



# Rail Executive

## Rail Franchising Programme

## Prior Information Notice

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# Prior Information Notice

The following Prior Information Notice was sent on 20 November 2015 for publication in the Official Journal of the European Union.

## **Section I: Contracting Authority**

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

Rail Executive – Passenger Services, Department for Transport, 4/13 Great Minster House, 33 Horseferry Road, London, SW1P 4DR, United Kingdom

*Email:* [railfranchising@dft.gsi.gov.uk](mailto: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 Executive – Passenger Services, *Attn:* Mrs. Sarah Collins, Head of Procurement Excellence

*Further information can be obtained at:* As Above

### ***I.2) Type of the contracting authority:***

Ministry of Transport

### ***I.3) Main activity:***

*Other:* 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) Information on framework agreement:***

The notice involves the establishment of a framework agreement: no

## ***II.4) 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**

Rail Executive – Passenger Services will be seeking, through open competition, delivery partners to operate franchised passenger rail services in England and Wales and those cross-border services into Scotland for which Rail Executive is responsible. We are inviting expressions of interest from organisations, including national or international companies, consortiums or not-for-profit organisations, which can demonstrate the necessary financial strength, managerial capability, behaviours and relevant commercial experience to be considered for the award of a franchise contract.

As well as those with a current or previous involvement, Passenger Services wants to encourage new entrants into the passenger rail market. Potential new entrants in particular are invited to initiate further discussions with Passenger Services to learn more about the franchising market and the procurement process.

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

Rail Executive holds an annual Rail Industry Day where existing and potential suppliers and investors can hear more about passenger rail opportunities and our vision for the railway.

To participate in the competitions detailed below, you must hold a Rail Franchise PQQ Passport. If you do not currently hold one, you must have made your Passport application by the Application Date for the Franchise competition you are interested in. Note that holding a Passport allows you to express an interest in all future competitions

(during the lifetime of the Passport), without the need to resubmit certain information for each competition, therefore reducing the burden on you. Please see the latest Passport notice on OJEU and visit the GOV.UK website for more details on the Rail Franchise PQQ Passport.

To receive further information about future events and how to engage with Passenger Services, please register by email at [railfranchising@dft.gsi.gov.uk](mailto:railfranchising@dft.gsi.gov.uk).

## **Aims of the Rail Franchising Programme**

Through franchising, Passenger Services aims to encourage a flourishing, competitive passenger rail market which secures high-performing, value for money services for passengers and taxpayers whilst driving cost effectiveness. We aim to stimulate innovation in order to advance our vision of a world-class railway that creates opportunity for people and businesses, including by promoting continuous improvements in passenger experience and boosting the efficiency and sustainability of the railway.

In particular, our competitions will be aimed at achieving:

- A railway in which passengers are understood and their needs placed at the centre of business planning and operations;
- An excellent experience for passengers, with customer service, train and station facilities and journey information, particularly during disruption, that exceed their expectations;
- Seamless travel for all, through improvements in accessibility;
- Increased capacity and improved demand planning, alongside the development of existing markets and the cultivation of new ones;
- Better, simpler door-to-door journeys, including through greater interconnectivity between rail and other modes of transport;
- An ever-safer environment for passengers and all those who work on the railway, by maintaining and improving health and safety standards;
- The smooth implementation of major infrastructure and rolling stock projects and the full realisation of the benefits they offer;
- An increase in the long term value of the railways through investment, cost efficiency and improved management;
- An industry which is sustainable and a reduction in its environmental impact;

- An industry which is joined up and works collaboratively with its members, including small and medium enterprises, and with local and national stakeholders to achieve benefits for all, including broad-ranging socio-economic benefits for communities and for the country as a whole.

## **Our Delivery Partners**

Passenger Services will actively be seeking delivery partners who not only support, but embrace our aims for franchising and strive always to achieve them by playing a full and effective role in the passenger rail industry.

As well as fulfilling their contractual and other legal responsibilities, we will be looking for delivery partners to exemplify certain behaviours and values which we believe will contribute to the success of our Rail Franchising Programme:

- An inclusive, passenger-centric and market-led approach;
- An eagerness to develop long-term, open and honest relationships and to work collaboratively, not only with Rail Executive but with all public and private industry stakeholders, in order to seek and implement innovative solutions and explore commercial opportunities;
- The dynamism, flexibility and resilience to respond positively to passenger and market developments and to seize opportunities;
- To be forward-looking and have an enthusiasm for innovation;
- A willingness to invest in workforce development and to helping promote the rail industry as a career of choice;
- A commitment to the sustained success and good reputation of rail franchising and of our railways as a whole.

## **Rail Executive – Passenger Services**

Rail Executive – Passenger Services was formed in November 2014 to bring together the key passenger-facing functions of Rail Executive, including the letting and management of franchise contracts, into one team, and to renew our focus on placing passengers at the heart of everything we do. Passenger Services is an integral part of Rail Executive and of the Department for Transport.

Our new organisation adopts an integrated, market-based approach, which enhances our ability to take a long-term, strategic view of the railway, promotes collaborative working and promotes the development of a solid knowledge base.

For our delivery partners, this means more seamless transitions from each stage of the procurement process to the next, straightforward communications and strong relationships with confident, connected professionals within Passenger Services.

We believe that industry is key to bringing about the change that passengers want to see. With that in mind, we commit always to be joined-up, open and honest, confident and ambitious, as we work with you to achieve our vision of a world-class railway that creates opportunity for people and businesses.

## 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	Passport Application Date (Deadline for non-passport holders)	Issue of Franchise EOI	Issue ITT	Contract Award	Franchise Start	Franchise End
Essex Thameside							Nov 14	Sep 29
TSGN							Sep 14	Sep 21
East Coast							Mar 15	Mar 23
Northern	Apr 14	Apr 16				Dec 15	Apr 16	Apr 25
TransPennine Express	Apr 15	Apr 16				Dec 15	Apr 16	Apr 23
East Anglia	Jul 14	Oct 16			Sep 15	Jun 16	Oct 16	Oct 25
South Western			Oct 15	Nov 15	Apr 16	Feb 17	Jun 17	
West Midlands	Apr 16	Oct 17	Oct 15	Dec 15	Jul 16	Jun 17	Oct 17	
West Coast	Jun 14	Apr 18	Mar 16	Jun 16	Nov 16	Nov 17	Apr 18	
East Midlands	Oct 15	Mar 18	Apr 16	Jul 16	Dec 16	Oct 17	Mar 18	
South Eastern	Oct 14	Jun 18	Aug 16	Nov 16	Apr 17	Feb 18	Jun 18	
Wales & Borders*			Dec 16	Mar 17	Aug 17	Jun 18	Oct 18	
Great Western	Sep 15	Mar 19	May 17	Aug 17	Jan 18	Nov 18	Mar 19	
Cross Country	Oct 16	Oct 19	Jan 18	Apr 18	Sep 18	Jul 19	Oct 19	
Chiltern			Feb 20	May 20	Oct 20	Aug 21	Dec 21	

\*November 2014 agreement in principle to transfer executive rail franchising functions to the Welsh Government to lead on procuring the next franchise.

The proposed dates for the next round of Rail Franchises are as follows:

TSGN			Nov-19	Feb-20	Jul-20	May-21	Sep-21	
East Coast			May-21	Aug-21	Jan-22	Nov-22	Mar-23	
Northern			May-23	Aug-23	Jan-24	Nov-24	Mar-25	
TransPennine Express			Jun-21	Sep-21	Feb-22	Dec-22	Apr-23	

East Anglia			Dec 23	Mar 24	Aug 24	Jun 25	Oct 25	
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Passenger Services will continue to publish the Programme PIN at least annually. However, if there are any significant changes to the franchising dates, Passenger Services will endeavour to alert the market to these which may be by publishing a supplementary PIN.



## **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.

## **Direct Awards**

The Rail Franchising Schedule includes dates for the planned Direct Awards to incumbent rail operators as well as the Franchise Competitions to give the market and the supply chain a clear picture of Passenger Services' planned negotiations. The Direct Awards enable a smoother arrangement of franchise competitions by ensuring continuity of service and the preservation of a rail market until the franchise competitions are held.

Passenger Services will issue individual project PINs for the Direct Awards in accordance with the requirements of Regulation (EC) No 1370/2007. Subsequent project PINs will take precedence over this PIN in case of inconsistency.

The Secretary of State has duties under Section 30 of the Railways Act 1993 to maintain the operation of passenger rail services, which would come into play should Passenger Services fail to agree terms on the necessary Direct Awards.

## **Franchise Procurement Process**

The Department 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. Since publication of the Guide, the Department for Transport has continued to develop and refine its processes. A revised version of the Guide was published on 07<sup>th</sup> July 2015 and can be found at: <https://www.gov.uk/government/publications/franchise-competition-process-guide>

## **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.5) Common Procurement Vocabulary:***

60200000 - Railway transport services.

60210000 - Public transport services by railways.

### ***II.6) Scheduled date for start of award procedures:***

**II.7) Information about Government Procurement Agreement (GPA):**

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

Yes

**II.8) Additional Information:**

**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. Passenger Services 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:** 20 November 2015