expected profits.

The franchisee will be expected to take full repairing leases on some or all of the stations that it operates other than on Network Rail managed stations.

The contract will be based on the Franchise Agreement currently being revised in line with Government policy.

The franchise operator may be able to benefit from implementing revised working arrangements with Network Rail. This work would align incentives and may require the franchisee and Network Rail to agree to different arrangements between their respective organisations.

Further details will be set out in the Invitation to Tender issued to shortlisted potential providers.

#### II.2.2) Options (*if applicable*): Not Applicable

If yes, description of these options: Not Applicable

#### II.3) Duration of the Contract or Time-limit For Completion: 180 months

## **Section III: Legal, economic, financial and technical information**

### III.1) Conditions relating to the Contract

III.1.1) Deposits and guarantees required (*if applicable*):

The DfT may require that the agreed-form funding deed made available to the bid vehicle is underwritten by suitably accredited third parties or banks.

The franchise operator will be required to provide a parent company guarantee in support of its obligation to maintain the stations.

The potential provider appointed to operate the franchise should have sufficient financial backing to place a performance bond and a season ticket bond. These are expected to be up to GBP 50 million and GBP 25 million respectively.

III.1.2) Main financing conditions and payment arrangements and/or reference to the relevant provisions regulating them: Not Provided

III.1.3) Legal form to be taken by the grouping of economic operators to whom the contract is to be awarded (*if applicable*): A private limited company incorporated in the UK.

III.1.4) Other particular conditions to which the performance of the contract is subject (*if applicable*): None

III.2) Conditions For Participation

III.2.1) Personal situation of economic operators, including requirements relating to enrolment on professional or trade registers: Not Provided

III.2.2) Economic and financial capacity

Information and formalities necessary for evaluating if requirements are met:

The information and formalities necessary to assess whether a potential provider qualifies to receive an Invitation to Tender are contained in the Pre-Qualification Questionnaire.

Minimum Level(s) of standards possibly required (*if applicable*): Not Provided

III.2.3) Technical capacity

Information and formalities necessary for evaluating if requirements are met:

The information and formalities necessary to assess whether a potential provider qualifies to receive an Invitation to Tender are contained in the Pre-Qualification Questionnaire.

Minimum Level(s) of standards possibly required (*if applicable*): Not Provided

III.2.4) Reserved contracts (*if applicable*): No

III.3) Conditions Specific to Service Contracts

III.3.1) Execution of service is reserved to particular profession: No

III.3.2) Legal person should indicate the names and professional qualifications of the staff responsible for execution of the service: No

## Section IV: Procedure

IV.1) Type of Procedure

IV.1.1) Type of procedure: Negotiated

Candidates have already been selected: No

IV.1.2) Limitations on the number of operators who will be invited to tender or to participate:

Envisaged minimum number: 3 and **maximum** number 5

Objective Criteria for choosing the preferred candidate:

the most economically advantageous tender in terms of the criteria as stated in the specifications and Invitation to Tender.

IV.1.3) Reduction of the number of operators during the negotiation or dialogue: No

IV.2) Award Criteria

IV.2.1) Award criteria (*please tick the relevant box(es)*) the most economically advantageous tender in terms of the criteria stated in the specifications and Invitation to Tender.

IV.2.2) An electronic auction will be used: No

IV.3) Administrative Information

IV.3.1) File reference number attributed by the contracting authority (*if applicable*):  
Not Provided

IV.3.2) Previous publication(s) concerning the same contract: Yes

Prior Information Notice:

Notice Number: 2011/S 152-252780 of 10/08/2011

Other previous publications (*if applicable*): No

IV.3.3) Conditions for obtaining specifications and additional documents (*except for a DPS* ) or descriptive document (*in the case of a competitive dialogue*): Not Provided

IV.3.4) Time-limit for receipt of tenders or requests to participate:  
10:00 on 9 February 2012

IV.3.5) Date of dispatch of Invitations to Tender or to participate to selected candidates (*if known*): May 2012

IV.3.6) Language(s) in which tenders or requests to participate may be drawn up:  
English

## **Section VI: Complementary Information**

VI.1) This is a recurrent procurement (if applicable): No

VI.2) Contract related to a project and/or programme financed by Community Funds: Not Provided

VI.3) Additional Information (*if applicable*)

The franchise procurement process is being undertaken in pursuance of the Railways Act 1993 (as amended). It is a Part B Services Contract and is therefore voluntarily utilising an OJEU Notice. The process by which the procurement will operate will be set out as appropriate in the pre-qualification documentation and the Invitation to Tender and will be compatible with applicable EU law.

VI.4) Procedures For Appeal

VI.4.1) Body responsible for appeal procedures: Not Provided

VI.4.2) Lodging of appeals (*please fill heading VI.4.2 or if need be, heading VI.4.3*):  
Not Provided

VI.4.3) Service from which information about the lodging of appeals may be obtained:  
Not Provided

VI.5) Date of dispatch of this notice: 19/12/2011