



Rail Executive

Rail Franchising Programme

Prior Information Notice

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Department for Transport

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Prior Information Notice

The following Prior Information Notice was sent on 10th October 2014 for publication in the Official Journal of the European Union.

Section I: Contracting Authority

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

Rail Franchising, Department for Transport, 4/13 Great Minster House, 33 Horseferry Road, London, SW1P 4DR, United Kingdom

Email: railfranchising@dft.gsi.gov.uk

URL: <https://www.gov.uk/government/organisations/department-for-transport>

URL: <https://www.gov.uk/government/organisations/department-for-transport/series/rail-franchising>

Contact: Rail Franchising Directorate, Attn: Mrs. Sarah Collins, Head of the Franchise Procurement Unit

Further information can be obtained at: As Above

I.2) Type of the contracting authority:

Ministry of Transport

I.3) Main activity:

Other: Rail Transport

I.4) Contract award on behalf of other contracting authorities:

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

Section II.B: Object of the Contract (Supplies or Services)

II.Services.1

II.1) Title attributed to the contract by the contracting authority:

Contracts to operate Passenger Railway Services

II.2) Type of contract and place of delivery or of performance

Service category No: 18 Region Codes: UK - UNITED KINGDOM

II.3) Short description of nature and quantity or value of supplies or services:

Introduction

This Rail Franchising Programme Prior Information Notice sets out:

- The aims of the UK Government in its continued franchising of passenger railways;
- The market opportunity offered by the UK Department for Transport's Schedule of new competitions for passenger rail franchises over the next 8 years; and
- How to become involved in the process and secure the relevant information to enable participation

More information can be found on the Department for Transport's website:

<https://www.gov.uk/government/organisations/department-for-transport/series/rail-franchising>

Invitation to interested parties

The Department for Transport's Rail Executive is seeking expressions of interest from organisations, including any national or international company, consortium or not-for-profit organisation, that can demonstrate the necessary financial strength, managerial capability, behaviour and experience to be considered for the award of a franchise contract for the effective delivery of passenger services in England and Wales and those cross-border services into Scotland for which Rail Executive is responsible.

As well as those with a current or previous involvement, Rail Executive wants to encourage new entrants that have an interest in the rail passenger market.

Potential new entrants, in particular, are invited to initiate further discussions with Rail Executive to learn more about the franchising market and the procurement process.

Rail Executive can also signpost bidders towards other organisations that may be able to provide additional help and guidance, such as the Office of Rail Regulation (ORR), United Kingdom Trade and Investment (UKTI) and Network Rail.

Rail Executive holds an annual Industry Day where current and interested suppliers or investors can hear more about the passenger rail opportunities.

To express an interest and receive further information about future events and how to engage with Rail Executive, all organisations are asked to register by email at railfranchising@dft.gsi.gov.uk.

Aims of franchising

Rail Executive seeks to appoint delivery partners who will support its vision of providing world class train services that drive economic growth, exceed passenger expectations and deliver value for money for passengers and taxpayers.

Rail Executive wishes to use competitions to secure the most cost effective and value for money operation of rail services from providers, who will continuously seek to improve services for passengers.

Some franchisees will have to deliver significant and challenging projects involving fleet and infrastructure that will lead to passenger benefits over the life of the contracts.

All delivery partners must meet their legal safety responsibilities, play a full and effective role in the drive for a safer railway and deliver continuous improvement in the health and safety of passengers, the workforce and the public.

Specifically, Rail Executive is seeking interest from parties who can demonstrate how they will:

- Make the effort to understand and place the needs of passengers at the centre of all aspects of their business planning and operations.
- Develop and realise the full potential within existing rail markets, grow new markets, spread demand and improve seat utilisation, innovate and invest in partnerships to tackle capacity constraints and improve industry planning for demand.
- Deliver consistently excellent standards in customer service, including train and station presentation, passenger information and retail facilities. This can be achieved by using technical innovations and by investing in new solutions where the case merits it.
- Invest in and deliver consistently excellent train and station facilities and services, as well as managing journey disruption in ways that measurably impress passengers, minimise their inconvenience and allow them to make informed and up-to-the minute decisions on travel.
- Increase the long term value of passenger railways and their resources and assets. This may be achieved through improvements in overall management, cost efficiency and investment.
- Support Rail Safety and Standards Board (RSSB) and Office of Rail Regulation (ORR) in their roles to improve safety on the railways and achieve adherence to industry safety standards.
- Achieve benefits across the industry, including improved efficiency, performance and planning by working jointly or in alliance with other industry members and stakeholders. This will help to reduce industry costs by £3.5 billion a year by 2019, as identified in the Rail Command Paper “Reforming our Railways: Putting the Customer First”.
- Work in partnership with central and local government, transport authorities and key stakeholders to deliver affordable and sustainable long term socio-economic benefits for communities served by these passenger railways.
- Invest in new solutions that reduce the industry's energy consumption, waste, carbon emissions and other harmful environmental effects.
- Seek to invest in and harness the very best in technology, innovation, sustainability and access improvements to provide efficient and inclusive transport for all passengers.
- Develop greener strategies for door-to-door journey solutions including better and more efficient connectivity with other transport modes.

- Work inclusively with the industry and wider supply chain, involving small and medium enterprises and academic institutions to promote opportunities for economic inclusion.
- Work collaboratively with freight operators and logistics businesses to maximise access to the network and to explore commercial opportunities.

Behaviours and Values

Rail Executive is looking for contracting partners who exhibit certain behaviours and values that will contribute towards the success of contracting out passenger rail services through the Franchising Programme.

These are as follows:

- We are looking for contracting partners who will work with us collaboratively and flexibly in meeting changing passenger expectations and helping to promote growth.
- We expect organisations to be market and customer-led, resilient to adversity and with the dynamism and flexibility to take advantage of market developments.
- We want our contracting partners to demonstrate a real commitment to investing in and developing their workforce and to work with us to make the rail industry the career of choice for our brightest and best.
- We are looking for a commitment to the sustained success and good reputation of franchised rail services and GB Rail as a whole.
- We want our contract partners to develop long term and effective relationships with stakeholders, contractors and Rail Executive.
- We want partners who ensure all sectors of the community can access their services and who work to remove anything which might hinder this.

For our part, Rail Executive is committed to the following behaviours and values in our work with you. We aim to be:

- **Joined Up**, out of respect for our colleagues, our railway, our transport network.
- **Open** and honest with industry partners, while listening and learning from them.
- **Confident** professionals, trusting and trusted.
- **Ambitious** solution-oriented champions of the best ideas for world-class rail services.

The Schedule

The Rail Franchising Schedule is as follows. It is also available at the Department's website:

<https://www.gov.uk/government/organisations/department-for-transport/series/rail-franchising>

Franchise	Direct Award Start	Direct Award End	Publish OJEU	Issue ITT	Contract Award	Franchise Start	Franchise End
Essex Thameside					June 2014	November 2014	September 2029
TSGN					May 2014	September 2014	September 2021
East Coast				March 2014	November 2014	March 2015	March 2023
Northern	April 2014	February 2016	June 2014	December 2014	October 2015	February 2016	
TransPennine Express	April 2015	February 2016	June 2014	December 2014	October 2015	February 2016	
East Anglia	July 2014	October 2016	March 2015	August 2015	June 2016	October 2016	
West Coast	June 2014	April 2017	August 2015	January 2016	November 2016	April 2017	
West Midlands	April 2016	June 2017	November 2015	April 2016	February 2017	June 2017	
East Midlands	October 2015	October 2017	March 2016	August 2016	June 2017	October 2017	
South Eastern	October 2014	June 2018	November 2016	April 2017	February 2018	June 2018	
Wales & Borders			March 2017	August 2017	June 2018	October 2018	
Great Western	September 2015	March 2019	August 2017	January 2018	November 2018	March 2019	
South Western	February 2017	April 2019	September 2017	February 2018	December 2018	April 2019	
Cross Country	October 2016	October 2019	April 2018	September 2018	July 2019	October 2019	
Chiltern			May 2020	October 2020	August 2021	December 2021	

The Rail Franchising Schedule includes dates for the planned Direct Awards to incumbent rail operators as well as the Franchise Competitions.

The Direct Award dates have been added to the Franchising Schedule to give the market and the supply chain a clear picture of the negotiations that Rail Executive is planning to undertake with incumbent rail operators to support the Franchising Programme. The purpose of the Direct Awards is to ensure continuity of service and the preservation of a rail market until the franchise competitions can be held. The Direct Awards will enable the smoother arrangement of franchise competitions, broadly based on 3 to 4 competitions a year.

The Secretary of State has operator of last resort duties under Section 30 of the Railways Act 1993. In parallel with the Direct Award negotiations outlined above, the Secretary of State has instructed Directly Operated Railways, a government-owned company, to draw up minimum preparatory measures to operate train services for a range of franchises should Rail Executive fail to agree terms on the necessary Direct Awards.

Rail Executive will issue individual project PINs for the Direct Awards in accordance with the requirements of Regulation (EC) No 1370/2007. In any instance where there is an inconsistency between the information contained in an individual project Direct Award PIN and the Rail Franchising Schedule PIN, the individual project PIN will prevail.

Rail Executive will continue to publish the Programme PIN annually. However, if there are any significant changes to the franchising dates, Rail Executive will endeavour to alert the market to these; for this reason, we are publishing a supplementary PIN release.

Franchise term

The franchise term will be set following consideration of the circumstances of each operation and will be assessed on a case by case basis for each competition and Direct Award.

Franchise Procurement Process

A high level **Franchise Procurement Process Map** explaining the key stages, critical decision points and principal considerations at each stage was published on the Department's website in April 2013.

The map is available at the following address:

<https://www.gov.uk/government/organisations/department-for-transport/series/rail-franchising>.

The Department also published the **Franchising Competition Guide** in June 2013. This describes a generic franchise competition process that the Department will follow in procuring rail passenger franchises. The guide can be found at: <https://www.gov.uk/government/publications/franchise-competition-process-guide>

Since publication of the Franchising Competition Process Guide, the Department for Transport has continued to develop and refine its processes; revisions will be published in due course.

Brown Review

The Department for Transport has implemented a number of the recommendations from the Brown Review and a detailed response to this review can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/211639/brown-government-response.pdf

Rail Executive

Rail Executive is the team within the Department for Transport responsible for rail.

Rail Executive's role is to set the Government's strategy and high level outputs for rail transport, agree investments, and negotiate and manage contracts to deliver these.

Our mission is to lead a world-class railway that creates opportunity for people and businesses.

To achieve this we aim to:

- Ensure **passengers** benefit from a high-performing, affordable railway.
- Keep **cities** moving and connect communities, at an acceptable cost to the taxpayer.
- Create the conditions for a flourishing internationally competitive **rail sector**, including supply chain.
- Improve international access and grow **freight** markets.

Our strategic objectives are:

- Meeting demand for the network: Tackle capacity constraints, grow new markets and support wider housing and economic development plans.
- Growing an efficient railway: Improve efficiency, spread demand, reduce costs and increase the long term value of the railway.
- Providing a world class passenger experience: Increase standards in customer service, train performance and station facilities and modal integration.
- Improve safety and environmental outcomes: maintaining rail as a safe, resilient and green mode of transport: promoting environmental sustainability; and improving safety and security.
- Improving social inclusion, accessibility and modal integration.

Section 26(1) Policy Statement

The Secretary of State's statement of his policy made under Section 26(4A) of the Railways Act 1993 can be found at: <https://www.gov.uk/government/organisations/department-for-transport/series/rail-franchising>. This statement indicates when passenger rail services are likely to be procured through an open competition and when they might be procured by other means.

II.4) Common Procurement Vocabulary:

60200000 - Railway transport services.

60210000 - Public transport services by railways.

II.5) Scheduled date for start of award procedures:

II.6) Information about Government Procurement Agreement (GPA):

The contract is covered by the Government Procurement Agreement (GPA):

Yes

II.7) Additional Information:

Competitions in 2014/15

The Department for Transport has concluded the competitions for the Essex Thameside and Thameslink, Southern and Great Northern (TSGN) franchises, with the InterCity East Coast (ICEC) competition currently undergoing evaluation.

The Northern and TransPennine Express franchise competitions have reached the stage where bidding parties have been shortlisted and announced in anticipation of the ITT release. These competitions are now closed to further participants.

Section III: Legal, Economic, Financial and Technical Information

III.1) Conditions relating to the contract

III.1.1) Main financing conditions and payment arrangements and/or reference to the relevant provisions governing them:

Not Provided

III.2) Conditions for Participation

III.2.1) Information about reserved contracts: Not Provided

Section VI: Complementary Information

VI.1) Information about European Union funds: No

VI.2) Additional Information:

This is a voluntary notice which sets out the Secretary of State's intentions for the Rail Franchising Schedule. Rail Executive reserves the right to vary or alter the process and timescales herein, to the extent permitted by applicable law.

VI.3) Information on General Regulatory Framework

Relevant governmental websites where information can be found:

Not Provided

VI.4) Date of Dispatch of This Notice: 10th October 2014