



Department  
for Transport

Rail Executive

## Rail Franchising

### Northern

## Pre-Qualification Questionnaire

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# Foreword

Thank you for your initial interest in providing passenger rail services for the Secretary of State for Transport, acting as part of the Crown (**Authority**).

This Northern Pre-Qualification Questionnaire (**PQQ**) and the supporting Pre-Qualification Process Document (**PPD**) (together the "**Document**") is issued by the Authority pursuant to its functions and duties under the Railways Act 1993 as amended (the "**Railways Act**").

Should you wish to pre-qualify as a Bidder, please complete this PQQ in full and before the stated response deadline. Instructions for completing the PQQ are contained in the supporting PPD.

The questionnaire is the first stage in the Authority's process of evaluating all Applicants who have expressed interest, to determine their capability and suitability to provide these services.

The information you provide in response to the questionnaire will be used for this exercise and for the purpose of cross-Government reporting. All Central Government Departments and their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-Government role delivering overall Government policy on public procurement including ensuring value for money and related aspects of good procurement practice.

For these purposes, the Authority may disclose within Government any of the Applicants' documentation/information (including any that an Applicant considers to be confidential and/or commercially sensitive such as specific bid information) submitted by the Applicant to the Authority during this franchise letting process. The information will not be disclosed outside Government. Applicants taking part in this competition consent to these terms as part of the competition process.

The information will not be shared with any competitor or any other party, subject to the requirements of the Freedom of Information Act 2000 and other applicable law.

Applicants should note that the information given at this stage will be subject to verification at later stages of the tendering process. If any error, omission or misrepresentation is discovered, the Authority reserves the right to disqualify the Applicant from participation in the tendering exercise no matter what stage in the process has been reached when the error, omission or mistake is discovered.

Applicants should note that, should they be successful in being awarded a franchise agreement with the Authority, the Authority reserves the right to

terminate the contract if at any time it is discovered that an Applicant has made any material misrepresentation in this PQQ.

The Authority is not and shall not be liable for any costs incurred by those expressing an interest or negotiating or tendering for this contract, their associated entities or any other person. The Authority reserves the right not to award a contract, to make whatever changes it sees fit to the structure and timing of the procurement process (including issuing updates and amendments to this PQQ), to cancel the process in its entirety at any stage and, where it considers it appropriate to do so, make a direct contract award pursuant to Article 5(6) of Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70.

# Introduction

This PQQ sets out the information which is required by the Authority in order to assess the suitability of Applicants, including in terms of legal, financial and economic standing and technical and professional ability, to submit a bid for the Northern Franchise.

This PQQ forms part of the PQQ Pack and should be read in conjunction with the PPD. Full details on the pre-qualification process, terms and definitions, instructions on how to complete this questionnaire and how to respond are contained in the PPD.

This PQQ forms part of a competitive procurement conducted in accordance with relevant legal requirements including Regulation (EC) No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road and repealing Council Regulations (EEC) Nos 1191/69 and 1107/70.

## PART A: ORGANISATION AND CONTACT DETAILS

Where the Applicant is an unincorporated joint venture or a consortium, the information requested in Part A (except Part A.2) should be provided for each of the members of that unincorporated joint venture or consortium.

A1. APPLICANT ORGANISATION DETAILS			
A1.1	<p>The Applicant is part of an unincorporated joint venture or consortium (Yes/No)</p> <p>If the answer is 'Yes' to this question, please provide the full names of each member of the unincorporated joint venture or consortium</p>		
A1.2	Full name of Applicant		
A1.3	Registered office address		
A1.4	Company or charity registration number		
A1.5	VAT registration number		
A1.6	Country of registration		
A1.7	Year of incorporation		
A1.8	Principal place of business		
A1.9	Nature of existing business (limit to 250 words)		
A1.10	Amount of issued share capital		
A1.11	Type of organisation (tick one)	i) a public limited company	
		ii) a limited company	
		iii) a limited liability partnership	
		iv) other partnership	
		v) sole trader	
		vi) other (please specify)	

### A2. APPLICANT CONTACT DETAILS FOR THIS PQQ

	Provide details of the contact person who will act as the single point of contact for all queries and correspondence relating to this PQQ response and any subsequent ITT response.
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A2.1	Name	
A2.2	Position	
A2.3	Role in Bid Team	
A2.4	Full Postal Address	
A2.5	Phone	
A2.6	Mobile	
A2.7	Email	

<b>A3. APPLICANT'S STRUCTURE</b>		
A3.1	Please provide the following for each Controller of the Applicant.	
	<b>CONTROLLER</b>	
	Full registered name	
	Type of organisation	
	Country of registration	
	Year of incorporation	
	Company registration number	
	Registered address	
	Principal place of business	
	Nature of existing business	
	Amount of issued share capital	
	Relationship to the Applicant (including whether the Controller will act as Guarantor to the Applicant)	
	Percentage shareholding and type of share (actual or proposed) in Applicant	
A3.2	Please provide details of the Applicant's group structure (including its Ultimate Controller), and how it is intended (if applicable) that management responsibility will be shared during the Franchise bidding stage and, if successful, throughout the operation of the Franchise.	
A3.3	Where it is proposed that the Applicant will rely on another person to operate the Franchise, provide details of which elements of the Franchise will be delivered by whom.	

A4. MANAGEMENT AND GOVERNANCE		
	Please confirm that you have supplied the following information, state 'Yes' or 'No' to each question.	
A4.1	An organisation chart depicting the Applicant's management structure;	
A4.2	A copy of the Applicant's memorandum and articles of association or other constitutional documents (in English);	
A4.3	A list of the Applicant's current and any prospective directors, positions held and nationality;	
A4.4	A list of shareholders holding an interest of more than three per cent of the Applicant's share capital or voting rights, together with a list of persons exercising directly or indirectly a dominant influence over the Applicant;	
A4.5	<p>A copy of the shareholder agreement, or intended agreement, and any other relevant documentation, which sets out the following where applicable:</p> <ul style="list-style-type: none"> <li>(a) shareholding proportions;</li> <li>(b) board representation;</li> <li>(c) voting arrangements at both shareholders meetings and board meetings (in particular any reserved matters, vetoes and super-majority decisions);</li> <li>(d) rights in respect of the transfer of shares (in particular any put/call options);</li> <li>(e) rights in respect of dividends and other distributions;</li> <li>(f) any technical service agreement or similar arrangement under which any shareholder provides services to the consortium;</li> <li>(g) dividend policy; and</li> <li>(h) financing arrangements</li> </ul>	
A4.6	<p><b><i>Bidder's preference to be shortlisted for a single lot</i></b></p> <p>If your organisation is bidding on both Northern and TPE PQQ's, and is successful at the PQQ Stage on both lots, but only wishes to be shortlisted for one ITT, please indicate your preferred lot by entering a '1' in the box of your preferred lot, and a '0' in the box of your non preferred lot immediately below. <b>Should your organisation qualify for both shortlists, your place on the non-preferred shortlist will be offered to the next highest placed Applicant, subject to them meeting the threshold set out in Section 5.4 of the PPD. This selection is irrevocable and must be made as part of the submission of your PQQs. It will not be possible to change your selection once the identity of the other bidders for either lot are known.</b></p> <p>If you are happy to be shortlisted for both lots then please leave this box blank on both of your PQQ</p>	



	Documents. Please note that should your organisation be shortlisted for both lots, the Authority would expect your organisation to take full part in both competitions.	
	<b><i>Please indicate preference for Lot 1 TPE</i></b>	
	<b><i>Please indicate preference for Lot 2 Northern</i></b>	

<b>A5. FOR COMPLETION BY NON-UK BUSINESSES ONLY</b>		
	If the Applicant is a non-UK business then please confirm that you have supplied the following information, state 'Yes' or 'No' to each question.	
A5.1	Is the Applicant registered with the appropriate trade or professional register(s) in the EU member state where it is established (as set out in Annexes IX A-C of Directive 2004/18/EC) under the conditions laid down by that member state). If yes, please provide evidence of such registration.	
A5.2	Is it a legal requirement in the state where the Applicant is established for it to be licensed or be a member of a relevant organisation in order to fulfil the requirements of this procurement? If yes, please provide details of what is required and confirm that the Applicant has complied with this.	

## PART B: GROUNDS FOR MANDATORY REJECTION

If you cannot answer 'no' to every question in this section it is very unlikely that your application will be accepted, and you should contact us for advice before completing this form.

B1.	GROUNDS FOR MANDATORY REJECTION	
	Has the Applicant (including, where the Applicant is a joint venture or consortium, any of the members of that joint venture or consortium), or any other person (including any director or partner) who has powers of representation, decision or control in relation to the Applicant (including, where the Applicant is a joint venture or consortium, any of the members of that joint venture or consortium) been convicted of any of the following offences? Please state 'Yes' or 'No' to each question.	
B1.1	Conspiracy within the meaning of section 1 or 1A of the Criminal Law Act 1977 or article 9 or 9A of the Criminal Attempts and Conspiracy (Northern Ireland) Order 1983 where that conspiracy relates to participation in a criminal organisation as defined in Article 2 of Council Framework Decision 2008/841/JHA;	
B1.2	Corruption within the meaning of section 1(2) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906; where the offence relates to active corruption;	
B1.3	The offence of bribery, where the offence relates to active corruption;	
B1.4	Bribery within the meaning of section 1 or 6 of the Bribery Act 2010;	
B1.5	Fraud, where the offence relates to fraud affecting the European Communities' financial interests as defined by Article 1 of the Convention on the protection of the financial interests of the European Communities, within the meaning of:	
	(i) the offence of cheating the Revenue;	
	(ii) the offence of conspiracy to defraud;	
	(iii) fraud or theft within the meaning of the Theft Act 1968, the Theft Act (Northern Ireland) 1969, the Theft Act 1978 or the Theft (Northern Ireland) Order 1978;	
	(iv) fraudulent trading within the meaning of section 458 of the Companies Act 1985, article 451 of the Companies (Northern Ireland) Order 1986 or section 993 of the Companies Act 2006;	

	(v) fraudulent evasion within the meaning of section 170 of the Customs and Excise Management Act 1979 or section 72 of the Value Added Tax Act 1994;	
	(vi) an offence in connection with taxation in the European Union within the meaning of section 71 of the Criminal Justice Act 1993;	
	(vii) destroying, defacing or concealing of documents or procuring the execution of a valuable security within the meaning of section 20 of the Theft Act 1968 or section 19 of the Theft Act (Northern Ireland) 1969;	
	(viii) fraud within the meaning of section 2, 3 or 4 of the Fraud Act 2006; or	
	(ix) making, adapting, supplying or offering to supply articles for use in frauds within the meaning of section 7 of the Fraud Act 2006;	
B1.6	Money laundering within the meaning of section 340(11) of the Proceeds of Crime Act 2002;	
B1.7	Money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;	
B1.8	Terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/HA respectively, or inciting or aiding and abetting or attempting to commit an offence, as referred to in Article 4 of the Framework Decision;	
B1.9	An offence in connection with the proceeds of criminal conduct within the meaning of section 93A, 93B or 93C of the Criminal Justice Act 1988 or article 45, 46 or 47 of the Proceeds of Crime (Northern Ireland) Order 1996;	
B1.10	An offence in connection with the proceeds of drug trafficking within the meaning of section 49, 50 or 51 of the Drug Trafficking Act 1994;	
B1.11	Any other offence within the meaning of Article 45(1) of Directive 2004/18/EC as defined by the national law of any EU Member State, Iceland, Lichtenstein or Norway;	
B1.12	Child labour and other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council.	

## PART C: GROUNDS FOR DISCRETIONARY REJECTION

Information provided in response to the questions below will be reviewed and the Authority will use its discretion to determine whether the response is a pass or a fail. A fail will result in the Applicant being excluded from further participation in the franchise letting process.

C1	GENERAL GROUNDS FOR DISCRETIONARY REJECTION	
	<p>Are any of the following true of the Applicant (including, where the Applicant is a joint venture or consortium, any of the members of that joint venture or consortium)?</p> <p>Please state 'Yes' or 'No' to each question.</p> <p>In the event that any of the following do apply, please set out full details of the relevant incident and any remedial action taken subsequently.</p>	
C1.1	Being an individual - is a person in respect of whom a debt relief order has been made or is bankrupt or has had a receiving order or administration order or bankruptcy restrictions order or a debt relief restrictions order made against him or has made any composition or arrangement with or for the benefit of his creditors or has made any conveyance or assignment for the benefit of his creditors or appears unable to pay, or to have no reasonable prospect of being able to pay, a debt within the meaning of section 268 of the Insolvency Act 1986, or article 242 of the Insolvency (Northern Ireland) Order 1989, or in Scotland has granted a trust deed for creditors or become otherwise apparently insolvent, or is the subject of a petition presented for sequestration of his estate, or is the subject of any similar procedure under the law of any other state;	
C1.2	Being a partnership constituted under Scots law – has granted a trust deed or become otherwise apparently insolvent, or is the subject of a petition presented for sequestration of its estate; or	
C1.3	Being a company or any other entity within the meaning of section 255 of the Enterprise Act 2002 - has passed a resolution or is the subject of an order by the court for the company's winding up otherwise than for the purpose of bona fide reconstruction or amalgamation, or had a receiver, manager or administrator on behalf of a creditor appointed in respect of the company's business or any part thereof or is the subject of similar procedures under the law of any other state?	
C1.4	Been convicted of a criminal offence relating to the conduct of its business or profession;	

C1.5	Committed an act of grave misconduct in the course of its business or profession;	
C1.6	Shown significant and persistent deficiencies in the performance of a substantive requirement under a prior public contract.	
C1.7	Failed to fulfil obligations relating to the payment of social security contributions under the law of any part of the United Kingdom or of the country in which it is established;	
C1.8	Failed to fulfil obligations relating to the payment of taxes under the law of any part of the United Kingdom or of the country in which it is established;	
C1.9	Entered into any agreement with any other party which has the potential or actual effect (intentional or otherwise) of distorting competition.	

C2	CONFLICTS OF INTEREST	
C2.1	<p>Are there any actual or potential conflicts of interest which might arise for the Applicant (including, where the Applicant is a joint venture or consortium, one or more of the members of that joint venture or consortium) if the Applicant were to be awarded the contract?</p> <p>If the answer is 'yes', please provide details, including how it is proposed to deal with such conflicts.</p>	
C2.2	<p>Has the Applicant (including, where the Applicant is a joint venture or a consortium, the members of that joint venture or consortium) had any prior involvement in the preparation of the procurement procedure for the Northern franchise letting process?</p> <p>If the answer is 'yes', please provide details, including the extent of involvement and whether it considers that any information it has in respect of this involvement may be shared with successful applicants of this PQQ.</p>	

C3	TAX COMPLIANCE	
C3.1	Please state whether, from 1 April 2013 onwards, any tax return of the Applicant (including, where the Applicant is a joint venture or consortium, the members of that joint venture or consortium) submitted on or after 1 October 2012 has given rise to a criminal conviction for tax related offences which is unspent, or to a civil penalty for fraud or evasion.	
C3.2	Please state whether, from 1 April 2013 onwards, any tax return of the Applicant (including, where the Applicant is a	

	<p>joint venture or consortium, the members of that joint venture or consortium) submitted on or after 1 October 2012 has been found to be incorrect as a result of:</p> <ul style="list-style-type: none"> <li>• HMRC successfully challenging it under the General Anti-Abuse Rule (GAAR) or the “Halifax” abuse principle; or</li> <li>• a tax authority in a jurisdiction in which the Applicant (or, where the Applicant is a joint venture or consortium, the members of that joint venture or consortium) is established successfully challenging it under any tax rules or legislation that have an effect equivalent or similar to the GAAR or the “Halifax” abuse principle; or</li> <li>• the failure of an avoidance scheme which the Applicant (or, where the Applicant is a joint venture or consortium, the members of that joint venture or consortium) was involved in and which was, or should have been, notified under the DOTAS or any equivalent or similar regime in a jurisdiction in which the supplier is established.</li> </ul>	
C3.3	<p>If answering “yes” to either C3.1 or C3.2 above, the Applicant (or, where the Applicant is a joint venture or consortium, the relevant member of that joint venture or consortium) may provide details of any mitigating factors that it considers relevant and that it wishes the Authority to take into consideration. This could include, for example:</p> <ul style="list-style-type: none"> <li>• Corrective action undertaken by the Applicant (or, where the Applicant is a joint venture or consortium, the relevant member of that joint venture or consortium) to date;</li> <li>• Planned corrective action to be taken;</li> <li>• Changes in personnel or ownership since the Occasion of Tax Non-Compliance (OONC); or</li> <li>• Changes in financial, accounting, audit or management procedures since the OONC</li> </ul>	

## PART D: HEALTH AND SAFETY MANAGEMENT AND CULTURE

Responses to Part D will be used to undertake an assessment of your health and safety record, management and culture.

The Authority will exclude you from consideration if you fail to score a minimum of 50% of the total available marks for questions D1.1 to D1.3 when aggregated together.

For Applicants which are not excluded on this basis, 10% of all the marks available in this PQQ are awarded according to the marks scored by an Applicant in Part D.

Please provide examples in relation to the following where they are being relied on for their experience and expertise in order to respond to the questions below:

- the Applicant (including, where the 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 Applicant will rely to operate the Franchise (whether or not an Affiliate of the Applicant);
- any key sub-contractor (whether or not an Affiliate of the Applicant) whose resources (including management, manpower, equipment and knowhow) the Applicant will use to operate the Franchise; and
- any key sub-contractor (whether or not an Affiliate of the Applicant) which uses the same resources (including management, manpower, equipment and knowhow) that will be used to operate the Franchise.

A key sub-contractor for the purposes of this Part D is a sub-contractor who will be relied on by the Applicant for their experience and expertise for the purpose of responding to the questions in Part D below.

HEALTH AND SAFETY MANAGEMENT AND CULTURE	
D1.1	<p>Please explain the existing arrangements in place for planning and managing health and safety, including protecting the public and workforce, and for continued improvement of health and safety performance, including:</p> <ul style="list-style-type: none"> <li>a) Management arrangements for health and safety management</li> <li>b) Explanation of the health and safety management system</li> </ul>

D1.2	<p>Please explain the existing arrangements in place for the active promotion and improvement of health and safety management and culture by senior management, including:</p> <ul style="list-style-type: none"> <li>a) How you have communicated health and safety issues</li> <li>b) How you have ensured staff competence and compliance with legal requirements, and</li> <li>c) Details of any achievements and awards for recognition of health and safety management and performance</li> </ul>	
D1.3	<p>Please explain the existing arrangements in place for tracking health and safety performance, reporting safety statistics, and monitoring and responding to trends including:</p> <ul style="list-style-type: none"> <li>a) How statistics have been calculated and measured, accompanied by examples</li> <li>b) How statistics have been continually monitored and reviewed using root cause analysis, and how that analysis has been used to inform corrective actions and to manage risk</li> <li>c) How statistics have been reported and communicated, and</li> <li>d) The top 5 health and safety statistics that have been used to demonstrate continuous health and safety improvement (i.e. those you have considered most important to the management of health and safety), accompanied by examples.</li> </ul>	



## PART E: ECONOMIC AND FINANCIAL STANDING

Responses to Part E will be used to undertake an assessment of your economic and financial standing.

E.1	FINANCIAL INFORMATION	
	<p>The Authority will require a Guarantee to be provided by one or more Guarantors. This information must be provided for the Guarantor(s), which will sign the undertaking in this PQQ to provide the Guarantee under the Funding Deed. The Guarantor(s) must be a Controller of the Applicant.</p> <p>The Applicant should satisfy itself that the Guarantor(s) meets the financial requirements of this PQQ.</p> <p>The Authority reserves the right to contact Fitch, Moody's or Standard &amp; Poor as appropriate to confirm any credit rating of the Guarantor(s) and/or the bond provider(s).</p>	
E1.1	<p>Please confirm that you have provided the Guarantor(s)' audited accounts for the most recent year.</p> <p>The Guarantor(s)' consolidated accounts should be provided. Where these are not available, the Guarantor(s)' accounts should be provided.</p> <p>Note: If the relevant audited accounts are subject to qualification, the Authority reserves the right to reject these where, in the opinion of the Authority, the qualification is material.</p>	
E1.2	<p>Please provide calculations for the financial tests described in Section 5.3 Part E Financial and Economic Standing of the Pre-Qualification Process Document. Each number used in the calculations must be reconciled and / or referenced to audited financial statements. Where the number is based on a post balance sheet event, it must be reconcilable to published documentation. Note: Calculations prepared by Applicants will be for information only. The Authority is not bound to use the calculations provided by the Applicant. It will calculate the results of the financial tests independently.</p>	
E1.3	<p>Please provide details of any material event subsequent to the issue of the most recent audited accounts that would require adjustment (where accounts are not yet re-issued) or disclosure in accordance with the provisions of International Accounting Standards.</p>	
E1.4	<p>Where the Guarantor(s) has a credit rating(s), please confirm that you have provided the most recent credit</p>	

	<p>rating or confirmation of credit rating (in either case, issued within the last year) provided by either Fitch, Moody's or Standard &amp; Poor.</p>	
<p>E1.5</p>	<p>Where the Guarantor(s) cannot meet three out of the four financial tests set out in the PPD, the Applicant must instead provide a letter of intent from a bond provider.</p> <p>This letter must:</p> <ul style="list-style-type: none"> <li>• (i) describe the bond provider's experience of providing similar bonds; (ii) describe the due diligence undertaken prior to issuing the letter of intent (this could relate to work undertaken specifically to issue the letter or, for example, relate to a pre-existing relationship with the Applicant and/or the Guarantor); (iii) state that, on the basis of this due diligence, the bond provider intends to provide a bond which is consistent with the requirements of the PPD and for the whole value of the Guarantor's portion of the Guarantee, to take effect from the start of the franchise agreement for a period of not less than three years; (iv) describe the principal work (for example, further due diligence steps) and approvals requirements that need to be undertaken by the bond provider in order for it to give a binding commitment to provide the bond; (v) give the name and job title of the person signing the letter; (vi) explain the authority of the person signing the letter to make representations on behalf of the bond provider; (vii) set out any other matters that the bond provider would like to bring to the Authority's attention to give the Authority confidence that the bond will be provided when required; and</li> <li>• enclose a copy of the most recent credit rating of the bond provider or confirmation of credit rating (in either case, issued within the last year) provided by either Fitch, Moody's or Standard &amp; Poor issued or updated in the last 12 months which shows a credit rating of A - or A3 or above.</li> </ul> <p>Where the Applicant cannot provide such a letter, the Applicant will be excluded from further consideration. The Authority reserves the right not to accept such a letter from a bond provider where, in the Authority's view and taking into account the information the Authority has obtained under sections E1.1 – 4, it is</p>	

	<p>unlikely that the bond provider will enter into a formal and binding commitment to provide the relevant bond. Where the Authority does not accept such a letter, the Applicant will be excluded from further consideration.</p> <p>The Authority reserves the right either to communicate with the bond provider in writing, or to meet with the bond provider, to clarify any of the matters set out in Part E of this PQQ. The Applicant will take all reasonable steps, as required by the Authority, to facilitate such correspondence and discussions. In particular, at any time prior to contract award, the Authority may require the bond provider to confirm or re-confirm the matters set out in, or the credit rating enclosed with, its letter of intent, and may require the bond provider to provide an update on the due diligence it has carried out on the Applicant and the Guarantor(s).</p>	
E1.6	<p>Where the Guarantor(s) can meet three or four out of the four financial tests set out in the PPD (and the Applicant does not propose to secure 100% bonding in accordance with E1.4), the Applicant must nevertheless still provide a letter of intent from a bond provider.</p> <p>This letter must:</p> <ul style="list-style-type: none"> <li>• (i) describe the bond provider’s experience of providing similar bonds; (ii) describe the due diligence undertaken prior to issuing the letter of intent (this could relate to work undertaken specifically to issue the letter or, for example, relate to a pre-existing relationship with the Applicant and/or the Guarantor); (iii) state that, on the basis of this due diligence, the bond provider intends to provide a bond which is consistent with the requirements of the PPD and for half the value of the Guarantor’s portion of the Guarantee to take effect from the start of the franchise agreement for a period of not less than three years; (iv) describe the principal work (for example, further due diligence steps) and approvals requirements that need to be undertaken by the bond provider in order for it to give a binding commitment to provide the bond; (v) give the name and job title of the person signing the letter; (vi) explain the authority of the person signing the letter to make representations on behalf of the bond provider; and (vii) set out any other matters that the bond provider would like to bring to the Authority’s attention to give the</li> </ul>	

	<p>Authority confidence that the bond will be provided when required; and</p> <ul style="list-style-type: none"><li>• enclose a copy of the most recent credit rating of the bond provider or confirmation of credit rating (in either case, issued within the last year) provided by either Fitch, Moody's or Standard &amp; Poor issued or updated in the last 12 months which shows a credit rating of A- or A3 or above.</li></ul> <p>Where the Applicant cannot provide such a letter, the Applicant will be excluded from further consideration. The Authority reserves the right not to accept such a letter from a bond provider where, in the Authority's view and taking into account the information the Authority has obtained under sections E1.1, 2, 3 and 5, it is unlikely that the bond provider will enter into a formal and binding commitment to provide the relevant bond. Where the Authority does not accept such a letter, the Applicant will be excluded from further consideration.</p> <p>The Authority reserves the right either to communicate with the bond provider in writing, or to meet with the bond provider, to clarify any of the matters set out in Part E of this PQQ. The Applicant will take all reasonable steps, as required by the Authority, to facilitate such correspondence and discussions. In particular, at any time prior to contract award, the Authority may require the bond provider to confirm or re-confirm the matters set out in, or the credit rating enclosed with, its letter of intent, and may require the bond provider to provide an update on the due diligence it has carried out on the Applicant and the Guarantor(s).</p>	
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## PART F: TECHNICAL AND PROFESSIONAL ABILITY

Responses to Part F will be used to undertake an assessment of the Applicant's technical and professional ability to provide the contract.

Please provide examples in relation to the following where they are being relied on for their experience and expertise in order to respond to the questions below:

- the Applicant (including, where the 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 Applicant will rely to operate the Franchise (whether or not an Affiliate of the Applicant);
- any key sub-contractor (whether or not an Affiliate of the Applicant) whose resources (including management, manpower, equipment and knowhow) the Applicant will use to operate the Franchise; and
- any key sub-contractor (whether or not an Affiliate of the Applicant) which uses the same resources (including management, manpower, equipment and knowhow) that will be used to operate the Franchise.

A key sub-contractor for the purposes of this Part F is a sub-contractor who will be relied on by the Applicant for their experience and expertise for the purpose of responding to the questions in Part F below.

The Authority will exclude you from consideration if you fail to score a minimum of 40% of the available marks in Part F. For Applicants which score 40% or more of the available marks in Part F, 90% of all the marks available in this PQQ are awarded according to the marks scored by an Applicant in Part F.

The Authority will consider your response to this Part F together with any relevant information provided in your response to Part G.

F1	SERVICE DELIVERY	
F1.1	<p>Using examples going back no more than five (5) years, please demonstrate your ability to plan passenger transport services, including:</p> <ul style="list-style-type: none"> <li>a) Strategic business planning and market analysis</li> <li>b) Setting quality and performance targets and plans</li> <li>c) Specification of passenger service, marketing &amp; retail and responding to passengers' priorities</li> <li>d) Investment programme and resource planning for fleet and passenger service operations, and</li> <li>e) Financial planning and controls</li> </ul>	

F1.2	<p>Please provide evidence of your experience to manage</p> <p>a) the delivery of passenger transport services across a large and varied operation by reference to the examples you provided in response to question F1.1, and</p> <p>b) to monitor, review and materially improve upon the outcomes and achievements of the planning and delivery of such services, including in relation to fleet management and passenger service operations.</p>	
F1.3	<p>Using examples going back no more than ten (10) years, please demonstrate your ability to project manage complex and major changes to passenger transport services, involving large scale investment, and provide details of the outcomes, including:</p> <p>a) Building and maintaining effective interface with delivery partners and key stakeholder relations</p> <p>b) Minimising disruption for passengers and maintaining service standards</p> <p>c) Effectively communicating with passengers</p> <p>d) Optimising services, resources and delivery to realise sustained passenger satisfaction, and</p> <p>e) Management of direct and third party investment</p>	
F1.4	<p>Using examples going back no more than ten (10) years, please provide evidence of your experience in improving passenger accommodation and building portfolios (e.g. stations, interchanges, termini etc.) with different age, condition, commercial profiles and customer footfalls, including by managing or supporting other parties.</p>	

F2	CAPABILITY, ASSETS AND RESOURCES	
F2.1	<p>Using examples going back no more than ten (10) years, please provide evidence of your ability to increase the efficiency, capability and value of your passenger transport business, including reducing the unit costs of operations while maintaining quality of service.</p>	
F2.2	<p>Using examples going back no more than three (3) years, please demonstrate your ability to develop staff and improve the capability and competence of your workforce.</p>	

F3	BUSINESS AND MARKET GROWTH	
F3.1	Using examples going back no more than five (5) years, please demonstrate your ability to grow new markets, attract new customers and manage demand, including: <ul style="list-style-type: none"> <li>a) assessing market potential</li> <li>b) product development and innovation</li> <li>c) pricing strategy and yield management</li> <li>d) marketing and promotional strategy, and</li> <li>e) enhancement of retail and distribution channels</li> </ul>	
F3.2	Using examples going back no more than ten (10) years, please demonstrate your ability to develop and implement innovative solutions and provide details of the outcomes that have: <ul style="list-style-type: none"> <li>a) transformed a situation or exploited an opportunity, and</li> <li>b) resulted in lasting benefits</li> </ul>	

F4	CUSTOMER EXPERIENCE	
F4.1	Using examples going back no more than three (3) years, please demonstrate your ability to deliver excellent customer services in a passenger transport environment and provide details of the outcomes, including: <ul style="list-style-type: none"> <li>a) provision of information to enable customers to make travel choices</li> <li>b) how customer service was improved, and those improvements sustained, and</li> <li>c) how your approach to customer engagement contributed to achievement of excellent customer service</li> </ul>	
F4.2	Using examples going back no more than three (3) years, please provide evidence of targets that you have set in improving and sustaining excellent customer experience, including: <ul style="list-style-type: none"> <li>a) the rationale for targets set</li> <li>b) how you have monitored these targets</li> <li>c) the outcomes achieved against these targets, and</li> <li>d) an explanation of the performance trends sustained during that period</li> </ul>	

F5	COLLABORATION AND RELATIONSHIPS	
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F5.1	<p>Using examples going back no more than five (5) years, please demonstrate your ability to manage key stakeholder relationships (for example, local authorities, passenger groups, etc.). Explain which stakeholders you managed, how your approach was implemented and what the outcomes were, including:</p> <ul style="list-style-type: none"> <li>a) Understanding stakeholder constraints, objectives and processes</li> <li>b) Managing risks, issues and opportunities and proposing solutions</li> <li>c) Working with a range of stakeholders, to improve the whole customer experience and to achieve an integrated transport system for the whole customer journey, and</li> </ul>	
F5.2	<p>Using examples going back no more than five (5) years, please demonstrate your ability to improve the service offered to customers and to support positive social and economic outcomes at a local level through collaborating with and securing active support including financial contribution from local stakeholders groups (e.g. local authorities, businesses, passenger groups)</p>	
F5.3	<p>Using examples going back no more than five (5) years, please demonstrate your ability to manage relationships with contracting partners, including by:</p> <ul style="list-style-type: none"> <li>a) collaborating with contracting partners to improve efficiency and performance</li> <li>b) Developing and delivering contract changes, and</li> <li>c) Managing risks, issues and opportunities and proposing solutions</li> </ul>	
F5.4	<p>Using examples going back no more than five (5) years, please demonstrate your ability to collaborate with industry partners and supply chain partners, and to lead those partners to improve efficiency and performance.</p>	

F6	ENVIRONMENT	
F6.1	<p>Using examples going back no more than three (3) years, please demonstrate your ability to manage and improve the impact of passenger transport services on the environment, including:</p> <ul style="list-style-type: none"> <li>a) Environmental policy statement</li> <li>b) Details of registration and accreditation to recognised environmental bodies</li> <li>c) Specific initiatives you have undertaken for minimising negative environmental impacts and maximising environmental benefits</li> </ul>	



	<ul style="list-style-type: none"><li>d) Achievements resulting in reductions in adverse environmental and energy impacts</li><li>e) The active promotion and communication of environmental matters by senior management, and</li><li>f) Systems in place for ensuring, monitoring, auditing and reviewing compliance with legal obligations and your own procedural requirements</li></ul>	
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## PART G: PAST PERFORMANCE

The Applicant's response to Part G of the PQQ will be used when considering the scoring of any relevant evidence submitted under Part F, and subsequently any relevant scoring of Part F may be marked down to take into account the information provided. The Applicant's response to Part G will not be scored in its own right.

Please provide, in relation to the following where they are being relied on for their experience and expertise in order to respond to Part F of the PQQ:

- the Applicant (including, where the 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 Applicant will rely to operate the Franchise (whether or not an Affiliate of the Applicant);
- any key sub-contractor (whether or not an Affiliate of the Applicant) whose resources (including management, manpower, equipment and knowhow) the Applicant will use to operate the Franchise; and
- any key sub-contractor (whether or not an Affiliate of the Applicant) which uses the same resources (including management, manpower, equipment and knowhow) that will be used to operate the Franchise,

(A key sub-contractor for the purposes of this Part G is a sub-contractor who will be relied on by the Applicant for their experience and expertise for the purpose of responding to the questions in Part F)

the information requested in this Part G for:

- any passenger transport contract or operation in which the relevant entity has been engaged within the last three years, and which has an annual revenue of at least £40 million; and
- any other contract or operation which has been referenced in your response to Part F.

Please provide details of:

- a) any instances of material contractual non-compliance or breach (whether or not an entitlement to damages arose);
- b) any failure to meet the performance requirements of a contract or operation;
- c) any suspension or termination (other than through expiry of the term);

- d) any failure to receive a contract renewal on grounds of unsatisfactory performance; or
- e) any material pending or threatened litigation or other legal proceedings related to performance,

And any measures taken by the relevant entity both to mitigate the adverse consequences of any such issue(s), and to prevent such issues from recurring in the performance of the Franchise.

For each contract or operation, please provide the name of a person within the customer organisation (or equivalent) from whom the Authority may request a reference. The Authority reserves the right to contact any such organisation to ask them to complete a reference, to verify the information provided by the Applicant, or to request further information as part of this PQQ process or at any subsequent stage of the procurement.

Applicants must indicate below whether a particular contract or operation has been referenced in response to Part F.

Name of contract or operation and brief description	
Start and end date	
Details of customer organisation (or equivalent), name of contact and contact details	
Annual revenue of contract or operation	
Is the contract or operation referenced in response to Part F? If so, please state where.	

## DECLARATIONS AND AUTHORISATIONS

Please ensure that:

You have ticked the appropriate boxes to confirm that you have completed, and returned, all applicable questions in the following sections:

Part A	
Part B	
Part C	
Part D	
Part E	
Part F	
Part G	
Declaration	

- You have attached all documents requested, identifying appendices by section number;
- Any additional sheets clearly identify the section and questions being answered; and
- You have read and signed the declaration below.

### **APPLICANT'S DECLARATION**

***(Where the Applicant is an unincorporated joint venture or a consortium, this declaration should be given by each of the members of that joint venture or consortium)***

I make the following declaration without prejudice to the generality of my obligations under the FLPA.

I certify that the information supplied is accurate to the best of my knowledge and I accept the conditions and give the undertakings requested in the PQQ. I understand and accept that false information, or the omission of relevant information, could result in exclusion from the tendering process or rejection of our tender and that the Authority may consult any public register, authority, any other person or its own records to verify the information or answers given. If requested by the Authority, I undertake to provide the Authority with any evidence it may reasonably request to verify the information or answers provided.

I confirm that, where the Applicant has provided any details of a customer organisation (or equivalent) under Part G of this PQQ, the Applicant will take all reasonable steps to assist the Authority to obtain the information it reasonably requires from the customer organisation (or equivalent), and will authorise the customer organisation (or equivalent) to disclose to the Authority the information the Authority reasonably requires.

I confirm that the Applicant is or will be a single purpose entity formed solely to undertake the operation of the Franchise.

I confirm the Applicant's ability to meet, and intention to make available, the Funding Requirement of the Franchise applied for, as outlined in the Prospectus.

I also undertake that if at any point following the signing of this declaration there is a change in circumstances such that this declaration may no longer be deemed to be true and accurate in its entirety I shall inform the Authority accordingly without delay.

I agree that the Authority may disclose the Applicant's information/documentation (submitted to the Authority during this franchise letting process) more widely within Government for the purpose of ensuring effecting cross-Government procurement processes, including value for money and related purposes.

**THIS UNDERTAKING IS TO BE SIGNED BY AN AUTHORISED REPRESENTATIVE ON BEHALF OF THE APPLICANT.**

Name of Applicant: \_\_\_\_\_

Signed on behalf of Applicant: \_\_\_\_\_

Position/status in Applicant's organisation: \_\_\_\_\_

Date: \_\_\_\_\_

**GUARANTOR'S DECLARATION**

***(Where the Applicant is seeking to use multiple Guarantors, this declaration should be given by each Guarantor)***

I make the following declaration without prejudice to the generality of my obligations under the FLPA.

I certify that the information supplied is accurate to the best of my knowledge and I accept the conditions and give the undertakings requested in the PQQ. I understand and accept that false information, or the omission of relevant information, could result in the Applicant's exclusion from the tendering process or rejection of its tender and that the Authority may consult any public register, authority, any other person or its own records to verify the information or answers given. If requested by the Authority, I undertake to provide the Authority with any evidence it may reasonably request to verify the information or answers provided.

I confirm that the Applicant named above is authorised to act as the principal contact on behalf of the Guarantor in dealings with the Authority.

I confirm the Guarantor's ability to meet, and intention to make available, the **Funding Requirement** of the Franchise applied for, as outlined in the Prospectus.

If at any point following the signing of this declaration there is a change in circumstances such that this declaration may no longer be deemed to be true and accurate in its entirety I shall inform the Authority accordingly without delay.

In particular, I shall provide any audited annual accounts or credit rating updates issued in relation to the Guarantor following submission of this PQQ to the Authority without delay.

I agree that the Authority may disclose the Guarantor's information/documentation (submitted to the Authority during this franchise letting process) more widely within Government for the purpose of ensuring effecting cross-Government procurement processes, including value for money and related purposes.

**THIS UNDERTAKING IS TO BE SIGNED BY AN AUTHORISED REPRESENTATIVE ON BEHALF OF THE GUARANTOR.**

Name of Guarantor: \_\_\_\_\_

Signed on behalf of Guarantor: \_\_\_\_\_

Position/status in Guarantor's organisation: \_\_\_\_\_

Date: \_\_\_\_\_